AUDITORS' REPORT

ALPERIA SPA (former O.9 SRL)

INTERNATIONAL FINANCIAL REPORTING STANDARDS
SET OF FINANCIAL STATEMENTS AS AT
31 DECEMBER 2014 AND 31 DECEMBER 2015

pwc

INDEPENDENT AUDITORS' REPORT

To the Management Board of
Alperia SpA (formerly 0.9 Srl)

We have audited the accompanying set of financial statements of Alperia SpA, which comprises the statement of financial position, income statement, statement of comprehensive income, statement of cash flows, and the related notes as of and for the years ended 31 December 2014 and 31 December 2015 (the "Set of Financial Statements").

Directors' responsibility for the financial statements

The directors of Alperia SpA are responsible for the preparation of the Set of Financial Statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union.

Auditors' responsibility

Our responsibility is to express an opinion on this Set of Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree No° 39 of 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Set of Financial Statements are free from material misstatement.
An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Set of Financial Statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the Set of Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Set of Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

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Opinion

In our opinion, the Set of Financial Statements give a true and fair view of the financial position of Alperia SpA as of 31 December 2014 and as of 31 December 2015 and of the result of its operations and cash flows for the years then ended in compliance with International Financial Reporting Standards as adopted by the European Union.

Trento, 13 June 2016

PricewaterhouseCoopers SpA

Alberto Michelotti
(Partner)

Alperia S.p.A

(former O.9 S.r.l.)

Annual financial statement

December 31, 2015 and 2014

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STATEMENT OF FINANCIAL POSITION

(In Euro)	Notes	As of December 31	
		2015	**2014**
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	1,551	-
TOTAL NON-CURRENT ASSETS		**1,551**	**-**
Current assets			
Trade receivables	4.2	44,332	-
Other current assets	4.2	500,984	-
Cash and cash equivalents	4.3	75	10,000
TOTAL CURRENT ASSETS		**545,391**	**10,000**
TOTAL ASSETS		**546,942**	**10,000**
EQUITY AND LIABILITIES			
Equity			
Share capital		10,000	10,000
Retained earnings		(6,582)	-
Loss for the year		(183,703)	(6,582)
TOTAL EQUITY	4.4	**(180,285)**	**3,418**
Non-current liabilities			
TOTAL NON-CURRENT LIABILITIES		**-**	**-**
Current liabilities			
Trade payables	4.5	696.590	6,582
Other current liabilities	4.5	30.637	-
TOTAL CURRENT LIABILITIES		**727,227**	**6,582**
TOTAL EQUITY AND LIABILITIES		**546,942**	**10,000**

INCOME STATEMENT

(In Euro)	Notes	For the year ended December 31	
		2015	**2014**
Other operating income		1	-
Total revenue		**1**	**-**
Services and other materials	5.1	(130,675)	(6,582)
Personnel expenses	5.2	(30,637)	-
Other operating costs	5.3	(22,300)	-
Depreciation, amortization and impairment losses		(99)	-
NET OPERATING LOSS		**(183,711)**	**(6,582)**
Financial income		7	-
LOSS BEFORE TAX		**(183,703)**	**(6,582)**
Income tax expenses	5.4	-	-
LOSS FOR THE YEAR		**(183,703)**	**(6,582)**

STATEMENT OF COMPREHENSIVE INCOME

(In Euro)	For the year ended December 31	
	2015	**2014**
Loss for the year (A)	**(183,703)**	**(6,582)**
Total items that will not be reclassified to profit or loss (B1)	**-**	**-**
Total items that may be reclassified to profit or loss (B2)	**-**	**-**
Total Other comprehensive income, net of tax (B)=(B1)+(B2)	**-**	**-**
Total comprehensive income for the year (A)+(B)	**(183,703)**	**(6,582)**

STATEMENT OF CASH FLOW

(In Euro)	Notes	For the year ended December 31	
		2015	**2014**
Cash flows from operating activities			
Loss for the year		(183,703)	(6,582)
Adjustments for:			
Depreciation, amortization and impairment losses		99	
Net financial expenses (gain)		(7)	
Cash flows from operating activities before changes in working capital		**(183,611)**	**(6,582)**
Increase (decrease) in trade receivables	4.2	(44,332)	-
Increase (decrease) in trade payables	4.5	690,008	6,582
Increase (decrease) in other operating assets and liabilities	4.2-4.5	(470,347)	-
Financial income		7	
Net cash inflow from operating activities (A)		**(8,275)**	**-**
Cash flows from investing activities			
Investments in property, plant and equipment	4.1	(1,650)	
Net cash inflow (outflow) from investing activities (B)		**(1,650)**	**-**
Cash flows from financing activities			
Share capital increase		-	10,000
Net cash inflow (outflow) from financing activities (C)		**-**	**10,000**
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)		**(9,925)**	**10,000**
Cash and cash equivalents at the beginning of the year		**10,000**	**-**
Net increase (decrease) in cash and cash equivalents from January 1 to December 31		(9,925)	10,000
Cash and cash equivalents at the end of the year	4.3	**75**	**10,000**

STATEMENT OF CHANGE IN EQUITY

(In Euro)	**Share capital**	**Retained earnings**	**Profit/(loss) for the year**	**Total Equity (note 4.4)**
As of December 17, 2014 (date of incorporation)	**-**	**-**	**-**	**-**
Loss for the year			(6,582)	**(6,582)**
Other comprehensive income for the year				**-**
Total comprehensive income for the year	**-**	**-**	**(6,582)**	**(6,582)**
Share capital increase	10,000			**10,000**
Total transaction with owners, recognised directly in equity	**10,000**	**-**	**-**	**10,000**
Allocation of previous year profit (loss)	-	-	-	**-**
As of December 31, 2014	**10,000**	**-**	**(6,582)**	**3,418**
Loss for the year			(183,703)	**(183,703)**
Other comprehensive income for the year				**-**
Total comprehensive income for the year	**-**	**-**	**(183,703)**	**(183,703)**
Transaction with owners, recognised directly in equity	**-**	**-**	**-**	**-**
Allocation of previous year profit (loss)	-	(6,582)	6,582	**-**
As of December 31, 2015	**10,000**	**(6,582)**	**(183,703)**	**(180,285)**

NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015 and 2014

1. GENERAL INFORMATION

Alperia S.p.A (former O.9 S.r.l., hereinafter "Alperia" or the "Company") is a legal entity established in Italy, with registered office located in Via Dodiciville n. 8, Bolzano (BZ), and it is organized and governed under the Italian Law.

The Company has been identified as a vehicle to implement the merger between Azienda Energetica S.p.A. (hereinafter "AE S.p.A.") and SEL S.p.A. (hereinafter, the "Merger"). The Merger will lead to the creation of the main energy operator in the Trentino Alto Adige region for the production and sale of electricity, mainly hydropower, as well as for the purchase and sale of gas and heat.

As a result of the Merger, the Company will operate on the following activities:

- production, import, export, transmission, transformation, distribution and purchase and sale of electricity from whatever origin;
- electrical conduction and management of high-voltage lines, including related transformer substations;
- import and export, transportation, storage, purchasing, distribution and sale of natural gas and other hydrocarbons, as well as all connected measurement activities;
- promotion, dissemination and implementation of operations and plants powered by renewable energy sources and assimilated, as well as their maintenance;
- production, purchase, storage, distribution and sale of thermal energy.

During the year 2015, the Company carried out preliminary activities for the realization of the Merger, which was finalized at the end of 2015 with effective data January 1, 2016. The Company has incorporated the aforementioned companies, pursuant to articles 2501 and following of the Italian Civil Code.

These financial statements (the "Financial Statements") have been prepared only for the purpose of inclusion in the offering memorandum prepared in connection with the Company's issuance of notes (hereinafter the "Notes") which are to be admitted to trading on the regulated market of the Irish Stock Exchange.

The Financial Statements was approved by the Company's Management Board on June 13, 2016.

Significant events occurred during 2015 and before the approval of the Financial Statements

In the context of the Merger:

• the Company incorporated SEL S.p.A. and AE S.p.A.;

• the Company's share capital was increased from Euro 10,000 to Euro 750,000,000;

• the Company changed the legal form from "limited liability company" to "joint-stock companies";

• the Company adopted the dualistic board structure, pursuant to articles 2409-octies and following of the Italian Civil code;

• the Company changed its name to "Alperia S.p.A." (formerly "O.9 S.r.l.").

The Company signed in September 2015 a cost sharing agreement (hereinafter the “Cost Sharing Agreement”) with AE S.p.A. and SEL SpA, which requires to perform, for the benefit of the aforesaid companies, activities and services needed to execute the Mergerd. AE S.p.A. and SEL S.p.A., simultaneously, pledged to contribute to the costs incurred by the Company each to the extent of 50%.

As a result of the Merger, the Company’s share capital is owned by:

- Provincia Autonoma Bolzano (“PAB”), holding a 54% of Company’s share;
- Comune di Bolzano ("CB"), holding a 21% of Company’s share;
- Comune di Merano ("CM"), holding a 21% of Company’s share;
- Selfin, holding a 4% of Company’s share.

2. BASIS OF PREPARATION

The Financial Statements have been prepared in compliance with IFRS, meaning all the International Financial Reporting Standards, all the International Accounting Standards (“IAS”), and all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) previously known as the Standing Interpretations Committee (“SIC”), which, at the reporting date of the financial statements, have been endorsed by the European Union in accordance with the procedure in Regulation (EC) no. 1606/2002 of the European Parliament and European Council dated July 19, 2002.

As the Company prepared the financial statements for the year ended December 31, 2015 in accordance with art. 2423 and following of the Italian Civil Code, for the preparation of the Financial Statements in accordance with IFRS, it was necessary to perform a conversion process from Italian general accepted accounting principles (“Italian GAAP”) to IFRS in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards"; for this purpose has been identified as the transition date to IFRS on December 17, 2014 (hereinafter the "Transition Date"), that corresponds to the Company’s date of setting up. With regard to the disclosure required by IFRS 1 of the accounting effects of the transition from Italian GAAP to IFRS (the "Transition to IFRS"), please refer to the detail shown in the paragraph "Criteria used for the transition from Italian GAAP to IFRS ".

The Financial Statements have been prepared on a going concern basis.

The Financial Statements are prepared using the historical cost convention, with the exception of certain financial assets and liabilities for which measurement at fair value is required.

The Financial Statements are presented in Euro and are composed of a Statement of Financial Position, an Income Statement, a Statement of Comprehensive Income, a Statement of Cash Flow, a Statement of Change in Equity, and related Notes. The amounts reported in the notes to the financial statements are presented in Euro, unless otherwise specified.

The financial statements format adopted is consistent with those indicated in IAS 1 – Presentation of Financial Statements. In particular:

- the statements of financial position has been prepared by classifying assets and liabilities according to the “current and non-current” criterion;
- the income statement has been presented separated from the statement of comprehensive income statement and has been prepared by classifying operating expenses by nature of expense;
- the statement of comprehensive income includes the profit or loss for the year as shown in the separate income statement and changes in equity related to items of economic nature, as required by the IFRS;
- the statement of cash flows has been prepared following the “indirect method”.

3. ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are reported at their historical purchase or production cost. Cost includes expenditures that are directly attributable to preparing the assets for their intended use.

Expenditures that are directly attributable to the purchase, development or production of an asset but cannot be a<ttributed to a qualifying asset, are reported in the income statement when they arise.

Routine repair and maintenance costs are recognized as expenses in the period in which they are incurred. Expenditures incurred for the modernization and improvement of owned assets or from third parties, are capitalized only if it is eligible to be classified separately as assets or part of assets by adopting the component approach.

The Company has estimated the following depreciation rate for its categories of property, plant and equipment:

- Other tangible assets: 12%

Property, plant and equipment, with the exception of land, are subject to depreciation. Depreciation is charged on a straight-line basis to depreciate assets over their useful lives. If a depreciable asset consists of separately identifiable parts, whose useful lives differ significantly from other parts of that asset, each part is depreciated separately in accordance with the component approach. Depreciation commences once the asset is available for use.

The depreciation rates of tangible assets are reviewed and updated, when necessary, at least annually.

In the event that, independently of the depreciation already recorded, an indication of impairment arises, an impairment loss is recognized for the asset; if in the following years the reason for an impairment loss cease to exist, the original value will be restored. The residual value and useful lives of property, plant and equipment are reviewed at every financial year-end, and adjusted if appropriate.

TRADE RECEIVABLES AND OTHER ASSETS

Trade receivable and other asset are initially recognized at fair value, net of direct transaction costs, and subsequently measured at amortized cost using the effective interest method (the rate that equals, at the initial recognition, the book value and the discounted value of expected cash flows), less any impairment losses. Trade receivables and other financial assets are recognized as current assets, except for those with contractual maturity beyond 12 months of the reference date, which are classified as non-current assets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, current accounts and demand deposits with banks that have original maturity within 3 months. Cash and cash equivalents are recognized at nominal value, equal to the fair value.

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables, other liabilities and other current and non-current financial liabilities are identified when the Company contracts obligations and they are recognized initially at fair value, net of direct transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

Income taxes

Income taxes represent the sum of current and deferred taxes. Income taxes are recognized in the income statement with the exception of certain items that are recorded in equity (in which case the tax effect is also recognized in equity).

Current income taxes are the amount of taxes expected to be paid for the taxable profit, determined in compliance with the current regulations.

Deferred income taxes are determined using the liability method on temporary differences between assets and liabilities in the financial statements and the corresponding values recognized for tax purposes. Deferred income taxes are determined using tax rates that are expected to apply to the year when the related differences are realized or settled.

Deferred tax assets are recognized only when it is probable that in future years there will be sufficient taxable income to realize them.

The deferred tax assets and liabilities are offset only when there is a legal right of offset and when they relate to income taxes levied by the same taxation authority.

Income taxes relating to prior year include the income and expenses recognized in the year for income taxes related to prior years.

Recognition of revenue and costs

Revenue is recognized to the extent that it is probable that the economic benefits are achieved and the relative amount can be reliably measured. Revenue from the sale of goods is recognized upon transfer of the risks and rewards of ownership to the buyer, which generally coincides with the shipping or the delivery.

Revenue is recognized for an amount equal to the fair value of the amount received or receivable, net of returns, discounts, rebates, bonuses, and directly related taxes.

Costs are recognized when related to goods and services purchased, consumed or allocated in the year, or when it is not possible to identify their future usefulness.

Income and financial expenses are recognized in the income statement at the time when they are incurred.

Accounting standards, amendments and interpretations not yet applicable and not adopted in advance by the company

The following table reports the accounting standards, amendments and interpretations issued by the IASB, the date of mandatory application and the state of transposition of the EU.

Description	**Endorsed at the date of this document**	**Mandatory application starting from**
Amendments to IAS 19 (Defined benefit plans)	Yes	Years starting from February 1, 2015

IFRS 14 (Regulatory Deferral Accounts)	No	Years starting from January 1, 2016
Amendments to IFRS 11 (Joint Arrangements) – Accounting for Acquisitions of Interests in Joint Operations	Yes	Years starting from January 1, 2016
Amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) – Clarification of Acceptable Methods of Depreciation and Amortization	Yes	Years starting from January 1, 2016
Amendments to IAS 27 (Separate Financial Statements) – Equity Method in the Separate Financial Statements	Yes	Years starting from January 1, 2016
Amendments to IFRS 10 (Consolidated Financial Statements) and to IAS 28 (Investments in Associates and Joint Ventures) – Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	No	Years starting from January 1, 2016
Improvements to IFRS (2010-2012 cycle)	Yes	Years starting from January 1, 2016
Improvements to IFRS (2012-2014 cycle)	No	Years starting from January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 (Investment entities – Exception to consolidation)	No	Years starting from January 1, 2016
Amendments to IAS 16 (Property, Plant and Equipment) and IAS 41 (Agricolture)	Yes	Years starting from January 1, 2016
Amendments to IAS 1 – Disclosure Initiative	Yes	Years starting from January 1, 2016
Amendments to IAS 12 (Income taxes)	No	Years starting from January 1, 2017
Amendments to IAS 7 (Statement of Cash Flows)	No	Years starting from January 1, 2017
IFRS 15 (Revenue from Contracts with Customers)	No	Years starting from January 1, 2018
IFRS 9 (Financial Instruments)	No	Years starting from January 1, 2018
IFRS 16 (Leases)	No	Years starting from January 1, 2019

The potential impact on the financial statements resulting from these changes are under evaluation.

ESTIMATES AND ASSUMPTION

The preparation of the financial statements required the management to apply accounting standards and methods that, in some circumstances, are based on difficult and subjective valuations, and estimates based on historical experience and assumptions considered reasonable and realistic from time to time according to the circumstances.

The application of these estimates and assumptions affect the amounts reported in the financial statements, such as the statement of financial position, income statement, cash flow statement as well as the additional notes.

Estimates and assumptions are reviewed periodically and the effects of each change is immediately reflected in the income statement.

The financial statement items that require, more than others, a subjective judgment by management when elaborating the estimates and for which a change in the conditions underlying the assumptions could have a significant impact on the financial statement, are as summarized below.

- Depreciation and amortization: changes of economic conditions of the market, technology and competitive forces could significantly affect the useful life of property, plant and equipment and intangible assets, and may result in a difference in the timing and the amount of depreciation and amortization.
- Income taxes: income taxes calculated through a prudent interpretation of the tax laws. This sometimes involves complex estimates to determine taxable income and deductible temporary differences between accounting values and tax values.

4. NOTES TO THE STATEMENTS OF FINANCIAL POSITION

4.1. Property, plant and equipment

The item "Property, plant and equipment" amounts to Euro 1,551 as of December 31, 2015 (zero as of December 31, 2014) and is related to commercial equipment.

The following table reports the amounts and movements of property, plants and equipment for the years ended December 31, 2015:

(In Euro)	**Other assets**	**Total**
Net book value as of January 1, 2015	**-**	**-**
Historical cost as of January 1, 2015	**-**	**-**
Additions	1,650	1,650
Historical cost as of December 31, 2015	**1,650**	**1,650**
Accumulated depreciation as of January 1, 2015	**-**	**-**
Depreciation	(99)	(99)
Accumulated depreciation as of December 31, 2015	**(99)**	**(99)**
Net book value as of December 31, 2015	**1,551**	**1,551**

4.2. Trade receivables and other current assets

Trade receivables and other current assets amounts to Euro 545.316 as of December 31, 2015 (zero as of December 31, 2014). No bad debt provision was recognized.

The following table reports the details of trade receivables and other current assets as of December 31, 2015 and 2014:

(In Euro)	**As of December 31**	
	2015	**2014**
Trade receivables	44,332	-
Tax receivables	22,254	-
Other	478,730	-
Total trade receivables and other current assets	**545,316**	**-**

Trade receivables of Euro 44,332 as of December 31, 2015 refer to the receivables toward SEL S.p.A..

Tax receivables of Euro 22,254 as of December 31, 2015 mainly refer to VAT receivables.

Other currents assets mainly refer to administrative costs connected to the Merger for an amount of Euro 478,730.

The whole amount of receivables are towards Italian entities.

4.3. Cash and cash equivalents

The item "Cash and cash equivalents" amounts to Euro 75 as of December 31, 2015 (Euro 10,000 as of December 31, 2014) and wholly refer to bank deposits.

4.4. Equity

As of December 31, 2015, share capital of Euro 10,000 is made of n. 1 stake with a nominal value of Euro 10.000, owned by PAB, entirely subscribed and paid in cash.

On January 1, 2016, the Company changed its name from "O.9 S.r.l." to "Alperia S.p.A." and, as result of the Merger, the share capital was increased to Euro 750,000,000.

4.5. Trade payables and other liabilities

The following table reports the details of trade payables and other current liabilities as of December 31, 2015 and 2014:

(In Euro)	As of December 31	
	2015	2014
Trade payables	696,590	6,582
Tax payables	4,147	-
Social security payables	9,910	-
Other	16,580	-
Total trade payables and other liabilities	**727,227**	**6,582**

The item "Trade payables" amounts to Euro 696,590 as of December 31, 2015 (zero as of December 31, 2014), net of discount, rebates and returns agreed with the counterparty.

The increase in trade payables between December 31, 2015 and December 31, 2014 was mainly due to the activities performed by the Company in connection with the Merger. Trade payables include around Euro 452,000 related to invoices to be received.

"Other payables" refers to amounts due to Company's employees.

5. NOTES TO THE INCOME STATEMENT

5.1. Services and other materials

The following table reports the amounts of cost of services and other materials for the years ended December 31, 2015 and 2014:

(In Euro)	For the year ended December 31	
	2015	2014
Raw and consumable materials and goods	13,840	-
Services	116,835	6,582
Total services and other materials	**130,675**	**6,582**

5.2. Personnel expenses

The item "Personnel expenses" amounts to Euro 30,637 for the year ended December 31, 2015 (zero for the year ended December 31, 2014).

The following table details the amounts of personnel expenses for the years ended December 31, 2015 and 2014:

(In Euro)	For the year ended December 31	
	2015	2014
Wages and salaries	22,490	-
Social security contributions	6,265	-

Provisions for employee benefit obligations	1,882	-
Total personnel expenses	**30,637**	**-**

The amount wholly refers to the costs of the general manager hired in connection with the Merger.

5.3. Other operating costs

Other operating expenses amount to Euro 22,300 for the year ended December 31, 2015 (zero for the year ended December 31, 2014) and mainly relate to government concession costs, indirect taxes and other operating costs.

5.4. Income tax expenses

During the years ended December 31, 2015 and 2014, the Company reported a tax loss. Based on a prudent tax planning, deferred tax assets were not recognized.

6. FINANCIAL RISK MANAGEMENT

Due to the purpose and nature of the Company, the financial risks are limited to:

- Credit risk, arising from the partial rebilling of costs to AE S.p.A. and SEL S.p.A., in connection with the aforementioned Cost Sharing Agreement;
- Liquidity risk, related to the availability of financial resources and access to the credit market.

7. FAIR VALUE DISCLOSURE

As of December 31, 2015 and 2014, there are no assets or liabilities measured at fair value, by valuation method.

8. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables report the financial assets and liabilities by category of financial instrument and their level of fair value as of December 31, 2015 and 2014:

	As of December 31,	
	2015	**2014**
(In Euro)	**Loans and receivables**	
Trade receivables	44,332	-
Other current assets	500,984	-
Cash and cash equivalents	75	10,000
Current financial assets	**545,391**	**10,000**
Trade payables	696,590	6,582
Other current liabilities	30,637	-
Current financial liabilities	**727,227**	**6,582**

9. Related parties transactions

The Company's transactions with related parties are identified based on criteria defined by IAS 24 – Related party disclosures.

The related party identified refers to:

i) SEL, due to the relationship with PAB, which controls both the Company with a 54% of the share and SEL with a 94% of share;

ii) general manager, hired during 2015.

For the years ended December 31, 2015 general manager's personnel cost amounts to Euro 30,637.

As of December 2015, trade receivable toward SEL amount to Euro 44,332.

No transaction occurred during year 2014.

10. Commitments and guarantees

As of December 31, 2015 and 2014 there were no commitments.

As of December 31, 2015 and 2014 the Company had not issued guarantees.

11. Criteria used for the transition from Italian GAAP to IFRS

The following paragraph describes the procedure used for the transition from Italian GAAP to IFRS for the preparation of Financial Statements in accordance with IFRS 1 (the "Transition").

Considering:

i. this Company's first annual financial statements in accordance with IFRS has been prepared after the approval of the 2015 annual financial statements in accordance with Italian GAAP and
ii. the Company was set up on December 17, 2014 in order to carry out the Merger,

an explanation of how the Transition affected the Company's financial position, financial performance and statement of cash flow is set out below for the year ended December 31, 2014 and 2015.

The statement of financial position, income statement and statement of cash flow as of and for the year ended December 2015 and 2014 reflect the following main adjustments and reclassifications.

Adjustments

As of December 2015 the total equity under IFRS is lower for Euro 24,713 as compared to the corresponding amount under Italian Gaap mainly due to both the reversal of amortization recorded under Italian Gaap in relation to costs incurred in connection with the Merger and service costs not capitalisable under IFRS. The transaction costs related to the Merger are incremental costs directly attributable to the equity transaction that otherwise would have been avoided if the equity instruments had not been issued. Under IFRS, such costs are deferred on the balance sheet until the equity instrument transaction occurs and then accounted for as a deduction from equity, net of any related income tax benefit.

Reclassifications

As of December 31, 2015, transaction costs incurred in connection with the Merger for an amount of Euro 478,729, recorded among intangible assets under Italian Gaap, have been reclassified to "Other current assets" for IFRS purposes.

For the year ended December 31, 2015, the rebilling of costs related to the Merger, have been reclassified from "Other operating income" to "Services and other materials" for an amount of Euro 117,699.

Bolzano, June 13, 2016

Wolfram Sparber

The chairman of Management Board