

**RELEVANT FACTS**  
**CARBURES EUROPE, S.A.**  
**May 30, 2018**

In accordance with Article 17 of the Regulation (EU) n° 596/2014 about market abuse and Article 228 of refunded text 228 of Stock Market Law, approved by the Royal Legislative Decree 4/2015, of October 23, and concordant provisions, as well as in Circular 15/2016 of Alternative Stock Market (MAB), we provide the following information:

On the occasion of the participation of CARBURES in the MedCap Forum held in Madrid during the days of today and tomorrow, the corporate presentation to be used in said event is attached.

In El Puerto de Santa María, on May 30, 2018.

CARBURES EUROPE, S.A.  
Guillermo Medina Ors  
Non-executive Secretary of the Board



**CARBURES EUROPE**



# Investor Presentation

Foro MedCap Madrid

May 30, 2018

**Section I.     Company Overview**

**Section II.    Market Overview**

**Section III.   Key Investment Highlights**

**Section IV.   Financial Highlights**

**Appendix.    Merger between Carbures & Inypsa**

Introduction

With over 18 years of experience, Carbures is a listed, sponsor-backed Spanish industrial group specialized in the engineering and manufacturing of carbon fiber composites for top Tier 1 suppliers and OEMs in multiple sectors



3

Attractive growing sectors  
**Aerospace, Mobility & Civil Works**



80 M€

FY 2017 **Revenues**



>800

**people**, with >50% in R&D and Engineering



16

**plants** and engineering offices in which we operate globally



7

**Countries** in which we are present

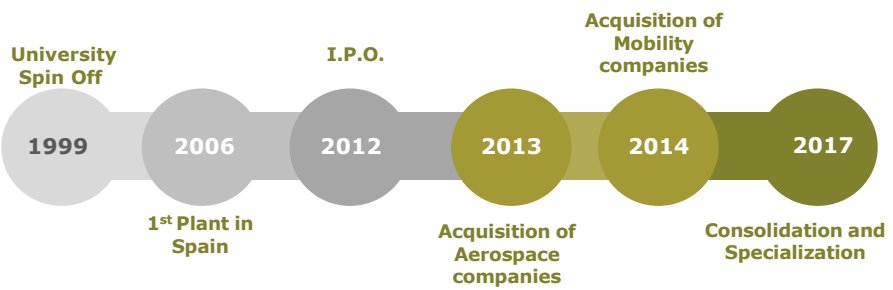


42,000 m<sup>2</sup>

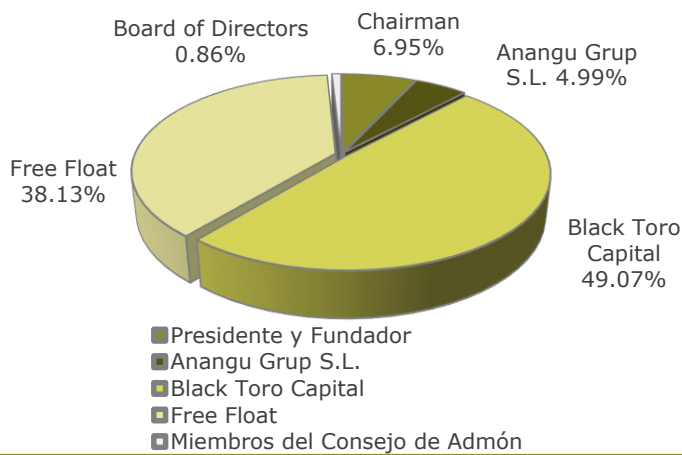
of our production plants, technical offices and installations

Success Story...a consolidated company with an attractive project

...from being a **university spin-off** to becoming an **international company** with presence in **3 continents**



Current Equity Capital Shareholding Structure



## New Industrial Reality

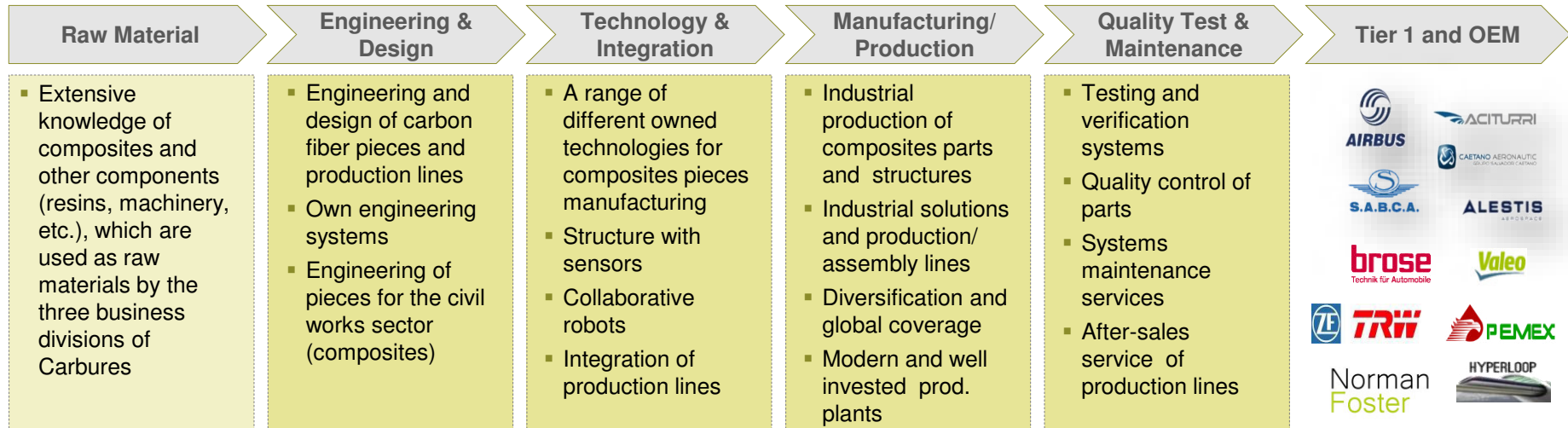
The Company is following its roadmap to generate organic growth and to achieve an optimum degree of demand for its installed production capacity

### On the right track to achieve profitable growth



## Business Model

In its 3 business divisions, Carbures operates across the entire value chain, engaging in all activities from product/part design to production and quality control; enabling it to retain and develop in-house capabilities and ensure quality



### Engineering, Design and Technology

- Tier 2 supplier of composite materials, engineering and manufacturing.
- Global strategy in the supply chain: Proximity to clients, with offices in three important markets (China, USA and Europe).
- High technical capacity and ability to provide high value-added services. The Company has important quality certifications.
- Collaboration with the clients from early stages of product development.
- The Company has substantial experience in the development of structures, equipment and manufacturing technologies.

### Production and Value Added Services

- Short and long series production.
- Track record of excellence in the industrialization and production of composites parts and structures for the aerospace and mobility sectors.
- Quality, competitiveness and impeccable record of timely deliveries.
- Highest standards and quality certifications in its plants, that have been verified by its clients.


### First Class Clients

- High order visibility.
- Extensive backlog and pipeline.
- Leaders in their sectors.
- High recurrence.
- Excellent credit ratings.
- Worldwide recognition.

## Business Units Overview: Aerospace & Defense

Carbures Aerospace & Defense is a leading TIER 2 in engineering and manufacturing of composite material for aerospace and defense

### Highlights






**Aerospace & Defense**





The Division is specialized in the manufacture of carbon fiber and other composite materials, engineering services and systems development for aircraft, being one of the world's leading Tier 2 and a key player in the chain of Airbus production.

**Activites:**

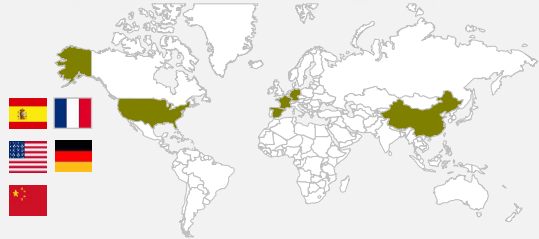
Engineering and Systems	Manufacture of Parts
15,0 M€    19%	18,5 M€    23%

**Main customers:**

**Geographical presence:**



**Technologies:**

- Hand Lay Up
- Vacuum Infusion Process
- Resin Molding
- Rapid Multiinjection Compression Process
- Transfer

- Carbures Aerospace and Defense specializes in i) fabrication of structures II) systems and equipment development: electronic and electrical equipment and III) engineering services
- The company has excellent positioning and recognition at the international level thanks to its competitiveness, quality and impeccable history of timely deliveries. The 2017 exercise closed with a record in manufacturing of ~ 78,000 aircraft parts
- The business of manufacturing parts of Carbures continues to grow thanks to the programs developed for all Airbus family models: A320/A330/A340/A380/A320Neo/A350/C295/A400m
- Carbures has a production plant certified by Airbus in Spain and China, which can meet the needs of its customers at international level.
- The engineering division gives solid support to manufacturing activities, being present throughout the value chain

- 1 **Consolidated business with growth expectations** thanks to the recurrence of long-term programs
- 2 **International industrial capacity** with a focus on the future: the Asian market
- 3 **More than 18 years with Airbus** as a customer, who awarded Carbures in 2016 between + 10,000 suppliers
- 4 Working to incorporate **Boeing** into the customer portfolio, **being the only European Tier 2 with a Boeing-assigned vendor number**
- 5 Offering own **solutions** and being protagonists in avant-garde projects such as the train "**Hyperloop**"

M€	Revenue FY 2017
%	Weight in total consolidated income FY 2017

Business Units Overview: Mobility

Carbures Mobility is a TIER 2 of machinery and parts for the automotive industry, specializing in solutions that reduce weight through knowledge in carbon fiber compounds

Highlights

### Mobility

The division consists of two branches: Automotive and Machinery. In the first of them the company focuses on the manufacture of carbon fiber parts for different Tier 1. In machinery, Cobures designs, manufactures and assembles machinery and production lines for the automotive sector.

**Activities:**

Manufacture of Parts

Machinery

4,8 M€

6%

35,0 M€

44%

**Main clients**

**Geographical presence:**

**Technologies:**

- Hand Lay Up
- Resin Transfer Molding

- RMCP
- Artificial Vision and Collaborative robotics

- The Mobility division aspires to be a fundamental Tier 2 in the manufacture of parts and light solutions through composite structures
  - Being pioneers in the industry, it has capacity for the design and development of its own products, application of the technology and industrialization of products in long and short series (High and low volume)
  - Consolidated company in the manufacture of low volume, the current objective is fixed in the manufacture of pieces of composite materials in high volume through its own patented technology RMCP
  - Carbures Machinery focuses on the design and integration of technology and manufacturing of assembly and testing lines (steering systems, seats and mechanisms, security systems, braking systems, transmission and electrical/electronic units). In addition, it offers its own unique solutions, such as artificial vision or collaborative robotics
- 1

Stability, visibility, and sustainable growth in the **Machinery**, combined with enormous potential growth in **Automotive**
- 2

Global reference in the activity of **Machinery** , capable of offering ad hoc solutions to its customers
- 3

Proximity to its customers through **production plants in 3 continents** located in key locations
- 4

Proprietary "**RMCP**" for the manufacture of carbon fiber and other composite materials
- 5

The regulation of emissions and the emergence of the electric vehicles definitively drive the **implantation of composites material**



Business Units Overview: Civil Works

Carbures Civil Works offers construction and assembly services, including elements made of composite materials

Civil Works

The Division is capable of developing both products and patents. The know-how and experience acquired for years in the rest of the group's divisions are applicable to the infrastructure sector, which gives the Division a clear competitive advantage over its competitors.

Activities:

Offshore Platforms

Engineering

Singular Projects

6,7 M€

8%

Main clients

Geographical presence:

Technologies:

- Hand Lay Up
- Resin Transfer Molding

Highlights

- The Division develops its activity in the areas of: Oil & Gas Engineering, off-shore platforms, supervision and construction management, EPC projects, application of composites in civil works and architecture and industrialization of corrugated bars
- Since 2014, we are betting on the introduction of composite materials in the infrastructure sector thanks to its high strength and low weight.
- Activity with high synergies: know-how and experience acquired for years in the rest of sectors are applicable to the activity of Civil Works, which gives the Division a clear competitive advantage against its competitors.
- Development of infrastructure projects based on composite material such as Port dolphin or bridge structure

- 1 Enormous potential growth as a result of the new strategic positioning in major EPC and PMO projects
- 2 Significantly increasing business and profitability with new and existing customers
- 3 Additional growth leverls: *pip*ing and industrialization of corrugated bars for infrastructures
- 4 Good “Momentum” thanks to the increase in the use of composite materials in the O&G sector: sensors and sensorized structures
- 5 Excellent positioning thanks to avant-garde projects such as the developed for Norman Foster

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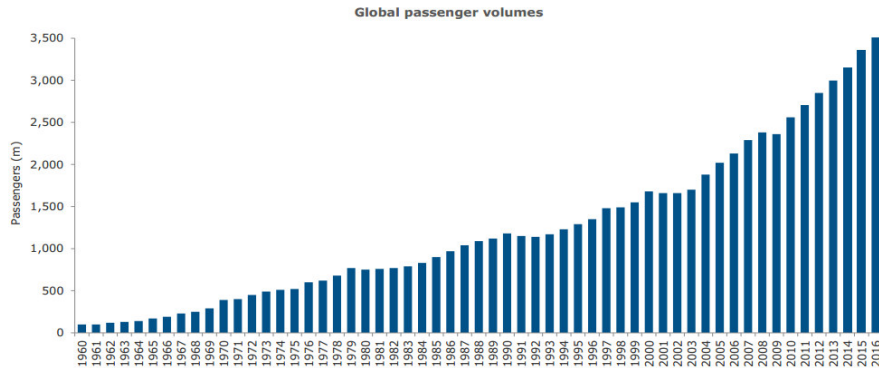
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## Aerospace | Increase in Air Traffic Evolution

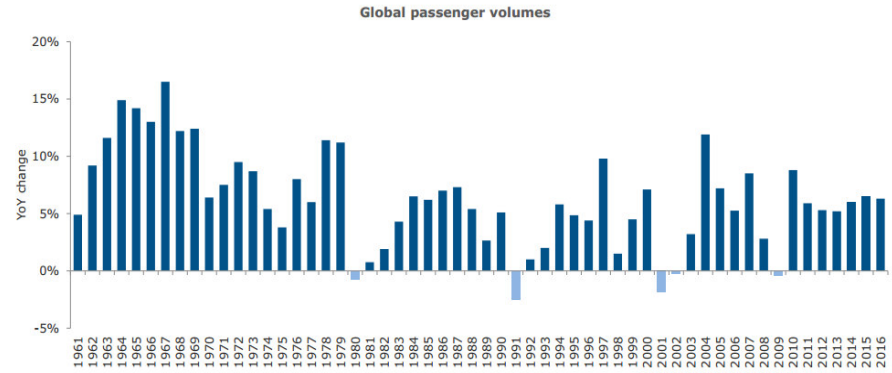
Air traffic is a secular growth market that rarely decreases. Constant growth in air traffic with expectations to double in the next 15 years. According to the CEO of United Technologies, more than 80% of global population has not flown

### Air Transport is a Secular Growth Market



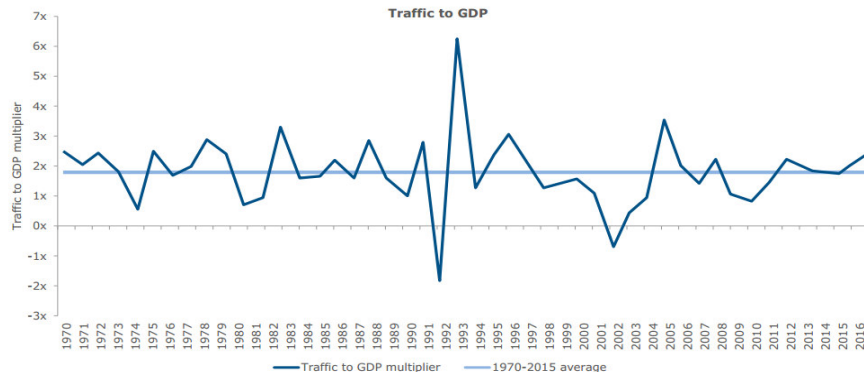
- Fuel efficiency is the biggest driver for the purchase of new aircraft.
- Oligopolistic industry structure for fuselages, engines and equipment.
- The aeronautical industry is fragmented and highly competitive.

### Passenger Traffic Rarely Decreases

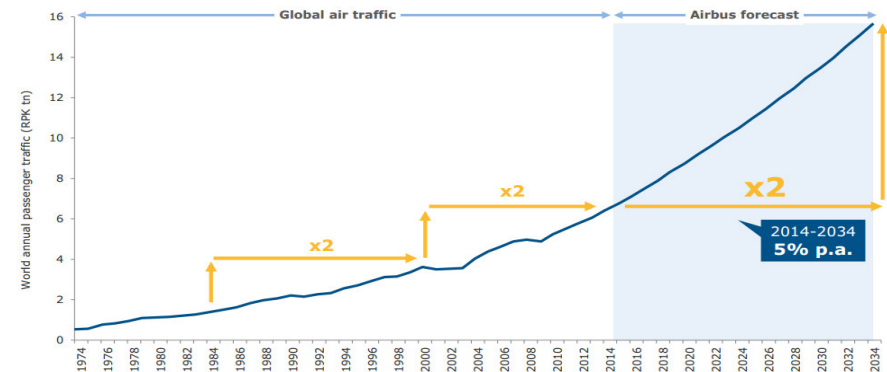


- Although aircraft orders experience some cyclicity, passenger traffic and deliveries tend to be resilient and usually revives very quickly any blimp in aircraft orders.
- In the past 50 years, aircraft orders have only decreased 5 times.

### Air Traffic Grows to Approximately 2x the Global GDP



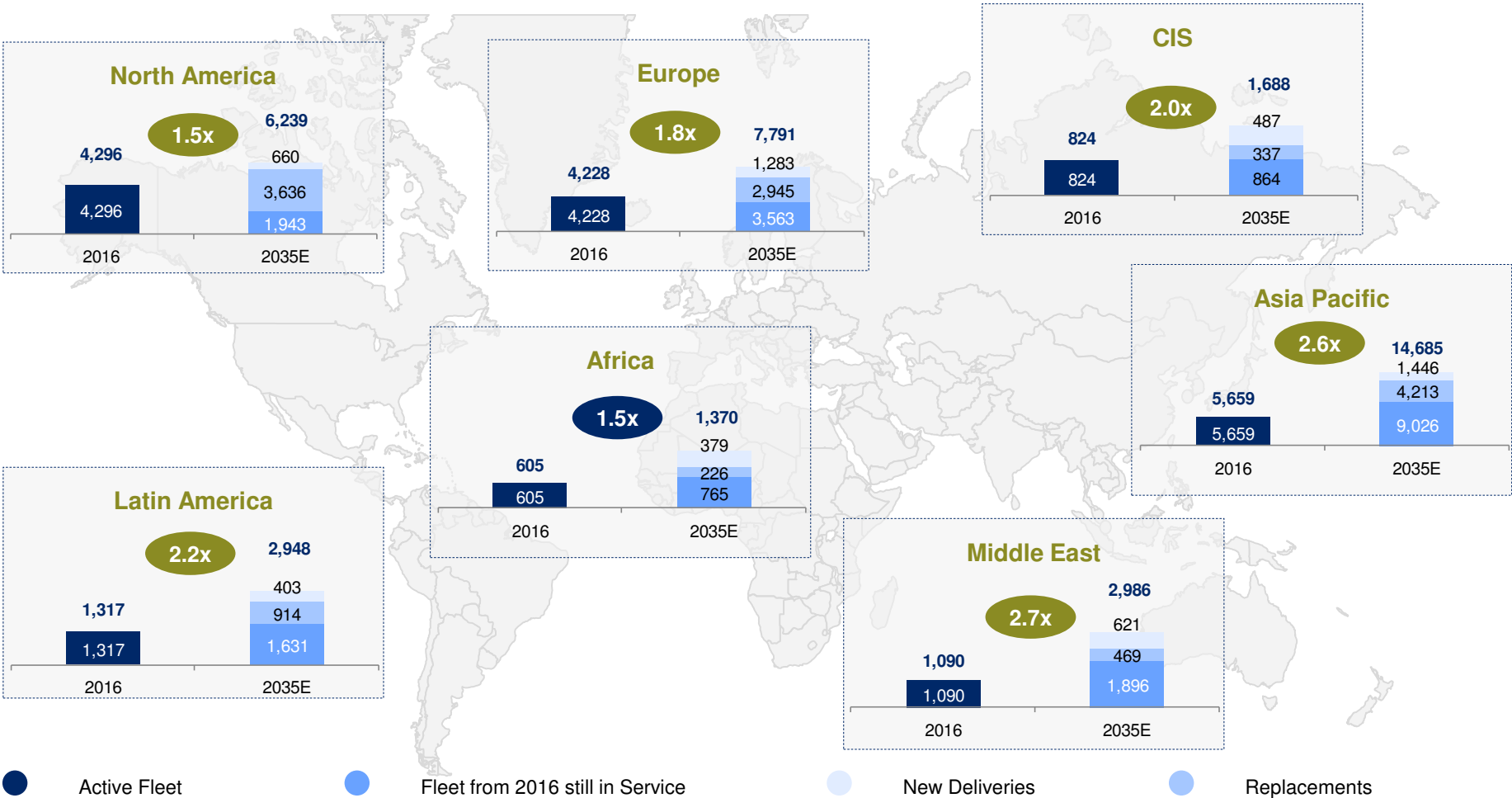
### Air Traffic will Multiply by 2 in the Next 15 Years



Aerospace | More Fleet to Meet Growing Demand

In the face of growing air traffic and need for higher efficiency, airlines’ orders strategy will be grounded on the need for both: i) New aircraft for growing demand ii) Replacement of old fleet for new and more efficient aircrafts

Fleet Overview per Region (# units)



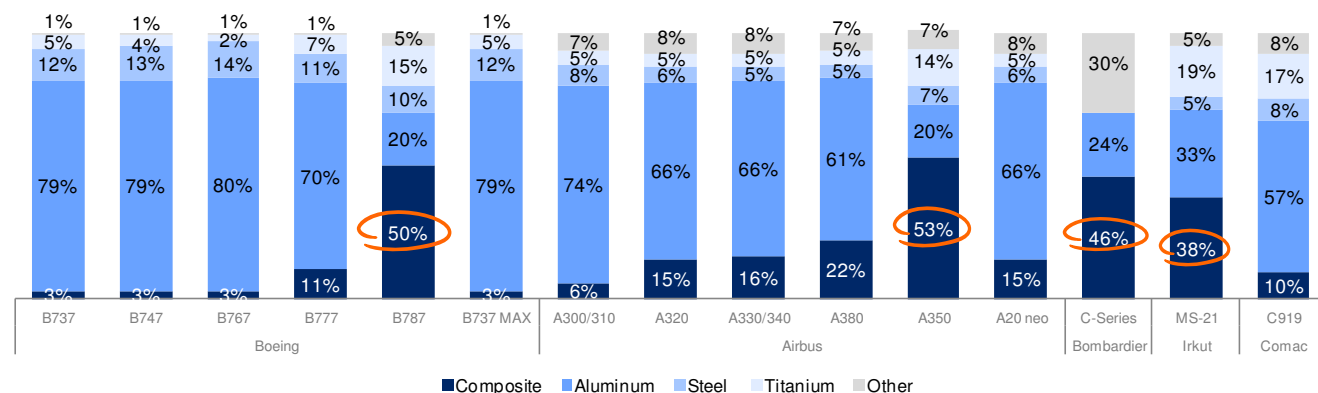
Note: Replacements represent fleet that will be retired from service.

## Aerospace | Higher Use of Composite Materials

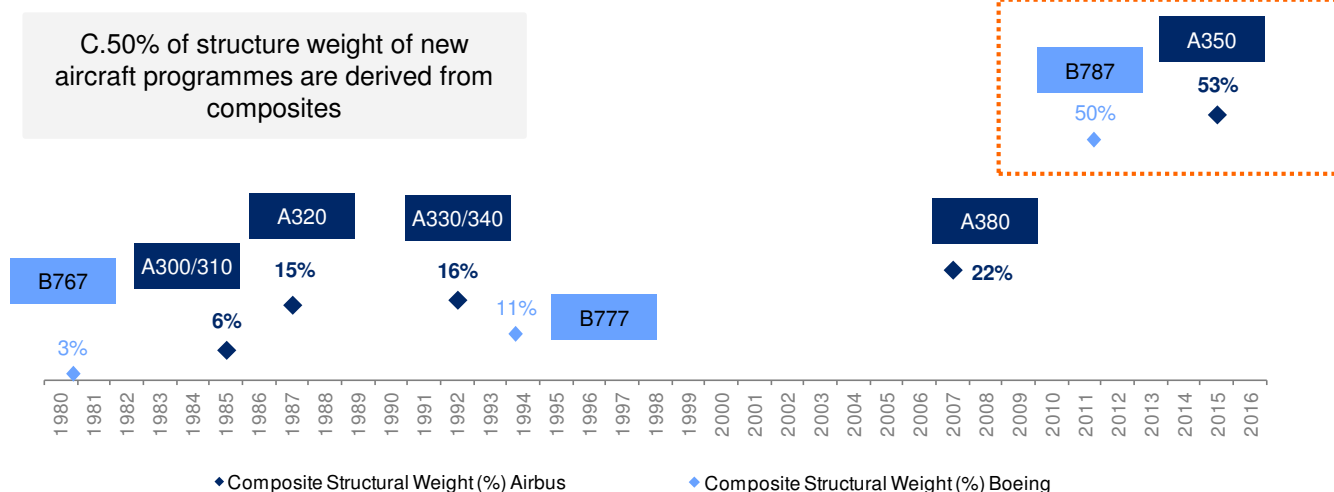
Suppliers offering composite components and aerostructures tend to have higher margins and are more valued by their partners since they offer higher value-added and differentiated solutions

- **Cost reduction:** Aerospace OEMs and suppliers, are increasingly using composites in order to reduce aircraft weight, helping airlines to reduce their operating costs as fuel consumption decreases.
- **Expertise:** The principal barriers to wide-spread use of composite materials are know-how and the high costs associated to such materials.
- **Eco-friendly:** Lighter aircrafts allow airlines to meet environmental regulations and to compensate any weight increase caused by the extensive use of electrical systems, safer and heavier seats, etc. Moreover, these materials help to enhance product life of aerostructures and performance, thus making planes safer and more efficient.
- **Other benefits:** As composites are formed by two or more materials creating a new one with unique features, they can be used in almost any aircraft component, making it more likely that the manufacturers expand the use in the near future.

### Materials Structural Weight by Aircraft Model (%)



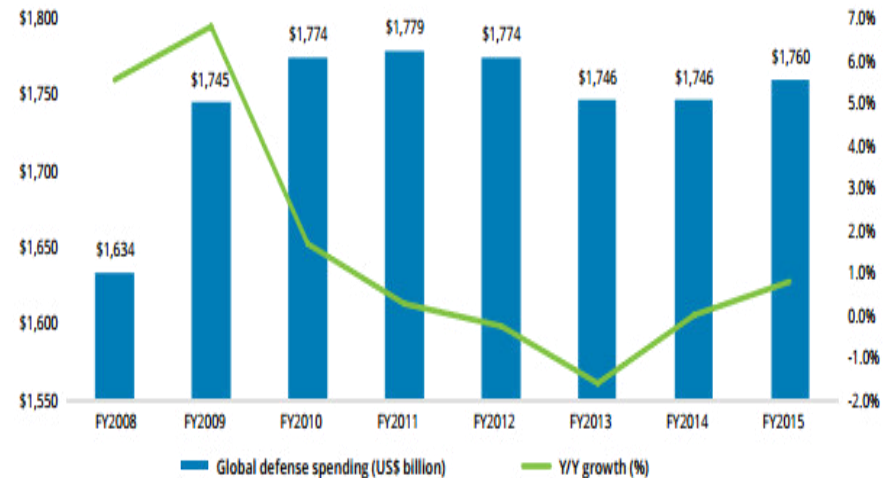
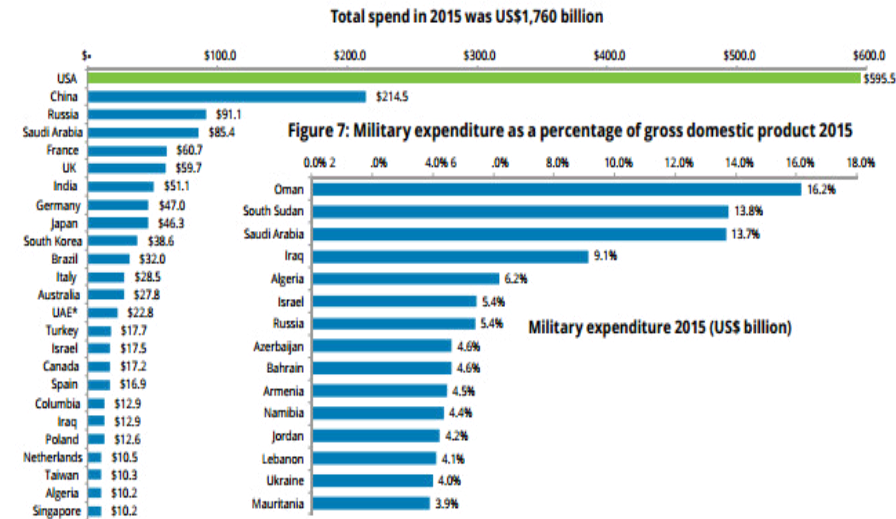
### Aircraft Composites Usage Evolution



## Defense | Increasing Global Defense Spending

The current high geopolitical tensions in various regions mean that many countries are recapitalizing and improving their existing defense assets. The past year have witnessed some landmark defense deals and it is expected to continue

### Increase in Defense Spending Globally



#### Key Highlights:

- International demand for military and defense products is increasing in the Middle East, Eastern Europe, and the far-east.
- The United States is the country with the highest spending on defense (34% of the total global spending), but many countries in the Middle East and Africa have higher spending as a percentage of their GDP.
- Increase in defense spending since 2013 due to the current political tensions around the world.

#### Recent Highlights of Defense Spending of Spain:

- Meetings held by the Spanish defense ministry and NATO during early 2018 regarding Spain's new defense investment plan – doubling of defense spending within the next 7 years (c. 2% of GDP).
- Airbus and Navantia, which are major clients of Carbures have been awarded defense contracts of €20bn. This includes naval platforms, i.e. the F110 frigates and aerial platforms such as the MRTT among others, positioning Carbures as major beneficiary of these orders.

## Automotive | Growing and Changing Demand

Vehicle demand in the automotive sector is expected to rise in the future mainly driven by the demand from some emerging economies such as China or India

### ■ Main drivers of future growth:

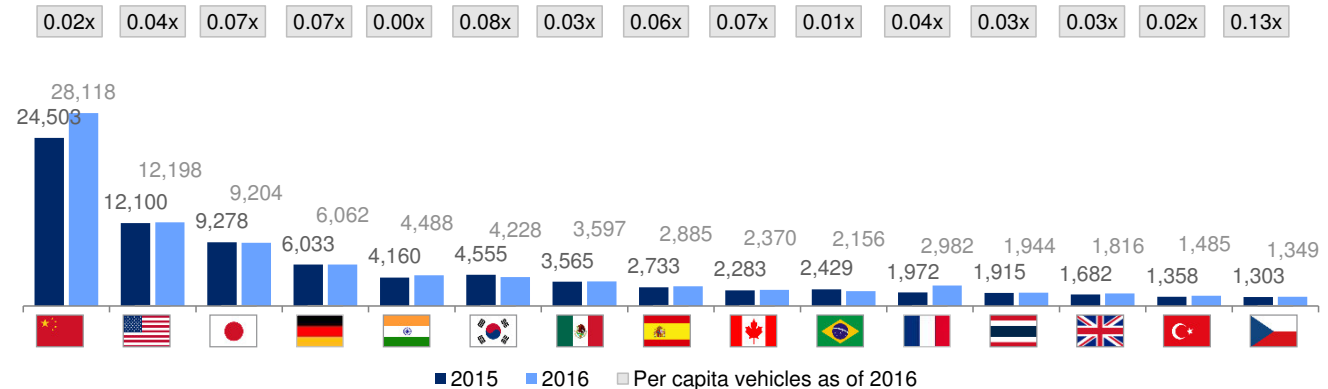
China and India will be the sector's prioritize growth drivers in the future. According to the World Bank, China and India's economies have grown at 6.7% and 7.1% respectively in 2016, showing the economic prowess of both countries. In fact, they are two of the countries with the lowest ratio of vehicles per capita, indicating a tremendous growth in the future.

■ **Competition:** The automotive sector is highly competitive, where OEMs are competing to capture wallet share via innovative designs and product offerings.

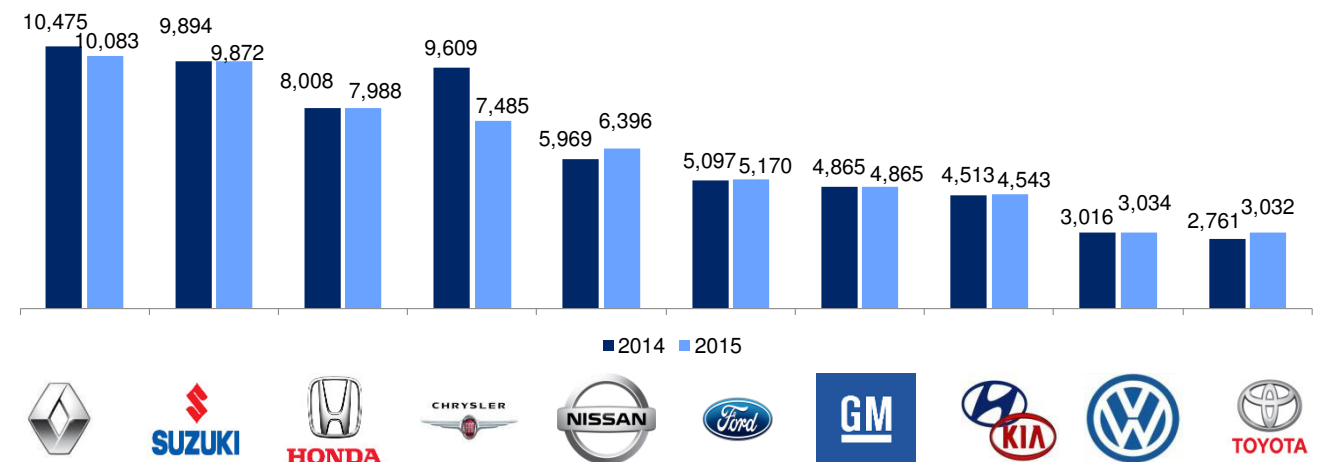
■ **Innovation:** The sector is likely to suffer notable changes in the near future. CO2 emission regulations and the increasing investment in autonomous driving technology will change the type of cars demanded by customers and manufacturers will have to adapt their offer.

■ **Change:** The automotive industry is expected to modify their production processes, and product offerings. They plan to start offering more fuel efficient and lighter vehicles.

### Top 15 Motor Vehicle Producing Countries in 2015-2016 (k units)



### Top 10 Largest Manufacturer by Production in 2014-2015 (k units)



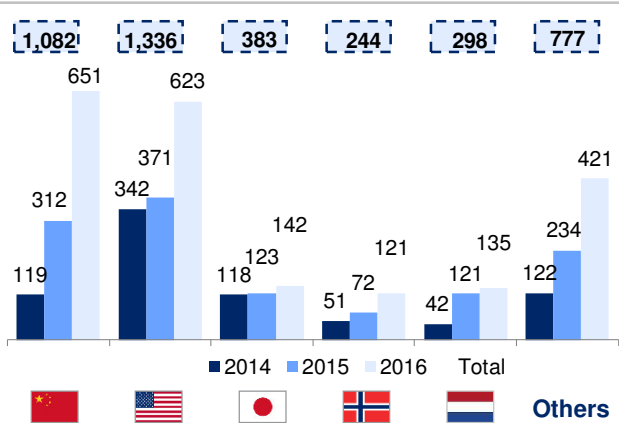


Automotive | Solutions for Environmental Regulations

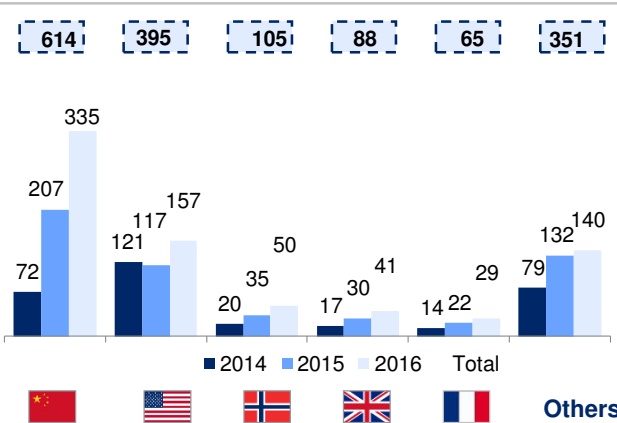
Meeting stricter global CO2 emissions targets will be the major concern for automakers, and the two primary methods to achieve those requirements are alternative fuel sources (ethanol, electricity, etc.) and light weighting solutions (use of composites)

- **Two Solutions:** Automakers will be pressured in the future to achieve certain guidelines for CO2 emissions. Alternative fuel source such as electricity and the use of composites to make cars lighter are the two main ways.
- **Record Sales of Electric Cars:** New registrations of electric cars hit a record in 2016, with over 750k sales worldwide. Norway has achieved the most successful deployment of electric cars in terms of market share globally. 95% of sales were concentrated in 10 countries.
- **New Dominant Country:** Until 2015, the USA accounted for the largest proportion of the global electric car stock. However, in 2016, China overpassed them with about a third of the global total.
- **Composites:** In order to achieve fuel efficiency and comply with stricter regulations, automakers will have to make their cars lighter. Materials such as aluminum and carbon fiber represent a better alternative to traditional materials as they respectively weigh 40% and 50% less than steel.

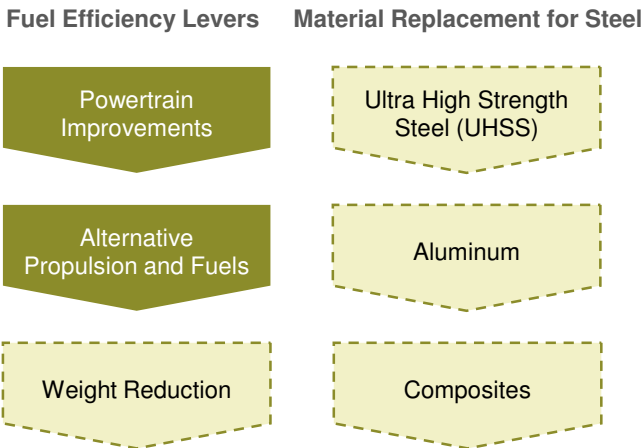
Stocks of Electric Cars (k units)



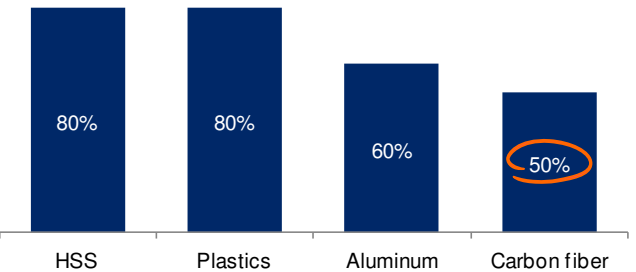
Sales of Electric Cars (k units)



High Pressure for Weight Reduction



Part Weight as a % of Steel





Civil Works | Carbon Fiber Applications

Carbon fiber composites have a clear edge in civil works applications with superior performance, and is still an under-explored area given its high costs and lack of specific technical know-how when it comes to civil works

Composites Advantages in Civil Works

Light Weight

- Optimization in costs of transport of materials, handling and assembly.
- Reduction of weight load over the rest of the structure.

Non Corrosive

- Ideal for coastal and maritime infrastructure applications due to its resistance to environmental corrosion with barely any need for maintenance.

Resistance

- High tension performance for compression, flexion, and cutting tests.

Workability & Finishing

- Easily adaptable to complex forms which facilitates structural refurbishment.
- Multiple finishing forms ranging from matte, rough, glossy, transparent, among others.

Low Conductivity

- Its low thermal conductivity makes it an ideal thermal isolator.
- It also serves well as electrical isolator given its electrical resistance.

Acoustic Absorption

- By using specific active ingredients and given proper forming and design, it could turn into an acoustic isolator.

Carbon Fiber Applications in Civil Works

Repair & Reinforcement

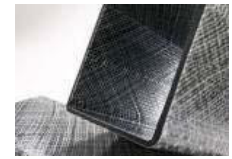
- Carbon fiber has an increasing use in structural repair and reinforcement as an alternative to traditional methods.
- It applies prepreps or carbon fiber laminates to surfaces by using thermal stable adhesives (epoxy resins).



High  
Level of Application

Prefabricated Carbon Fiber Components

- Application in the production of auxiliary construction elements such as profiles, beams, pipes, frames or pre-stressed cables.
- Limited current application due to high cost and lack of engineering know-how for construction.
- Braced bridges, walkways are typical applications.



Low  
Level of Application

Frame to Cement Structures

- Reinforcing bars manufactured with carbon fiber with special surface treatment to fit cement adherence given its superior durability.
- Carbon fiber reinforcing bars are used due to its better anti-corrosion performance against traditional materials.



Low  
Level of Application

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## Key Investment Highlights

Carbures represents an excellent investment opportunity due to the combination of a consolidated and diversified business model, an excellent competitive position and a solid strategy to tackle a fast growing market

### 1 Attractive Markets with High Growth

### 2 Excellent Leadership Position

### 3 Consolidated & Diversified Business Model

### 4 Profitable Growth-Driven Strategy

**“Excellent position to capture significant profitable growth”**



## 1 Market Trends | Overview

**Mega-trends such as light weighting, cost reduction and improved performance demands are driving accelerated growth of specialty materials, particularly in certain end-markets such as aerospace, automotive and energy**



### Weight reduction for Aircrafts, Automobiles and Infrastructures

- The latest aerospace programs (e.g., Boeing 787 and Airbus 350 XWB) use composites to significantly reduce weight of aircrafts with the aim of extending operational range and reducing fuel costs.
- Automobiles are the current primary end-market beneficiaries of weight reduction, mitigating CO<sub>2</sub> emissions and enhancing fuel efficiency.
- Other forms of transportation (e.g. spacecraft, bicycles, public transportation) will be future and up beneficiaries of high performance specialty materials.



### Cost Saving

- On a strength per cubic inch basis, many specialty materials have a lower cost than traditional products.
- Composites and other related specialty materials have reduced maintenance requirements due to high durability.
- Significant waste reduction during fabrication due to extreme flexibility in the design and manufacturing process.
- Shape molding reduces machining costs, allows for parts consolidation, and eliminates the need to piece together complex parts.
- From a total life cycle cost analysis, specialty materials are less expensive than traditional materials.



### Feature and Performance Improvements

- Specialty materials can be designed with almost unlimited flexibility and near net shape molding, giving designers true capability to combine multiple parts.
- Certain specialty materials may be chemical and corrosion resistant, highly flexible, noise dampening, contain dielectric properties, or perform well at temperature extremes, making them attractive for harsh environments such as aerospace and oil and gas applications.
- They are more resistant to fatigue than traditional products, with increased durability and product life.



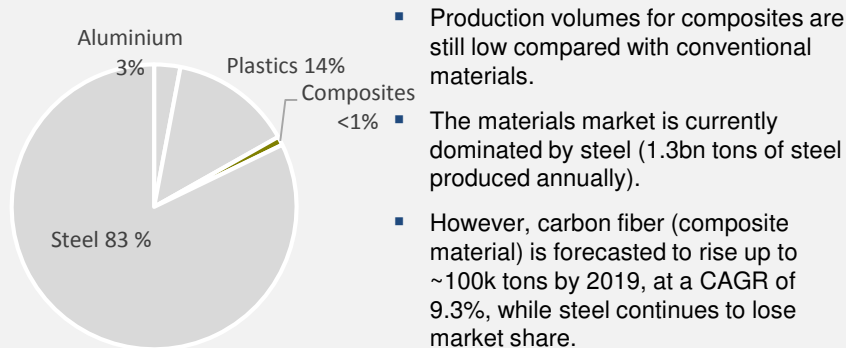
### Improvement in Environment and Lifestyle

- Increased consciousness of environmental impact drives specialty material use in automobile, aviation, and marine applications.
- Durability increases product lifetime, reducing waste and product degradation.
- They increase clean energy production by improving the efficiency of production methods such as wind energy capture.

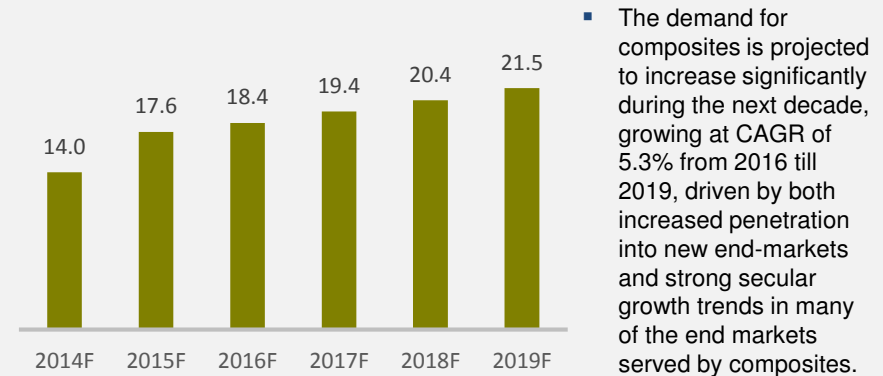
## 1 Market Trends | Growth Potential

According to latest available data, the composite market is expected to grow at a CAGR of 5.3% in the next 3 years (2017-2019), with end-markets such as aerospace, wind energy and transportation representing a big part of that growth

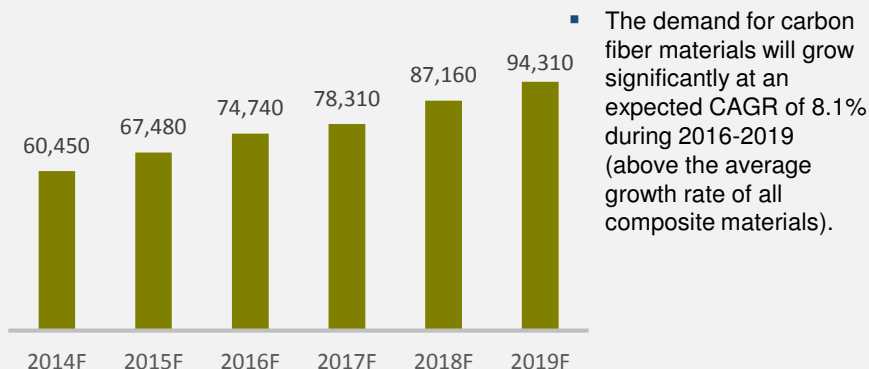
### Global Materials Market (2014, tons)



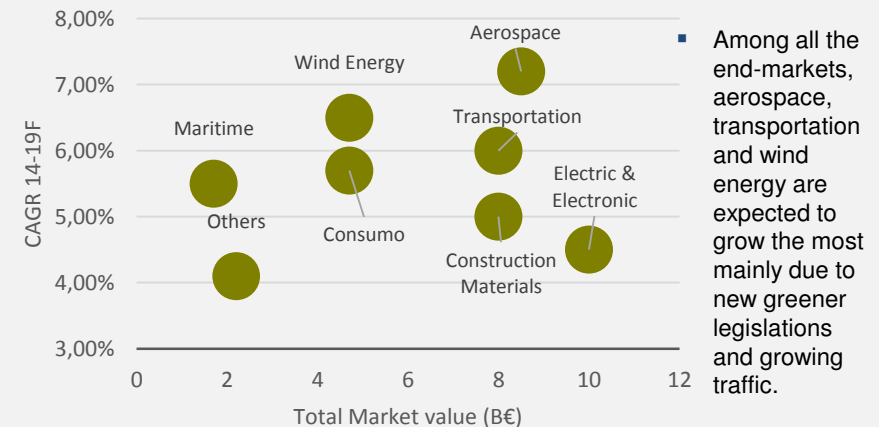
### Global Composites Market Forecast (€bn)



### Global Carbon Fiber Demand Forecast (metric tons)

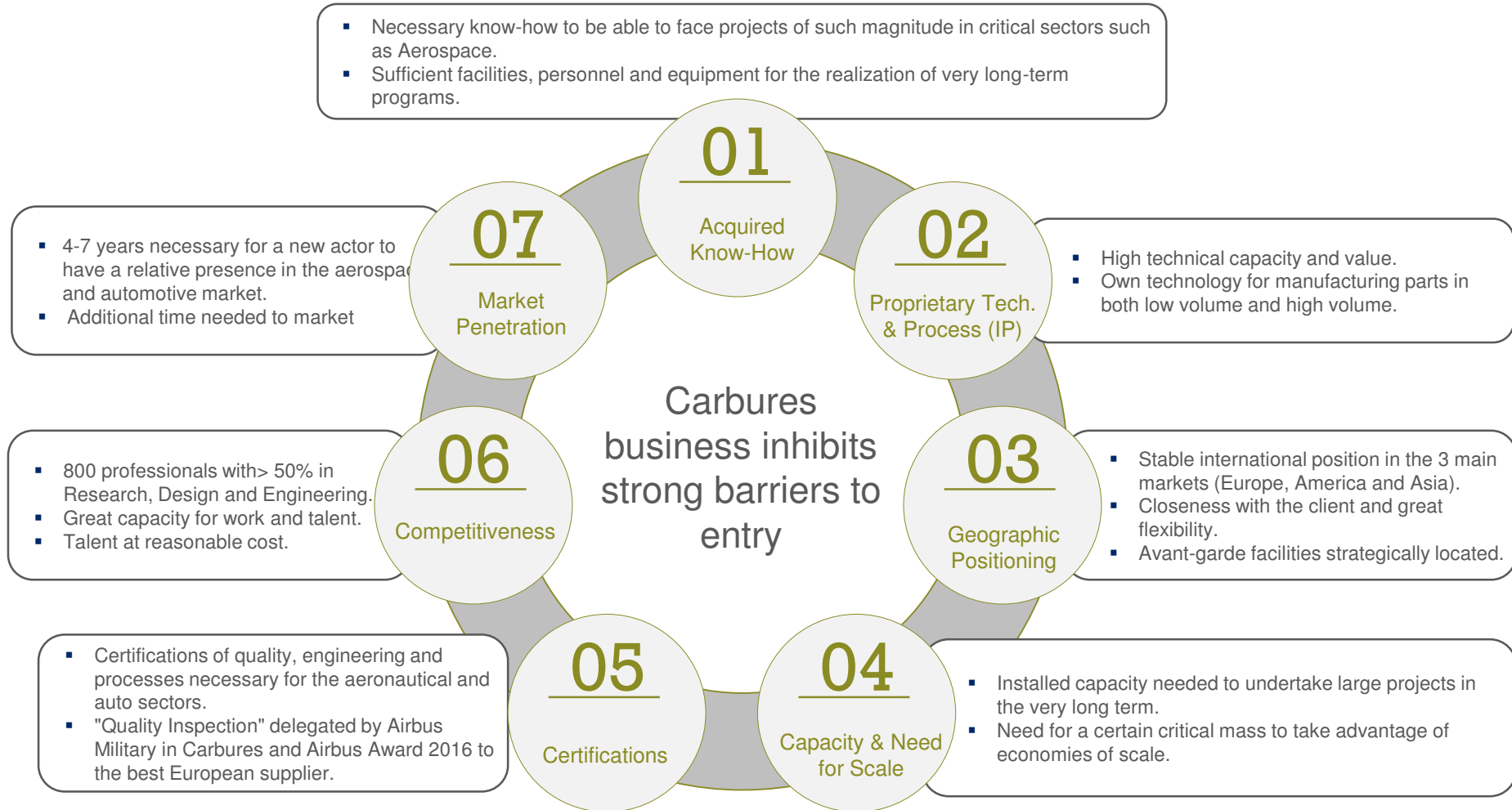


### Composites Expected Growth by End-Markets (2014-2019)



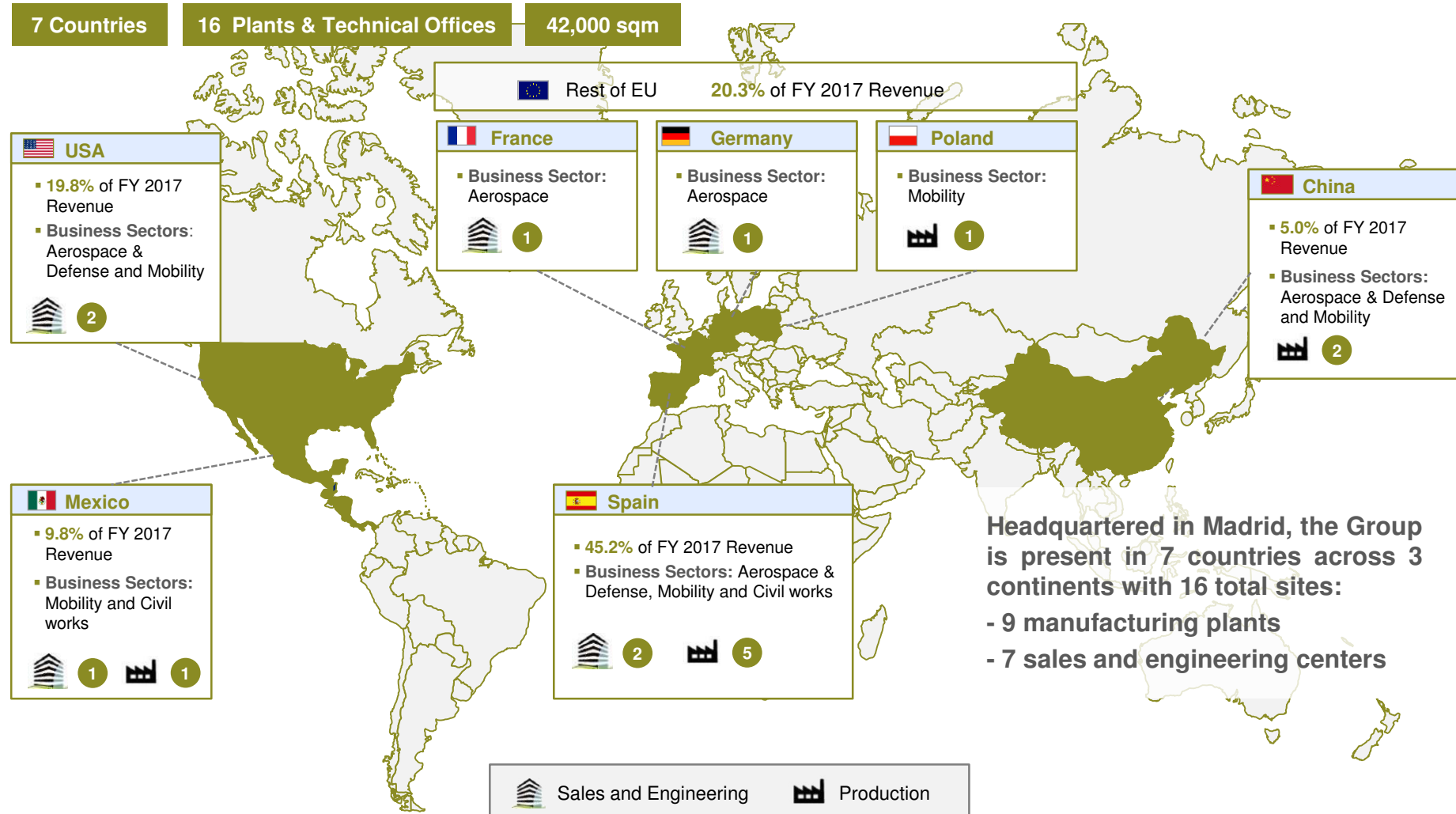
## 2 Leadership Position | High Barriers of Entry

**Carbures has a consolidated presence in industries with high barriers to entry and in which to enter it is necessary several years of previous work**

















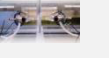
## 2 Leadership Position | Geographical presence

Carbures' extensive international presence and industrial capacity is unique for a Tier 2 supplier, allowing them to closely serve their OEM and Tier 1 clients across multiple locations



## 2 Leadership Position | State of the Art Facilities (1/2)

On the back of years of disciplined investments, Carbures currently operates 10 vanguard production facilities with high levels of installed capacity together with multiple engineering centers...

Aerospace & Defense						Civil Works
Facility	Illescas	Tecnobahía (Puerto) <sup>(1)</sup>	Airport (Jerez)	Aerópolis (Seville)	Harbin	Mexico DF
Facility Display						
Inauguration	2003	2005	2012	2008	2014	1970
Tech. Cap.	HLU <sup>(2)</sup>	HLU <sup>(2)</sup> , VIP, RTM	HLU <sup>(2)</sup> , VIP, RTM	Engineering	HLU <sup>(2)</sup>	Engineering and Civil Works
Main Production Assets	 CNC cutter Gerber  Autoclave Olmar&Thelmar -15m x 3m -3.5m x 1.5m  Testing Tecnatom & 3 more others	 CNC cutter  Autoclaves Olmar x 2 -7m x 3m  Testing	 CNC cutter Zünd  Autoclave Olmar&Scholz -12m x 4m -1.4m x 1.6m  Testing Tecnatom Olympus	System manufacturing center, prototype development, 3D printing and electrical component assembly 	 CNC cutter  Autoclave Olmar x 1 -7m x 4m  Testing	Had participated in 339 contracts and developed more than 1,240 projects in engineering, supervision services, with more than 32 million man-hours
Working Area	8,658 sqm	2,450 sqm	7,500 sqm	2,000 sqm	2,500 sqm	1,219 sqm
Other Area	3,468 sqm	1,000 sqm	4,320 sqm	-	1,651 sqm	140 sqm
Main Programs	A320, A330, A350, A380	A320Neo, A350	A320Neo, A330, A350, A400M, A330MRTT, C295	A400M, MRTT (Including flight control stick)	A320, A350	Study, Procurement, Engineering, Supervision

Note 1: Besides the five production facilities above displayed, the A&D division also has two sales & engineering offices in Toulouse (France) and Greenville (USA).

Note 2: The Company expects to open in 2019 a new factory in Getafe for the A&D division.
































(1): Manufacturing plant shared with Civil Works division.

(2): HLU stands for Hand Lay Up, a form of composite curing technology.



## 2 Leadership Position | State of the Art Facilities (2/2)

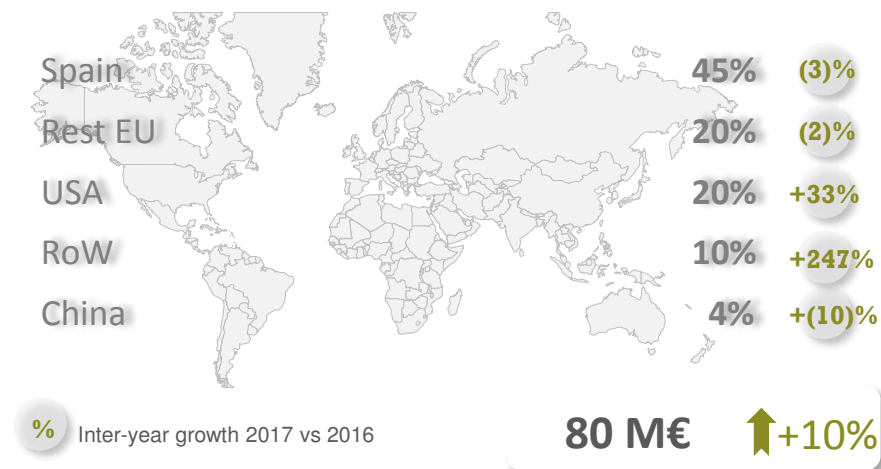
...These modern and well invested facilities are located across 7 countries and in many times, at very close proximity to their key clients

Mobility						
Facility	Burgo de Osma	Manresa	Suzhou	Tychy	Querétaro	Saginaw-Detroit
Facility Display	 	 	 	 	 	 
Inauguration	2014	1998	2017	2003	2004	2002
Tech. Cap.	RTM, RMCP	Engineering, Production & Assembly	Engineering, Production & Assembly	Engineering, Production & Assembly	Engineering, Production & Assembly	Engineering & Technical support
Main Production Assets	 <b>AFP</b> Kuka  <b>Autoclave</b> Olmar x 1 -10m x 4m  <b>RTM line</b>  <b>RMCP line</b>  <b>Patented Technology</b>	 <b>Engineering &amp; Assembly</b>  5 buildings of assembly and engineering  <b>Manufacturing</b> CNC cutter	 <b>Engineering &amp; Assembly</b>  1 building of assembly and engineering  <b>Manufacturing</b> CNC cutter	 <b>Engineering &amp; Assembly</b>  1 building of assembly and engineering  <b>Manufacturing</b> CNC cutter	 <b>Engineering &amp; Assembly</b>  2 buildings of assembly and engineering  <b>Manufacturing</b> Assembly tools	 <b>Engineering &amp; Assembly</b>  1 building of assembly and engineering
Working Area	1,829 sqm	4,653 sqm	850 sqm	1,348 sqm	1,731 sqm	139 sqm
Other Area	835 sqm	-	-	-	-	-
Main Programs	Composites part manufacturing, assembly and system testing	Design, manufacturing, assembly of assembly and test systems	Design, manufacturing, assembly of assembly and test systems	Design, manufacturing, assembly of assembly and test systems	Design, manufacturing, assembly of assembly and test systems	Design and after-sale service of assembly and test systems

Increasing diversification as business growth accelerates, both by sector and by region

## Geographic Diversification

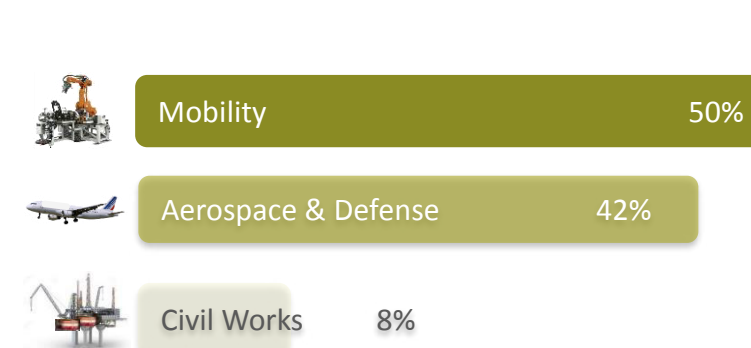
Distribution of Sales & Growth FY 2017



- Significant growth in USA and Rest of the World, coming from our Machinery activity
- Slight decrease in Europe due to slowdown in the Aerospace & Defense activity
- Increased activity in all the regions in Machinery

## Main Business Activities

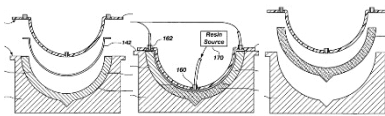
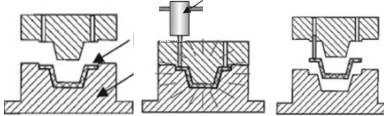


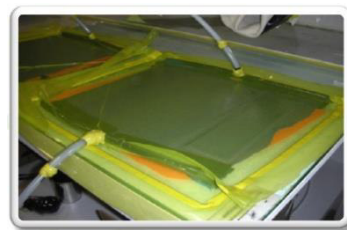


Distribution of Sales & Growth 2017



- Good performance in all our business sectors.
- Aerospace: excellent industrial performance.
- Mobility: growing Machinery business and award of new contracts with different Tier 1.
- Civil Works: execution of contracts with new clients, giving rise to an increasingly diversified customer base.

### 3 Consolidated & Diversified Business Model | Clear Focus on Technology

Carbures possess cutting-edge technology as a source of competitive advantage as well as proprietary processes and methods for parts manufacturing that caters to the needs of aerospace, automotive and civil works sectors

Technology	VIP	RTM	RMCP	Industry 4.0
Introduction & Industry Application	<b>Vacuum Infusion Process (VIP)</b> <ul style="list-style-type: none"> <li>Closed mold process that uses atmospheric pressure.</li> <li>Low tooling requirements yet lower cycle time and higher consumable costs.</li> </ul> <p><b>A</b> Aero</p>	<b>Resin Transfer Molding (RTM)</b> <ul style="list-style-type: none"> <li>Fabrication by resin injection in dry fiber laid molds with high tooling requirements.</li> <li>Suitable for high quality auto body parts, containers, etc.</li> </ul> <p><b>A</b> Aero <b>M</b> Mob <b>C</b> CW</p>	<b>Rapid Multiinjection Compression Process (RMCP)</b> <ul style="list-style-type: none"> <li>Patent technology process for the manufacture of high volume structural composite parts.</li> <li>New OOA process developed by Carbures.</li> </ul> <p><b>A</b> Aero <b>M</b> Mob</p>	<b>Industry 4.0</b> <ul style="list-style-type: none"> <li>Complete digitalization of the entire value chain via integration of data processing technology, intelligent software, robots and sensors.</li> </ul> <p><b>A</b> Aero <b>M</b> Mob</p>
Process	<ul style="list-style-type: none"> <li>High quality control standard.</li> <li>Autoclave &amp; OOA curing.</li> </ul> <p>Placing      Infusion &amp; Consolidation      Cured Parts</p> 	<ul style="list-style-type: none"> <li>High quality control standard.</li> <li>Autoclave &amp; OOA curing.</li> </ul> <p>Preform      Resin transfer Heat curing      Finished Parts</p> 	<ul style="list-style-type: none"> <li>&gt;50,000 structural parts/yr.</li> <li>Automated RTM line.</li> </ul> <p>Automated RTM Press      Cutting CNC &amp; AFP</p> 	<ul style="list-style-type: none"> <li>Automized systems.</li> <li>Cloud computing.</li> <li>Collaborative robots.</li> <li>Artificial vision.</li> <li>Integrated information system.</li> </ul> 
Display				

(1): OOA stands for "Out of Autoclave", a type of composite material curing process.



## 4 Profitable Growth-Driven Strategy | Reinforcement of Balance Sheet

**Reinforcement of the balance sheet in 2017: Reduction of 43% in net debt and reinforcement of equity that is clearly driving the business**

### Net Debt

**€60.2m**

Net Debt Dec'17



(43)%

1

Reduction of €61m in gross debt at the end of Dec. 2017 by the capitalization of the convertible debt.

2

Only ~€14m of structural debt with financial institutions and another ~€5m in working capital facilities.

3

The remaining debt is mainly with the Public Administration: Flexible, low cost and with very long term maturities.

### Shareholders' Equity

**€31.3m**

Sh. Equity Dec'17



+31 M€

4

The reinforcement of the capital structure is clearly driving the business: increase in the pipeline of projects and access to new financing lines for working capital.

5

Renewed confidence in Carbures by financial institutions and their reference shareholders.

%

Inter-year growth 2017 vs 2016

## 4 Profitable Growth-Driven Strategy | Experienced management Team

Highly experienced management team and a stable group of shareholder that supports the corporate business plan

### Competencies and Corporate Achievement

- ✓ Implement a clients service oriented culture and enforcing high ethical standards.
- ✓ Position the Company as a benchmark in the industry and in the sectors in which it operates.
- ✓ Operational and financial restructuring carried out successfully in 2017.
- ✓ Organic growth and profitability improvement through the execution of efficiency programs.
- ✓ Extensive experience and knowledge of the sector.
- ✓ Combination of highly technical profile with corporate management skills at an international level.
- ✓ Pride of belonging to Carbures.

### Management Team



#### Rafael Contreras – Exec. Chairman & Founder

- Founder of Carbures in 1999.
- PhD. B.S. in Social Sciences and Law, BsC in Business Administration. Executive education at Harvard, Columbia & MIT
- 17 years of experience creating and managing companies with a technological profile



#### Borja Martínez-Laredo – CEO and Board Member

- CEO since May 2017.
- B.S. in Economics and Business Administration. EMBA from IE Business School.
- 20 years of experience working in UBS and Capital at Work.



#### Javier Moreno – Head of Aerospace & Defense

- Joined in 1999 and has headed A&D division since 2015.
- Chief Engineer of the EADS DR initiative during 1998-2000, where he focused on special materials.
- Specialized in industrial application of specialty materials.



#### Imad Ghawaly – Head of Mobility

- Head of Mobility since 2016.
- 22 years of experience in the automotive sector.
- Previously worked as senior managers in Johnson Control, Voith, Brose, among others.



#### Raúl García – Head of Civil Works

- Joined Carbures in 1999.
- Engineer with more than 36 years of experience, previously managed engineering projects in Pypsa for industrial plants and other Civil Works uses.

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**Section II.    Market Overview**

**Section III.   Key Investment Highlights**

**Section IV.   Financial Highlights**

**Appendix.    Merger between Carbures & Inypsa**

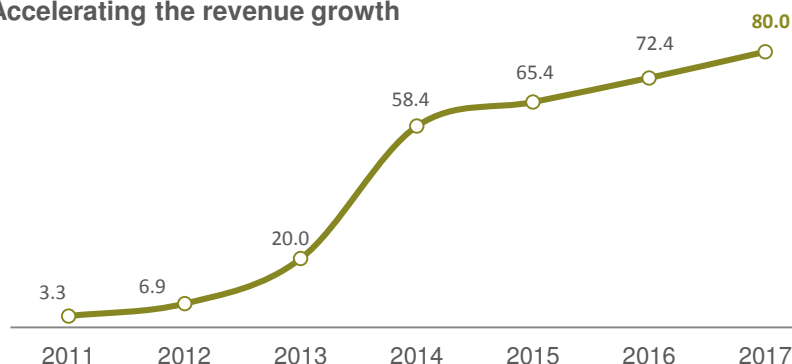
## Financial Snapshot

Growth based on our technology and business strength. Current phase focused on profitable growth: improvement of operating results after the implementation of efficiency and restructuring plans

### Revenues

Accelerating the revenue growth

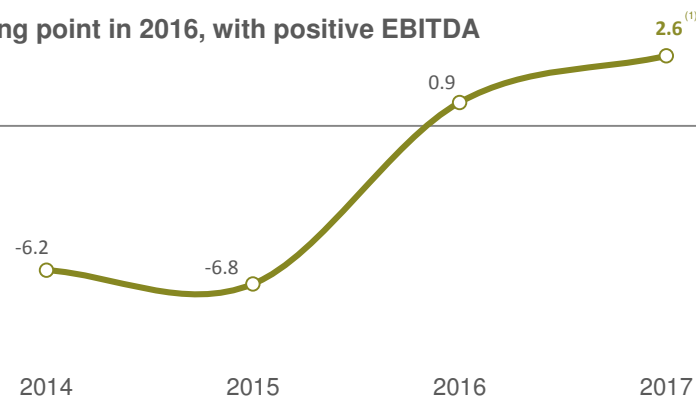
(€ in Millions)



### Recurrent EBITDA

Turning point in 2016, with positive EBITDA

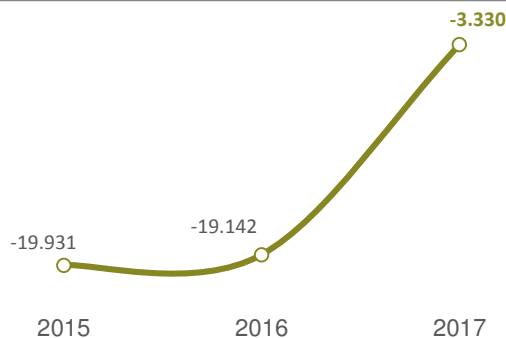
(€ in Millions)



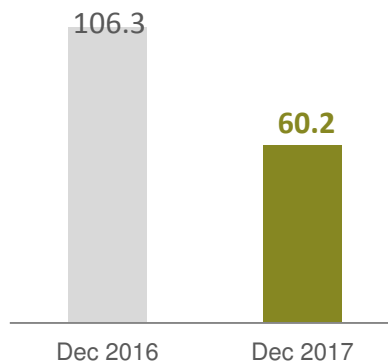
### Operating Cash Flow

- Operating Cash Flow of -3.3 M € in 2017 due to extraordinary non-recurring costs

- Excluding these costs, the Operating Cash Flow is € 0.8 million



### Net Debt



- Significant reduction of net debt
- Only ~18 M€ of gross banking debt with financial institutions
- Extending maturities successfully on the long-term

(1) Recurring EBITDA does not include non-recurring extraordinary expenses, which totaled 4 M€, associated with the corporate restructuring and the operating restructuring of the Mobility sector, cost associated to the debt refinancing carried out in 2017, costs associated with the process to be listed on the Madrid Stock Exchange and other non-recurring costs such as those derived from the legal process that the Company has against Emerging Markets Intrinsic before the Court of New York, among others.

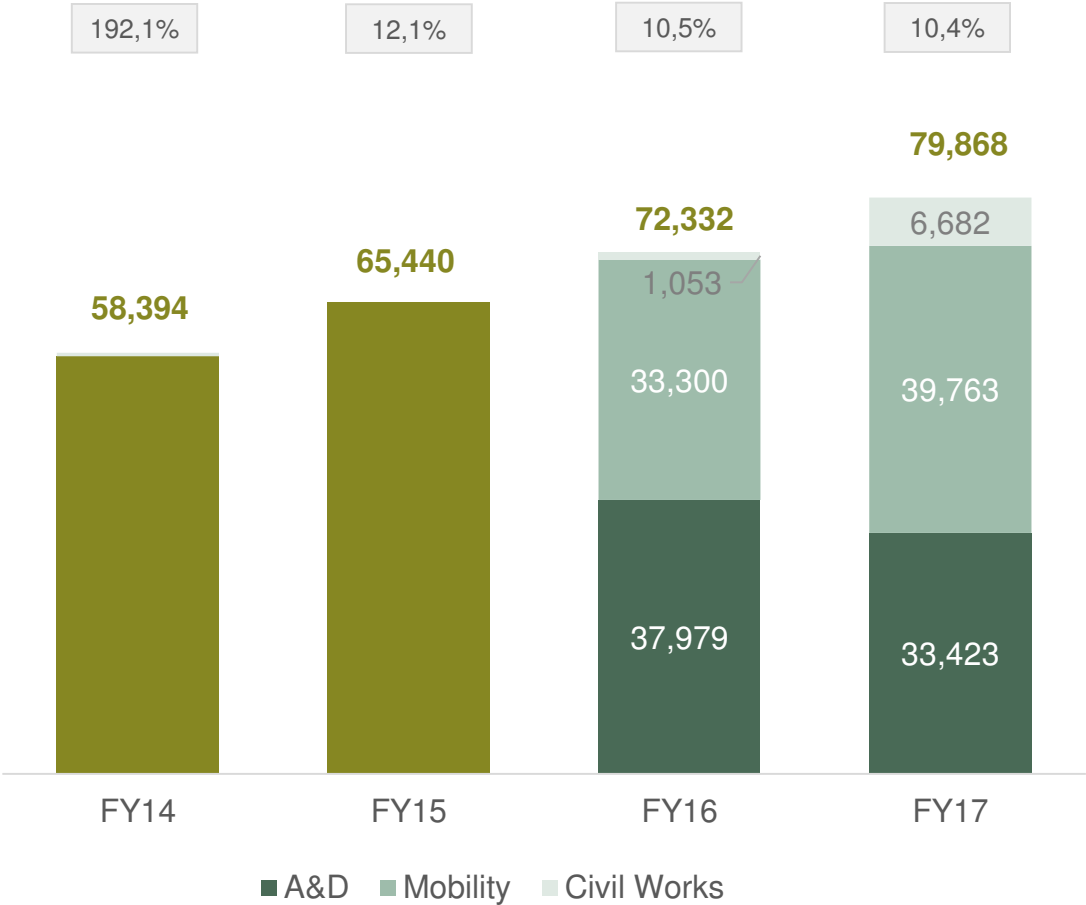


Revenues

During the last four years Carbures experienced a high revenue growth mainly driven by a strategic build-up process and the development of the Carbures Machinery and Carbures Aerospace & Defense business units

Consolidated Revenue Evolution (€M)

- This increase in revenues is partly due to the M&A strategy that the Company has carried out during 2013 and 2014.
- This M&A build-up allowed Carbures to develop its core competencies in three business lines and further consolidate its international presence.
- Carbures Machinery has €35m in revenue in FY17 and is expected to grow fast due to the Company’s expansive pipeline.
- A&D was the original activity of the Group. As of FY17 A&D has c. €34m in revenue



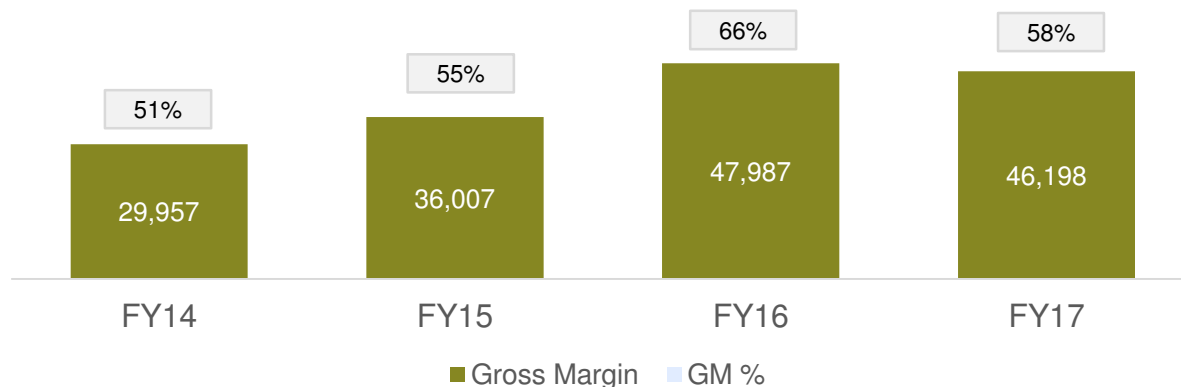
Note: Divisional revenue breakdown not available in FY13A-FY15A.

## EBITDA

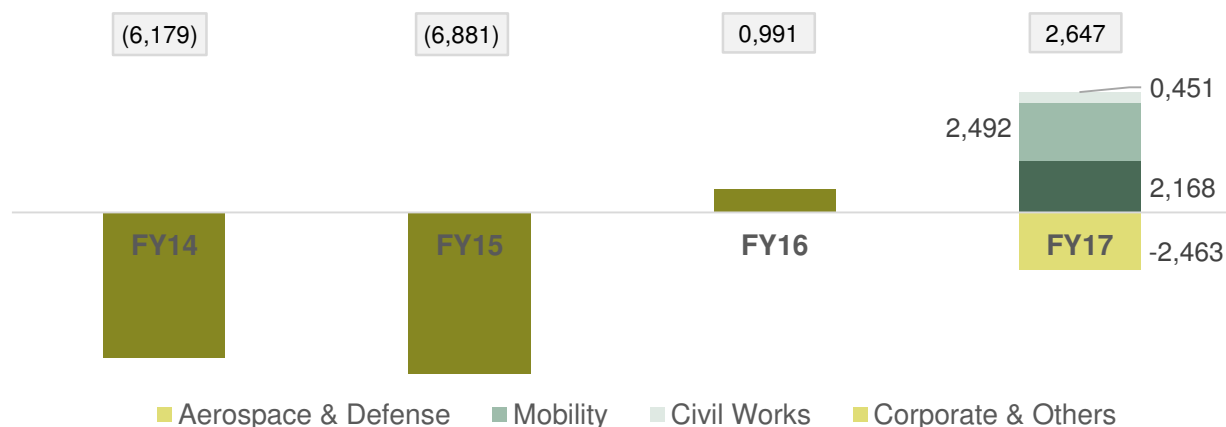
**€2,6M Recurrent EBITDA in FY2017.** The Company expects to rise up the average occupation ratio of its plants in the coming years, with the significant positive impact in EBITDA

### Consolidated Gross Margin Evolution (€M; %)

- FY 2016 was the inflection point, where the Company delivered positive EBITDA
- Gross margin at 58% on sales, improving the figure from 2016, due to the greater efficiency in costs and the increase of activities in Carbures Machinery
- The Company expects to rise up the average occupation ratio of its plants in the coming years, with the significant positive impact in EBITDA
- Corporate reorganization carried out in order to adjust non-profitable businesses and better absorb the potential synergies among activities.



### Consolidated Recurrent EBITDA Evolution (€M)



Notes: (1) Historical financial figures 2014 and 2015 presented under Spanish GAAP. Last two years (2016 to 2017) presented under IFRS.

(2) Recurring EBITDA does not include non-recurring extraordinary expenses, which totaled 4 M€, associated with the corporate restructuring and the operating restructuring of the Mobility sector, cost associated to the debt refinancing carried out in 2017, costs associated with the process to be listed on the Madrid Stock Exchange and other non-recurring costs such as those derived from the legal process that the Company has against Emerging Markets Intrinsic before the Court of New York, among others.

## Working Capital & Capex

During the last four years Carbures has invested over c.€35m in the upgrading and expansion of its facilities in order to support future growth

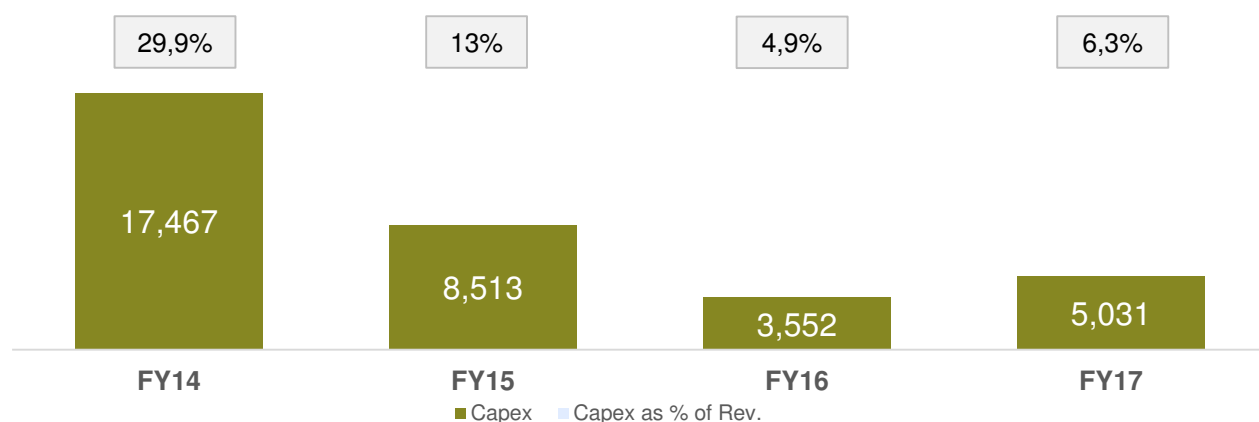
### Capex

- It mainly refers to its aerospace facilities located in Jerez (Spain) and Harbin (China), as well as its mobility facilities located in Burgo de Osma (Spain) and the manufacturing line of RMCP and RTM.
- At the end of this well-thought out capex program, the Company has available high capacity in its production facilities, which can accommodate the forecasted future growth.

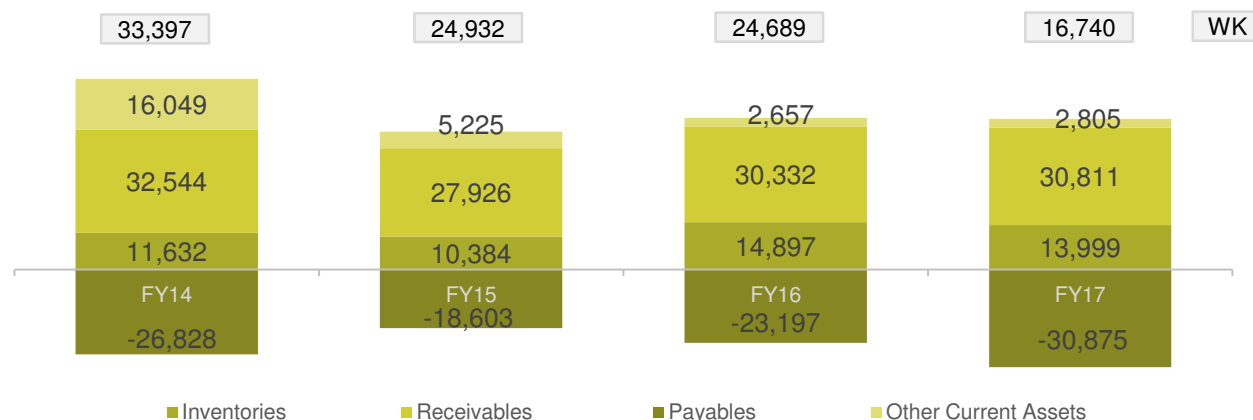
### Net Working Capital

- Net working capital has remained stable over the period analyzed
- The working capital is high due to the payment policy of Carbures Machinery - the Company pays its suppliers on a monthly basis while they receive the money from their clients upon delivery of machines.

### Consolidated Capex Evolution (€M; % )



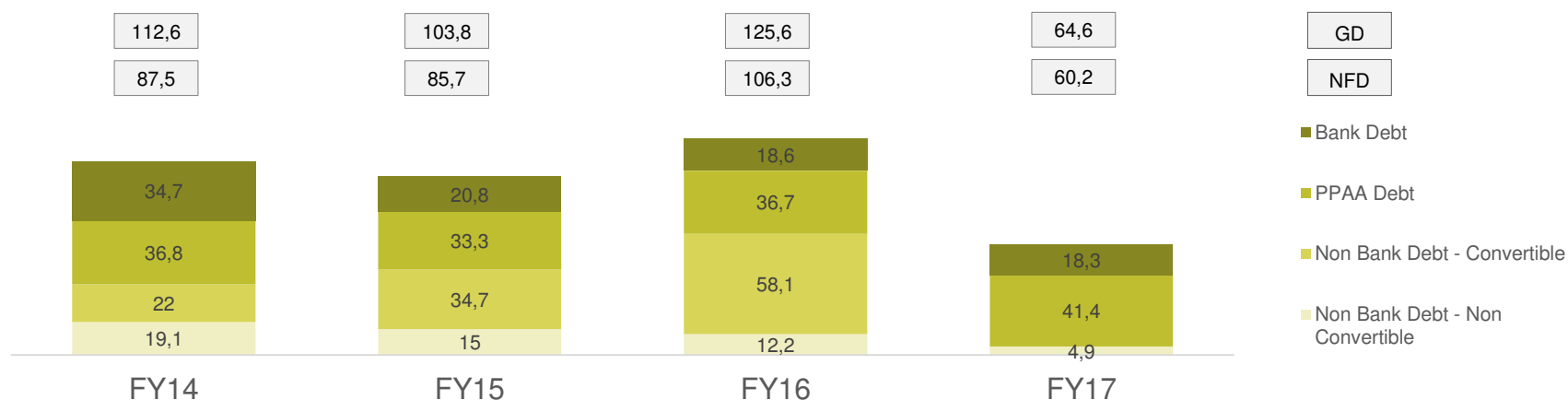
### Consolidated Net Working Capital (Balance Sheet) (€M)



## Net Financial Debt - Evolution

During 2017, the Company has significantly reduced its net debt during 2017 to reinforce its financial structure

### Gross Debt Evolution (€M)



#### Bank debt (c.28% of total debt)

- ~€14m correspond to the syndicated loan granted
- Other bank debts are related with several credit lines and leasings

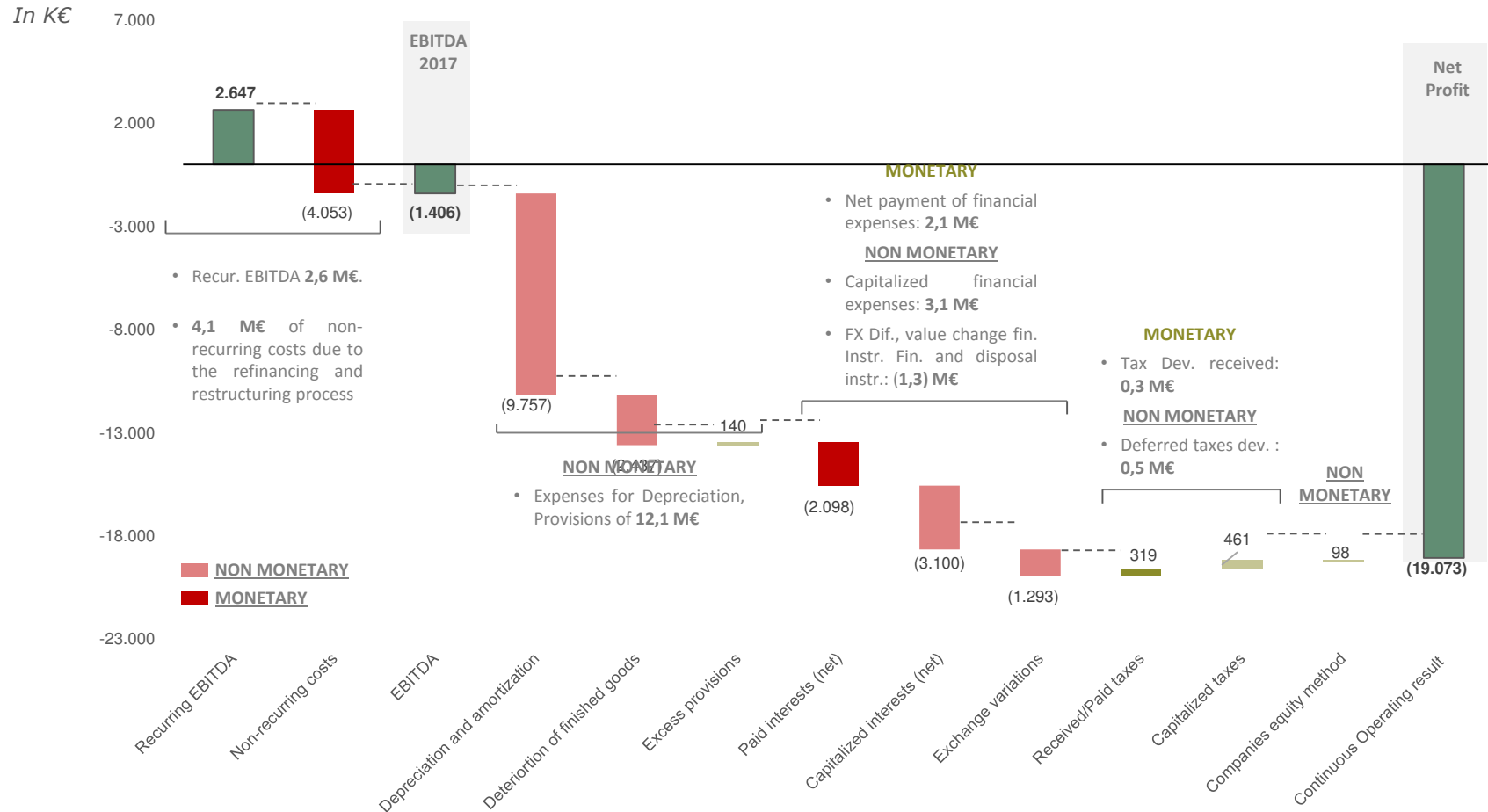
#### Debt with PPAA (c.64% of total debt)

- The debt with Public Administrations are mainly low cost financing provided by government institutions or policy banks:
  - Programs (AVANZA, REINDUS, etc.) for promotion of industrial production and research activities granted by various government institutions including MEIC, EIB, MINETUR, CDTI, and CTA
  - The majority are long term (7 years) loans with variable interests rates, with minor portion zero interest rates debts

#### Other (c.8% of total debt)

- Non Bank debt – Non Convertible refers to a loan with “Anangu” which will finish in December 2020

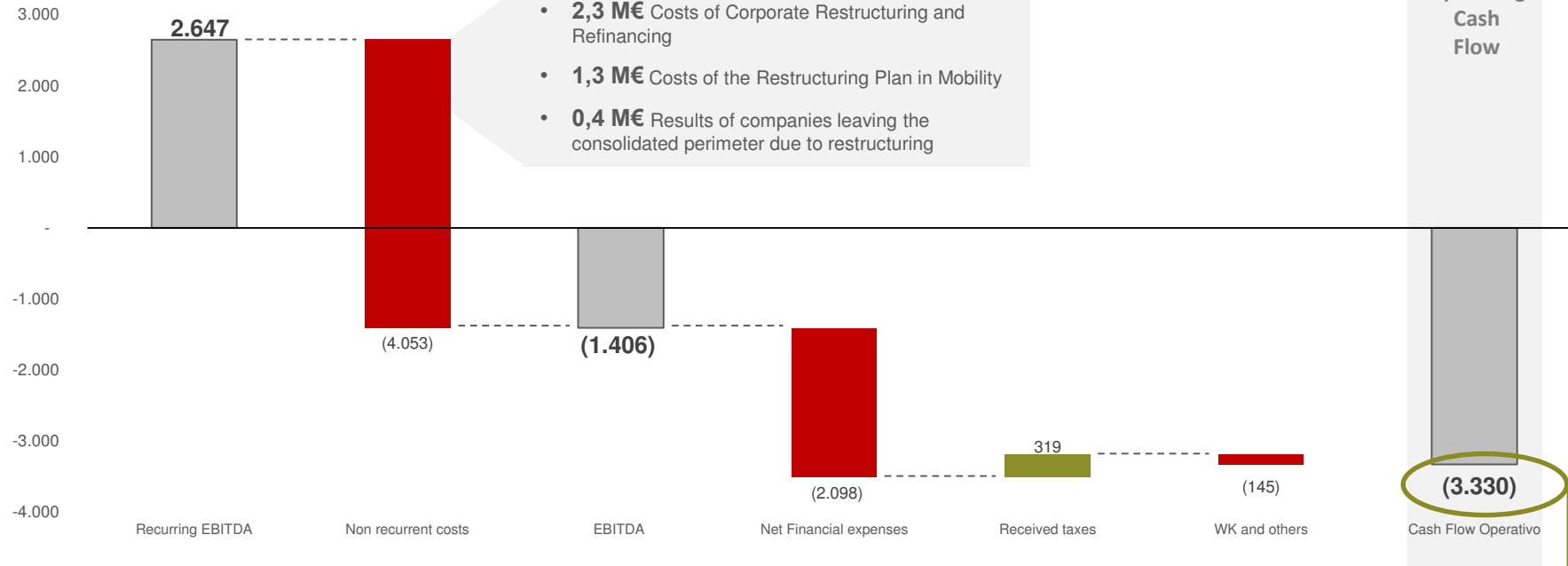
## Net Result 2017



Negative net profit of € 19.0 million is mainly impacted by expenses that have no impact on cash (~ € 16 million) and extraordinary non-recurring costs due to the restructuring and refinancing process (~ € 4 million)

## Operating Cash Flow 2017

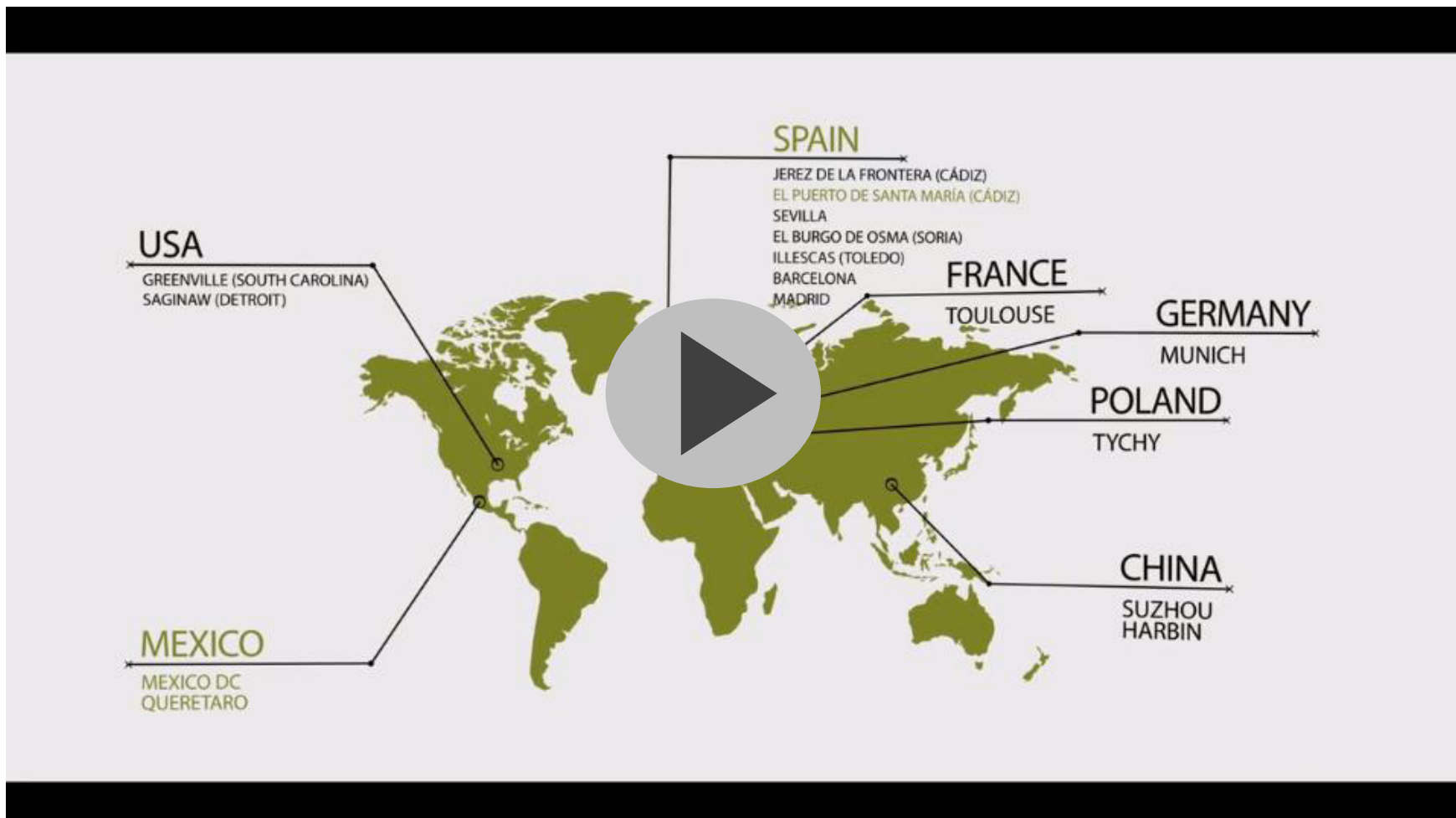
In K€



- Operating Cash Flow of -3.3 M € in 2017 due to extraordinary non-recurring costs
- Excluding these costs, the Operating Cash Flow is € 0.8 million

### Estados de flujos de efectivo consolidados correspondientes a los ejercicios 2017 y 2016. - Expresados en miles de Euros-

Notas (1)	2017	2016 (2)
<b>Resultado del ejercicio antes de impuestos</b>	<b>(19.853)</b>	<b>(13.892)</b>
<b>Ajustes no monetarios</b>	<b>16.528</b>	<b>5.393</b>
- Amortización del inmovilizado	9.364	8.890
- Correcciones valorativas por deterioro	2.870	115
- Variación de provisiones	-	219
- Imputación de subvenciones	(1.653)	(1.435)
- Resultados por bajas y enajenaciones del inmovilizado	-	1.090
- Ingresos financieros	(200)	(4.481)
- Gastos financieros	5.398	8.308
- Diferencias de cambio	1.545	(778)
- Variación de valor razonable en instrumentos financieros	(282)	431
- Otros ingresos y gastos	(865)	(4.734)
- Resultado por pérdida de control de sociedades Grupo	449	(2.953)
- Resultado de las inversiones contabilizadas por el método de la participación	(98)	721
<b>Cambios en el capital corriente</b>	<b>1.774</b>	<b>(5.848)</b>
- Existencias	(1.940)	(4.513)
- Deudores comerciales y otras cuentas a cobrar	480	(6.842)
- Otros activos corrientes	1.060	29
- Acreedores comerciales y otras cuentas a pagar	3.121	7.719
- Otros pasivos corrientes	(312)	(3.659)
- Otros activos y pasivos no corrientes	(635)	1.418
<b>Otros flujos de efectivo de las actividades de explotación</b>	<b>(1.779)</b>	<b>(4.795)</b>
- Pagos de intereses	(2.209)	(4.506)
- Cobros de intereses	111	345
- Cobros (pagos) por impuesto sobre beneficios	319	(634)
<b>Flujos de efectivo de las actividades de explotación</b>	<b>(3.330)</b>	<b>19.142</b>



<https://www.dropbox.com/s/7zcrxbmzn5q7ppv/VIDEO%20RESUMEN.mp4?dl=0>

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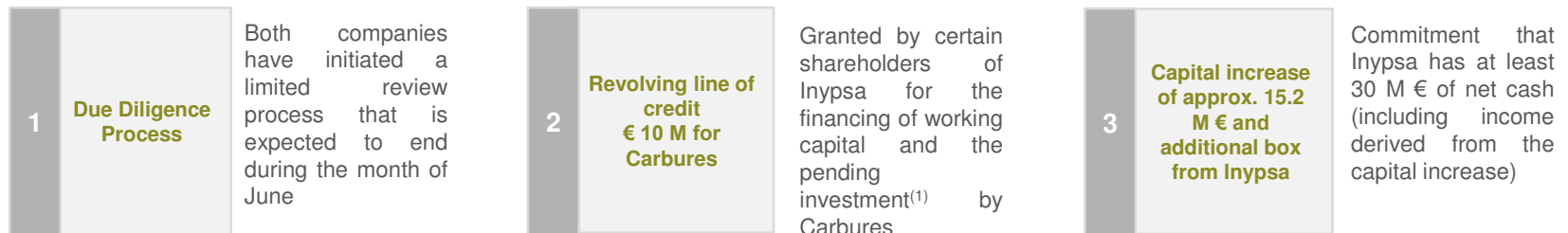
**Section IV.   Financial Highlights**

**Appendix.    Merger between Carbures & Inypsa**



**Merger by absorption between INYPSA and CARBURES to the extent that the shareholders of Carbures will receive shares of INYPSA in exchange for their shares de Carbures and becomes shareholders of INYPSA**

### Steps prior to the operation

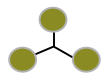


**The shareholders of Carbures will receive so many shares of Inypsa for one Carbures share, based on the exchange ratio that will be validated by an independent expert**

Note: The Integration Framework Agreement provides that the Transaction is subject to certain habitual conditions in operations of this type, which include the completion of the Confirmatory Review Process and the approval of the Transaction itself (including, in any case, the approval of the signing of the merger agreement and the drafting and subscription of the common merger project) by the management bodies of both companies and by corresponding Shareholders' Meetings.

(1): Investment to be developed in the Getafe production plant for the Aerospace & Defense division.

(2): In accordance with the terms indicated in the Integration Framework Agreement



The resulting Company will have a leadership position in the design and manufacture of products based on composite materials with an international presence in the sectors of: **Aerospace and Defense, Mobility, Civil Engineering, Oil & Gas and Clean Energies**



1

### Business & Industrial Rationale

- Geographic expansion and diversification of business, improving the position of Carbures in Latin America
- Reinforces the business model of Carbures and brings greater value-added to the engineering activity of Inypsa
- Highly complementary customer base with cross sales opportunities
- Fully aligned strategy with an easy corporate fitting



2

### Great Sinergy Potential

- Savings in structural costs due to the execution of cost synergies, i.e. stock listing, board of directors, back-office functions, advisors, etc.
- Potential sale synergies, based on cross sales and up-sales opportunities to the respective customer bases of both companies
- Other cost savings derived from the integration and efficiency plan

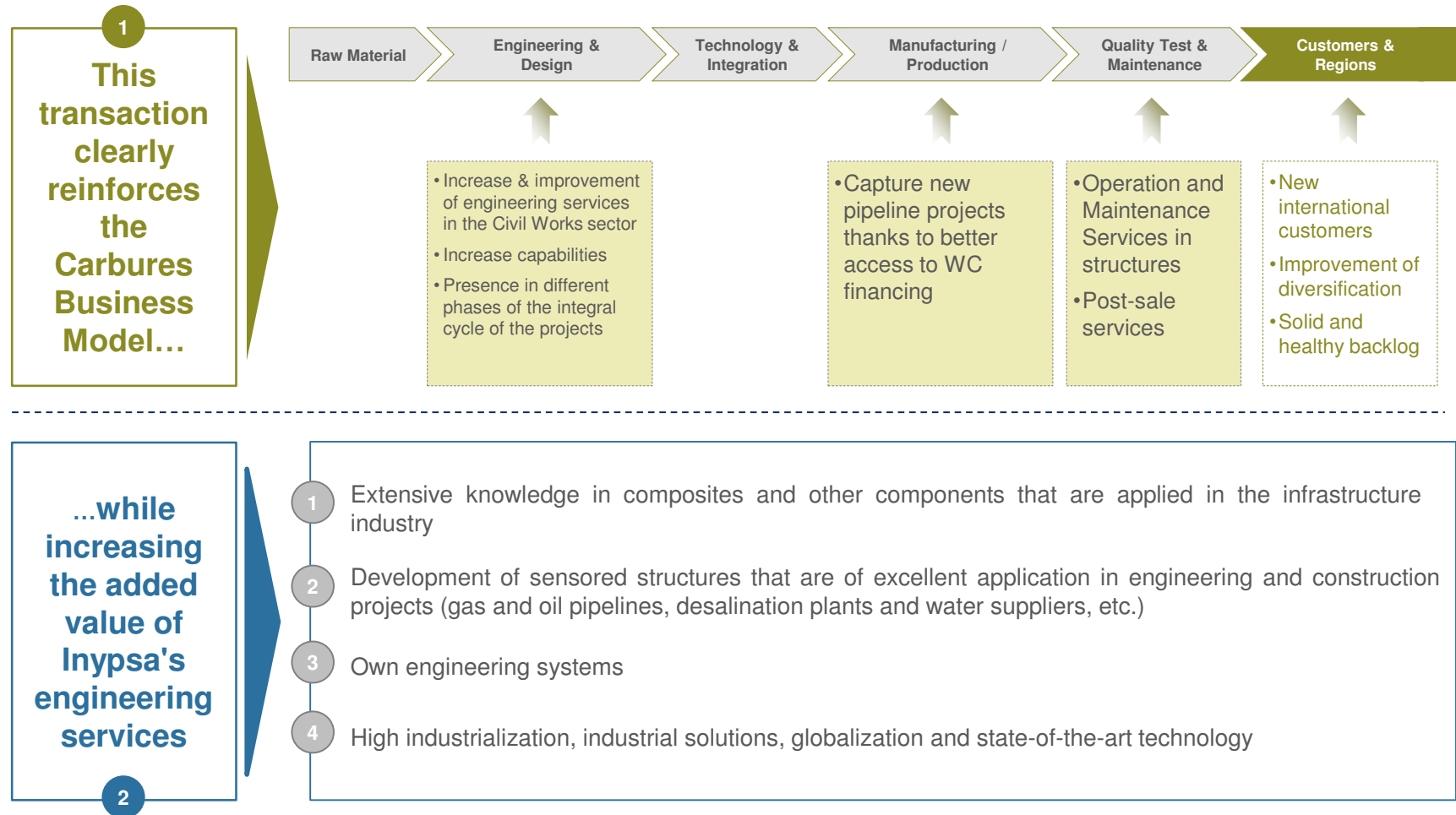


3

### Other Important Benefits

- Access to new working capital financing lines and other sources of capital
- Growing markets, proprietary technology and large industrial capacity
- Greater liquidity in the stock market

**This transaction clearly reinforces the Carbures Business Model while increasing the added value of Inypsa's engineering services**





**Expected increase in the Carbures business due to Inypsa's...**

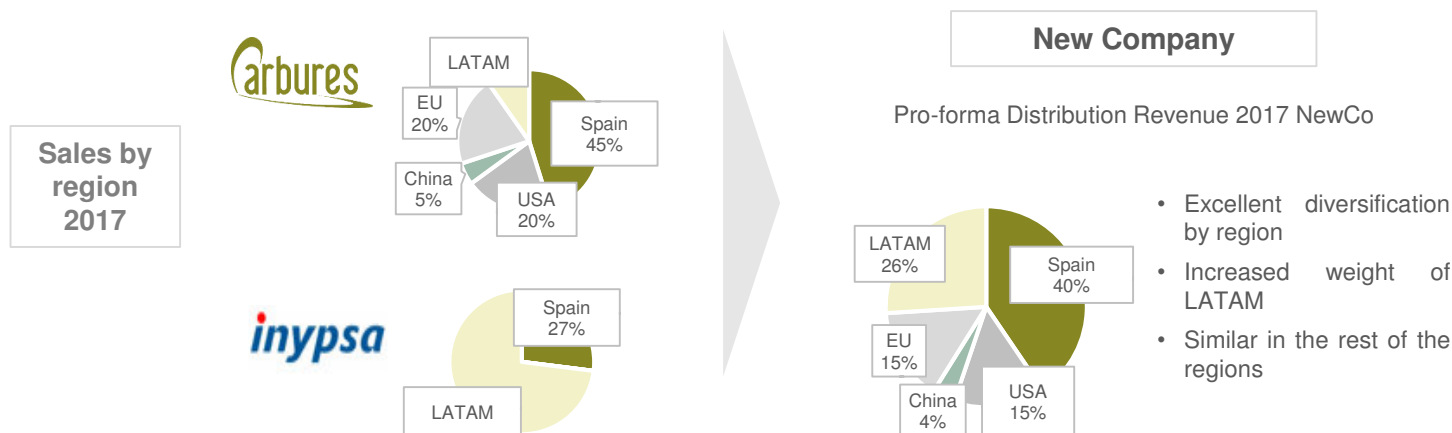
- Experience in the integral cycle of PMO and EPC projects applicable to large projects currently in the Carbures pipeline
- Operation and Maintenance Services in structures
- Engineering services in different phases of the integral cycle of the projects that Carbures would have to subcontract



**Expected increase in the Inypsa business due to Carbure's...**

- Development of sensed structures applicable to large E&C projects (Oil & Gas, water suppliers, etc.)
- Application of composites in Inypsa's sectors: transport, environment, water, industry, etc.
- Expertise in unique projects

The combination of both businesses reinforces the geographical diversification with presence in Europe, America and Asia ...



... and the sectorial

Estimated Income 2017 New Company					<ul style="list-style-type: none"> <li>• Perfect fitting of the engineering businesses</li> <li>• Larger diversification by activity sectors</li> <li>• Synergies with the Aerospace and Mobility sector</li> </ul>
Aerospace	Mobility	Civil Works Engineering	Renewables		
<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Manufacturing parts and structures</li> <li>• Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Manufacturing parts and structures</li> </ul>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Efficiency &amp; infrastructure management ser.</li> <li>• PMO and EPC</li> </ul>	<ul style="list-style-type: none"> <li>• Generation of renewable energy (1 MW)</li> </ul>		
<b>33M€</b> <b>31%</b>	<b>40M€</b> <b>37%</b>	<b>33M€</b> <b>31%</b>	<b>2M€</b> <b>1%</b>		

# 2018

# Thank you!



## Carbures

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