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TPS GROUP: STRONG GROWTH AND CONSOLIDATION IN 2021

The Board of Directors approves the draft financial statements and consolidated financial statements of the Group at 31 December 2021, proposing the distribution of a € 0.06 dividend per share

- Revenue: € 37.6 million (+21% on 2020)
- EBITDA: € 7.6 million (+45% on 2020)
- Adjusted Net Profit: € 3.7 million
- Net Financial Position: € (16.8 million) before the application of IFRS16

Gallarate (VA), 25 March 2022 – TPS S.p.A. (TPS: IM), the operational holding company of the TPS Group, a leader in the aeronautical and automotive engineering and technical services sector (“TPS” or the “Company” or “Issuer”), announces that the Board of Directors today approved the Group's consolidated financial statements and the financial statements of TPS S.p.A. for the financial year ended 31 December 2021.

The Board of Directors also resolved to propose to the Shareholders' Meeting, which has been convened on first call for 27 April 2022, and if necessary, on second call on 29 April 2022, the distribution of a gross dividend of € 0.06 for each outstanding share, according to the following schedule: ex-dividend date (ex-date) **9 May 2022**, date of eligibility to receive the dividend (record date) **10 May 2022** and date of dividend payment (payment date) **11 May 2022**.

The results for 2021 show a clear recovery compared to 2020, a year that saw a spike in the economic problems generated by the Covid-19 health crisis.

The Chairman of the Board of Directors, Alessandro Rosso commented as follows:

“2021 marks a recovery in our Group’s growth and development pathway. This despite the fact that significant problems still related to the pandemic were experienced during the year, creating situations that slowed down or delayed certain projects that we are working on. Over these two years, the Company was able to reorganise itself by increasing its competitiveness, flexibility and quality, and managing to develop services that can create increasing added value for our Customers. The economic and financial results for 2021 are proof that the pathway undertaken is solid and sustainable. This solidity is based on the trust that our customers show us every day, on the expertise and professionalism of our employees and executive skills of management. These elements make us a winning Group capable of facing new and increasingly demanding challenges.”

Key consolidated results at 31 December 2021

The consolidated financial statements were prepared on the basis of the financial statements for the year ended 31 December 2021 of the Issuer as well as the other Group companies within the scope of consolidation, including Air Support International S.r.l., Aviotrace Swiss SA, Dead Pixels S.r.l., EMTB S.r.l., Satiz Technical Publishing & Multimedia S.r.l., Satiz Poland sp. z o.o. and Stemar Consulting S.r.l.

Revenue amounted to Euro 37.6 million, has increased by 21% compared to Euro 31 million in 2020. Growth is the consequence of the commercial and operational activities carried out by the TPS Group, whilst locking in to the recovery of the industrial sectors in which it operates.

More specifically, the TPS Group is structured as a transversal organization to individual companies and is based on 4 Strategic Business Units: *Technical Publishing & Training, Engineering & Cost Engineering, Avionic Services & Informative Technologies, Digital Content Management*.

EBITDA in 2021 amounted to Euro 7.6 million, a 45% increase compared to Euro 5.3 million in 2020, corresponding to an **EBITDA margin** of 20% (17% in 2020). **EBIT**, equalling Euro 5.4 million, also grew compared to 2020, when it was Euro 2.5 million.

Net Adjusted Profit amounting to **Euro 3.7 million**, considered net of extraordinary expenses, mainly referred to the exit of certain components no longer necessary to the TPS Group's industrial project.

Net Profit amounted to € 3.6 million, of which **€ 3.4 million attributable to the Group**. Net profit more than doubled on the Euro 1.5 million in 2020.

The **consolidated net financial position**, before the application of IFRS 16, improved significantly, going from € (7.9) million in 2020 to € (16.8) million in 2021. As a result of the impact of the aforementioned standard on rights-of-use and leases, the NFP decreased to € (14.6 million) compared to € (5.1 million) in 2020. Growth is attributable to the generation of operating cash and improved working capital performance.

Key TPS results at 31 December 2021

Revenue amounted to Euro 19.7 million compared to Euro 10.5 million in 2020, thanks to the increased technical and design services provided to the aeronautical sector. Of note, is the effect of the consolidation of the companies merged by incorporation at the beginning of the year. Net of the above, the turnover would still register organic growth of 15%.

EBITDA was at € 3.95 million, up on the € 1.75 million in 2020, and with an **EBITDA margin** of approximately 20%. **EBIT** equalled € 3.2 million (€ 1.2 million in 2020).

Net Profit went from Euro 0.9 million in 2020 to Euro 2.3 million in 2021.

The **net financial position** was Euro (9.9 million) compared to Euro (4.5 million) at 31 December 2020. Growth is attributable to the generation of operating cash and improved working capital performance.

Business Outlook

The start of the 2022 financial year was still experiencing certain negative repercussions from the health crisis triggered by the Covid-19 pandemic. In particular, this affected the cost of raw materials, impacting on the production levels of some of our important customers and, inevitably, on their ability to develop the technologies that TPS was working on or should have been working on. In this sense, there is still uncertainty regarding how certain industrial sectors will be repositioned, in particular the automotive sector, and, consequently, the type and extent of technical services that will need to be provided. This situation calls for continued attention and an ability to adapt across our entire organization.

Added to this situation, are the geopolitical and economic consequences triggered by Russia's invasion of Ukraine. The surge in energy and fuel costs could slow down the post-pandemic recovery, a situation that the industrial segment cannot easily evade. For TPS, the situation could have some financial repercussions regarding the technical services provided to the aeronautical sector and Oil & Gas, with the extent of this currently estimated as being minor.

In recent years, the TPS Group has been able to significantly diversify its commercial positioning, thus increasing its resilience when faced with exceptional events. The Company was successful in overcoming the effects of the 2020-2021 global crisis, expanding its scope and increasing its sustainability indices, a condition that has placed us in a favourable position to deal the challenges we now face. The TPS Group's management outlook for 2022 will therefore continue to search for new opportunities for organic growth and external lines.

Allocation of profit for the period

TPS S.p.A.'s financial statements at 31 December 2021 show a profit of € 2,325,995.

The Board of Directors resolved to propose to the Shareholders' Meeting that profit for the year is allocated as follows:

- Euro 550 to the legal reserve
- The distribution of a gross dividend of Euro 0.06 per share for a total of Euro 435,592
- Euro 1,889,853 to the extraordinary reserve

Calling of the Ordinary Shareholders' Meeting

During today's meeting, the TPS Board of Directors resolved, *inter alia*, to call the Ordinary session of the TPS Shareholders' Meeting, on 27 April 2022 on first call and, if necessary, on 29 April 2022 on second call, to resolve on the following agenda:

1. Approval of the TPS S.p.A. Financial Statements as at 31 December 2021, presentation of the 2021 Group Consolidated Financial Statements and allocation of the profit for the period. Relative and consequent resolutions;
2. Appointment of a Board Member. Relative and consequent resolutions;
3. Appointment of independent auditors pursuant to Article 13 of Italian Legislative Decree 39/2010. Relative and consequent resolutions.

The call notice will be published in the *Investor Relations, Shareholders' Meeting* section of the Issuer's website www.tps-group.it, and in the Official Gazette and on the website www.borsaitaliana.it in the Shares/Documents section in accordance with legal and statutory requirements.

The documentation required in terms of applicable legislation regarding the aforementioned matters will be made available at the Company's registered office and under the *Investor Relations Section, Sustainability Report* of the Issuer's website www.tps-group.it and in the Shares/Documents section on the website www.borsaitaliana.it in accordance with legal requirements

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The reclassified data of the Income Statement, Balance Sheet and Cash Flow Statement at 31 December 2021 (both consolidated and for the year for TPS) follow below. The data is currently being certified by the appointed Independent Auditor.

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This press release is available online at www.tps-group.it (Investor Relations/Communications Section)

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TPS S.p.A. is the operational holding company of the TPS Group, a leader in technical and engineering services for the aeronautical industry, with a particular focus on the helicopter segment. TPS has been a Borsa Italiana "Elite" listed company since 2016.

The TPS Group works in the aeronautical, automotive, defence, railway, naval and cable transport systems sectors, providing Technical Publishing & Training, Engineering, Design and Cost Engineering, Avionic Software Development and Systems Integration, Digital Content Management. The TPS Group's clients include leaders in the design and production of aircraft and aeronautical components, as well as leaders in the automotive, railway, defence and cable transport systems manufacturing sector.

ISIN code ordinary shares: IT0005246142 – Ordinary Share Ticker: TPS

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Consolidated economic, financial and operational statements

TPS GROUP

	Consolidated financial statements 2021	Consolidated financial statements 2020
CONSOLIDATED INCOME STATEMENT		
Value of production	37.566.393	30.997.525
Costs for materials and services	(8.457.322)	(6.653.820)
Added value	29.109.072	24.343.705
Personnel costs	(21.203.133)	(18.923.683)
Other operating costs	(274.703)	(144.254)
Gross operating profit (EBITDA)	7.631.235	5.275.768
Depreciations, amortisations and impairments	(2.188.402)	(2.789.008)
Operating result	5.442.833	2.486.760
Financial expenses and income	(218.397)	(220.967)
Extraordinary expenses and income	(160.536)	(90.240)
Pre-tax profit (loss)	5.063.899	2.175.553
Taxes	(1.498.416)	(619.066)
Consolidated operating result	3.565.483	1.556.488
Adjusted Net Profit	3.726.020	1.646.728
Group profit/loss	3.447.539	1.506.499

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	Consolidated financial statements 2021	Consolidated financial statements 2020
Subscribed capital, unpaid	-	-
Intangible assets	3.953.286	4.255.772
Property, plant and equipment	2.866.739	3.263.709
Financial assets	230.059	207.213
Total assets	7.705.083	7.726.694
Trade receivables	14.528.196	16.318.395
Trade payables	(2.986.738)	(2.108.123)
Working Capital	11.541.458	14.210.272
Other assets	1.337.781	1.709.018
Other liabilities	(5.171.768)	(3.924.191)
Other assets and liabilities	(3.833.987)	(2.215.174)
Provisions for risks and charges	(24.050)	(25.360)
Post-employment benefits provision (TFR)	(4.992.621)	(3.940.311)
Total Provisions	(5.016.671)	(3.965.671)
Net Invested Capital (N.I.C.)	9.740.883	15.756.121
Equity	20.311.243	18.966.761
Equity non-controlling interests	430.723	325.721
Profit/loss attributable to Group	3.447.539	1.506.499
Profit/loss attributable to non-controlling interests	117.945	49.989
CONSOLIDATED EQUITY	24.307.450	20.848.971
Net financial debt (NFP)	(14.566.567)	(5.092.850)
To cover N.I.C.	9.740.883	15.756.121
Details of TPS GROUP NFP	Consolidated financial statements 2021	Consolidated financial statements 2020
Payables to credit institutions	46.780	91.667
Payables to other lenders	976.232	1.503.246
Cash and cash equivalents	(17.865.617)	(9.504.411)
Lease payables	314.174	341.219
Rights-of-use payables	1.961.864	2.475.429
	(14.566.567)	(5.092.850)

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT	Financial period	
	2021	2020
Profit (loss) for the year before taxes	5.030.506	2.078.865
Adjustments for:		
- non-monetary items - Change in inventories	12.183	-
- non-monetary items - Net impairment (reversal) of fixed assets	-	-
- non-monetary items - provisions /(releases)	16.880	31.100
- non-monetary items - depreciations and amortisations	2.171.522	2.757.908
Adjusted profit (loss) for the year before taxes	7.231.091	4.867.873
Cash and cash equivalents from operations		
- Income taxes	(1.456.917)	(579.270)
Other adjustments without cash flow	(8.105)	56.893
Total	(1.465.022)	(522.377)
Changes in working capital:		
(Increase)/decrease in trade receivables	2.571.864	(225.082)
Change in payables to suppliers	689.763	(667.028)
Other changes	891.207	(514.776)
Changes in other provisions	566.961	275.622
Total	4.719.795	(1.131.264)
Cash flows from operating activities (1)	10.485.864	3.214.232
Investments:		
- Property, plant and equipment	(582.969)	(947.584)
- Intangible assets	(644.558)	(254.998)
- Acquisition of company shareholdings	(717.170)	(65.000)
- Financial	(6.380)	(22.574)
Cash flows from investment activities (2)	(1.951.077)	(1.290.156)
Financing activities:		
Increases/(decreases) in financial liabilities	(601.901)	(740.376)
Capital Increases	-	8.919
Change in minority equity	112.757	-
Distribution of dividends	(57.744)	-
Cash flows from financing activities (3)	(546.888)	(731.457)
Cash flows from operating activities	7.987.899	1.192.619
Change in cash and cash equivalents (1+2+3)	7.987.899	1.192.619
Cash and cash equivalents at beginning of the year	9.504.411	8.311.792
Cash and cash equivalents at beginning of the year from acquired companies	373.307	-
Cash and cash equivalents at end of the year	17.865.617	9.504.411

Financial statements of the parent company TPS S.p.A.

RECLASSIFIED INCOME STATEMENT	Financial Statements 2021	Financial Statements 2020
Value of production	19.673.699	10.453.704
External costs for materials and services	(4.929.165)	(3.414.352)
Added value	14.744.534	7.039.352
Personnel costs	(10.751.399)	(5.264.478)
Other operating income (expenses)	(43.033)	(24.656)
Gross operating profit (EBITDA)	3.950.102	1.750.218
Amortisations/deprecations	(737.180)	(528.744)
Operating result	3.212.922	1.221.474
Financial (expenses)/income	85.661	(50.396)
Extraordinary (expenses)/income	(77.343)	21.153
Pre-tax profit (loss)	3.221.240	1.192.231
Current and deferred taxes	(895.245)	(321.757)
Net Profit	2.325.995	870.474

RECLASSIFIED STATEMENT OF FINANCIAL POSITION	Financial Statements 2021	Financial Statements 2020
Subscribed capital, unpaid	-	-
Intangible assets	1.568.625	1.270.462
Property, plant and equipment	1.271.590	594.081
Financial assets	3.582.745	3.263.976
Total assets	6.422.961	5.128.519
Trade receivables	8.867.426	5.750.986
Trade payables	(1.629.353)	(402.277)
Working Capital	7.238.073	5.348.709
Other assets	1.311.664	1.076.978
Other liabilities	(3.499.188)	(1.842.631)
Other assets and liabilities	(2.187.524)	(765.653)
Provisions for risks and charges	(20.507)	(6.817)
Post-employment benefits provision (TFR)	(3.427.041)	(2.174.076)
Total Provisions	(3.447.548)	(2.180.893)
Net Invested Capital (N.I.C.)	8.025.963	7.530.681
Equity	15.562.646	11.139.250
Result for the year	2.325.995	870.474
EQUITY	17.888.641	12.009.724
Net financial debt (NFP)	(9.862.679)	(4.479.043)
To cover N.I.C.	8.025.963	7.530.681
Details of TPS S.p.A. NFP	Financial Statements 2021	Financial Statements 2020
Payables to other lenders	-	43.604
Cash and cash equivalents	(16.381.919)	(8.146.002)
Lease payables	314.174	-
Rights-of-use payables	500.804	519.093
Receivables from cash pooling	(215.000)	(1.168.000)
Payables from cash pooling	5.919.262	4.272.262
	(9.862.679)	(4.479.043)

TPS S.p.A. Cash flow statement

TPS S.p.A. CASH FLOW STATEMENT	Financial period 2021	Financial period 2020
Profit (loss) for the year before taxes	3.196.180	1.150.420
Adjustments for:		
- non-monetary items - Change in inventories	-	-
- non-monetary items - Net impairment (reversal) of fixed assets	-	-
- non-monetary items - provisions /(releases)	15.610	-
- non-monetary items - depreciations and amortisations	721.570	528.744
Adjusted profit (loss) for the year before taxes	3.933.360	1.679.164
Cash and cash equivalents from operations		
- Income taxes	(857.948)	(277.718)
Other financial (income)/expenses without cash flow	(12.237)	(2.229)
Total	(870.185)	(279.947)
Changes in working capital		
(Increase)/decrease in trade receivables	1.632.271	(1.205.929)
Change in payables to suppliers	910.428	(90.714)
Other changes	3.804.314	1.705.008
Changes in other provisions	460.374	272.636
Total	6.807.387	681.002
Cash flows from operating activities (1)	9.870.562	2.080.218
Investments:		
- Property, plant and equipment	(936.704)	(21.581)
- Intangible assets	(378.329)	(620.666)
- Acquisition of company shareholdings	(504.000)	-
- Financial	(16.300)	(87.906)
Cash flows from investment activities (2)	(1.835.333)	(730.152)
Financing activities		
Increases/(decreases) in financial liabilities	(43.604)	(43.389)
Share capital Increases	-	8.918
Distribution of dividends	-	-
Cash flows from financing activities (3)	(43.604)	(34.471)
Cash flows from operating activities	7.991.627	1.315.596
Change in cash and cash equivalents (1+2+3)	7.991.627	1.315.596
Cash and cash equivalents at beginning of the year	8.146.002	6.830.406
Cash and cash equivalents at beginning of the year from incorporated Companies	244.290	-
Cash and cash equivalents at end of the year	16.381.919	8.146.002