OLIDATA S.P.A.

2018 Draft Budget as at 12.31.2018

THE POWER OF PIONEERS

1 SUMMARY

2 LETTER FROM THE PRESIDENT

Dear Shareholders,

I am convinced that the most important reason for the success of Olidata Spa is the unwavering loyalty to the principles that the founder Carlo Rossi has passed on to all of us: responsibility towards employees and customers, a commitment to guaranteeing good performance, constant innovation and self-denial to never give up.

Never getting tired of fighting, day after day, is the basis of the corporate culture of Olidata Spa. A culture that is not created by chance. It is the result of a process, it must be lived and constantly renewed.

Culture is what unites us, that drives us to adopt ethically correct practices and that has pushed all of us to go beyond what is foreseen by our role in order to solve complex problems, such as the financial situation we have inherited.

This culture has allowed us to involve in our project global shareholders such as Gerd Brachmann, founder and currently Chairman of the German electronics company Medion AG, listed on the Frankfurt Stock Exchange and Avv. Mario Carlo Ferrario, investment banker, and venture capitalist was one of the founders of Schroder Ventures (today Permira). He has 25 years of successful investments, with over 150 transactions completed in Italy and Europe. The same culture that has strengthened our respect for the more than 12,000 shareholders who are waiting patiently for our title to return into negotiation.

We have involved within the Board, the advisory board and the management team excellences of proven professionalism, seriousness and international appreciation. The merit of this aggregation goes to Dr. Francesco De Leo, by my side for over 3 years.

We can define the past year as a year of adjustment that allowed us to revoke the liquidation status and make a first capital increase with which we completed the first acquisition: that of Italdata SpA, which was one of the leading research and development departments of Siemens in Europe. The main interest that Olidata had in acquiring Italdata was focused on two key products:

• a solution to support Smart Cities, which integrates mobility and intelligent security

• a Learning Management solution that provides human capital management systems and a learning management platform.

The failure to finalize the capital increase approved by the shareholders' meeting on the past May 2nd, led us to redefine the business plan with the involvement of two important Italian businesses.

The objective of Olidata is to become one of the main active players in Europe, in the area defined as the Internet of Things (IoT), in a B2B (Business to Business) perspective, marking a change of operating perimeter, compared to the recent past.

I believe that the improvement in economic results but also, and perhaps above all, all the operations carried out over the last few years are an important testimony to our ongoing commitment to business development and value creation for all our shareholders.

Also this year I owe a special thanks to Mr. Franco Gianni and Prof. Avv. Biagio Giliberti from Gianni, Origoni, Grippo, Cappelli & Partners.

Thank you for your attention and see you soon,

Riccardo Tassi

3 OLIDATA S.P.A

PREMISE

On April 13, 2018, the Ordinary and Extraordinary Shareholders' Meeting of the Parent Company was held at Pievesestina di Cesena. During the Ordinary part of this Shareholders' Meeting, the financial statements for the year ended December 31, 2017, were approved and a resolution was approved on the net profit for the year, amounting to Euro 29,949,288, which was therefore used to partially cover the previous losses (Euro 32,349,364) in addition to the negative IAS reserve of Euro 137,977.

In the Extraordinary part, the revocation of the liquidation status of the Parent Company was resolved (originally decreed by the Board of Directors of the same Parent Company in March 2016). The further coverage of previous losses also through the use of the monetary revaluation reserve (248,333 euros) and the legal reserve (469,200 euros) brought the Company's share capital to 525,480 euros, with the consequent elimination of the winding-up cause that has then received a formal effect, pursuant to art. 2487 - ter of the Italian Civil Code, after 60 days from the date of registration in the Chamber of Commerce of the resolution of April 13, 2018. In particular, on June 27, 2018, the Business Register at the Chamber of Commerce of Forlì - Cesena entered this event and therefore from that date the withdrawal of the liquidation status has become effective and the name of Olidata SpA in liquidation, Olidata S.p.A.

During the aforementioned Shareholders' Meeting of April 13 2018, the Board of Directors of the Parent Company was appointed, which nevertheless entered office as of June 27, 2018, that is with the effectiveness of the resolution to revoke the state of liquidation. On the same date, therefore, the office of the Sole Liquidator ceased, a position held by Mr. Riccardo Tassi.

The following were then elected as new members of the Board of Directors: Riccardo Tassi, Umberto Rapetto (Director meeting the independence requirements pursuant to Article 148, TUF), Jean-Claude-Martinez (Director meeting the requirements of independence pursuant to Article 148, TUF), Alessandra Todde and Chiara Renso (Director meeting the independence requirements set forth in Article 148, TUF). The Statutory Auditors were also appointed with effective Statutory Auditors: Tecla Succi, Samuele Turci, and Stefano Bondi and alternate Statutory Auditors: Mrs.Cristina Antonelli and Mr. Pier Luigi Mainetti. Instead, the new Board of Statutory Auditors took office on 04/13/2018.

On June 28, 2018, the Board of Directors of the Parent Company appointed Mr. Riccardo Tassi as Chairman of the Board of Directors.

Finally, it should be noted that the Company's Board of Directors of July 13, 2018, appointed Alessandra Todde to the position of Managing Director of the Company.

The Extraordinary Part of the Shareholders' Meeting of April 13, 2018, of the Parent Company also resolved on the increase of the Company's paid share capital - to be divisible within 60 days - for 6,799,999 ordinary shares without nominal value and so for an expected consideration of 3,500,000.00 euros (three million five hundred thousand / 00) with the exclusion of the option right pursuant to art. 2441, paragraph 5, of the civil code, also for the benefit of a stock incentive plan called the "stock option plan" for managers and employees of the company.

On June 19, 2018, the Parent Company, therefore, announced the closure of the share capital increase, resolved by the Extraordinary Shareholders' Meeting on April 13, 2018, which was therefore finalized with the signing and issue of n. 6,799,999 Olidata S.p.A. ordinary shares, newly issued, with no expressed nominal value, having the same characteristics as those in circulation, with regular enjoyment, for a total value of € 3,500,000.00. The new Share Capital of the Company has therefore passed from € 525,480 to € 4,025,480 divided into n. 40,799,999 ordinary shares, with no expressed nominal value. On June 28, 2018, the communication was then filed for publication in the Business Register that the aforementioned share capital of 4,025,480 euros was fully subscribed and paid up. The Business Register then proceeded with the relative publication on July 13, 2018.

Finally, it should be noted that the shareholders of Olidata SpA who did not participate in the adoption of the resolution of the extraordinary shareholders' meeting of April 13, 2018, had the right to withdraw from the company, pursuant to art. 2437, paragraph 1, letter a) of the Civil Code. In particular, the right of withdrawal could be exercised by July 12, 2018. At the end of the exercise period, the right of withdrawal was exercised with regard to a total number of 1,650,152 ordinary Olidata shares. Therefore Olidata, pursuant to art. 2437-quater, paragraphs 1 and 2 of the Civil Code proceeded to offer as an option the 1,650,152 Olidata ordinary shares for which the right of withdrawal was exercised to the holders of ordinary Olidata SpA shares for which it was not exercised the right of withdrawal.

The period of acceptance of the Offer under Option, within which the shareholders entitled to do so were able to exercise, under penalty of forfeiture, the right to purchase the Shares, ran from July 30, 2018, to August 28, 2018. On August 31, 2018, the Company announced that all the shares (1,650,152) were subscribed, with total requests exceeding the number of securities offered, both due to the exercise of the option rights and to the exercise of the right to pre-emption, pursuant to art. 2437-quater, third paragraph, of the civil code. With this last corporate transaction, the complex and articulated process of exiting the liquidation that provided the Company with fully paid-up share capital of € 4,025,480.00 was concluded.

NAME AND LEGAL FORM

The Company is called Olidata S.p.A. (hereinafter also the "Company") and is incorporated as a joint stock company.

HEADQUARTERS

The registered office is in Pievesestina di Cesena (FC), in via Fossalta n. 3055 C.A.P. 47522.

CONSTITUTION OF THE COMPANY

Established on May 11, 1986, under the company name Olidata SpA, registered with the Register of Companies of Forlì under no. 01785490408 (previous registration number 13980).

DURATION OF THE COMPANY

The duration of the Company is fixed at 12/31/2100 and may be extended as required by art. 3 of the Statute.

LEGISLATION AND JURISDICTION

Olidata S.p.A. is established and regulated according to Italian legislation.

REGISTRATION IN RECORDS WITH RELEVANCE BY LAW

The Company is registered in the Register of Companies and R.E.A. of Forlì respectively at numbers 01785490408 (previous number 13980) and 216598.

CORPORATE PURPOSE

Ai sensi dell’art. 2 dello Statuto, la Società ha per oggetto:

- The purchase, assembly, technical assistance, trade, programming of electronic processors and its components, laser printers, tapes and accessories for said machines, supports for magnetic reproduction of data for computers and similar and complementary equipment and of their accessories, machines and equipment for the office as well as technical advice and representation related to the mentioned items;
- The purchase and sale of patents, technical procedures and know-how as well as the acquisition and licensing of the same;
- The provision of organizational assistance and the performance of technical, industrial, commercial and financial coordination activities of companies or entities in which it participates;
- The sale by correspondence and electronic means of the articles produced, assembled and marketed;
- The purchase, assembly, technical assistance, trade in consumer electronics products as well as technical advice and representation related to the mentioned items.

The Company may also exercise, eve though not predominantly, the activity of Energy Service Company (ESCO.), As governed by national and international laws and regulations, and therefore, by way of example only, may perform the following activity:

- research, design, and implementation of activities aimed at efficiency, rationalization, optimization and reduction of energy consumption, purchase and sale of certificates relating to production, transport, distribution, sale, and reduction of energy consumption. These activities may be carried out either on their own or on behalf of third national or international bodies and possibly also through the T.P.F. (Third Party Financing) for professional activities that require it. The Company may use professionals who will act in their own name and under their own responsibility, in full compliance with the law 1815 of 1939;
- the supply of Energy Management services in the public or private sector;
- the construction or supply of plants for own account and for third parties for energy efficiency projects;
- the development and/or supply of software technology and supporting hardware;
- the supply and implementation of systems for digitizing documents.

The Company may also:

- Perform the securities and real estate, commercial, industrial and financial transactions considered necessary by the Administrative Body or simply useful for the achievement of the corporate purpose, with explicit exclusion of the exercise of the financial activities referred to in art. 106 of Legislative Decree n. 385/1993, of investment services, as defined in art. 1, paragraph 3, of Legislative Decree n. 58/1998, of banking and private professional activity;
- Assume interests or shareholdings in other companies or companies with a similar corporate purpose, similar or connected to their own;

- To provide sureties, guarantees, and endorsements to grant real guarantees on the Company's assets also in the interests of third parties, as long as they are not in a professional manner and to the public.

The Company may proceed with the collection of savings from its shareholders in compliance with the laws and regulations in force.

4 SHARE CAPITAL

AMOUNT OF SOCIAL CAPITAL

The subscribed and paid-up share capital amounts to EURO 4,025,480.00

The shares are registered and have the right to vote in the Ordinary and Extraordinary Meeting.

It is specified that the Extraordinary Shareholders' Meeting on June 18, 2010, resolved to eliminate the nominal value of the shares.

5 CORPORATE BODIES

THE BOARD OF DIRECTORS

The following five new members of the company's Board of Directors have been appointed with the minutes of the Shareholders' Meeting of April 13, 2018, which took office as of June 27, 2018:

Administrator	Riccardo Tassi[1]
	Alessandra Todde[2]
	Umberto Rapetto[3]
	Jean-Claude-Martinez[4]
	Chiara Renso[5]

The appointed Directors will remain in office until the date of approval of the financial statements for the year ended December 31, 2020.

On June 28, 2018 the Board of Directors, in addition to having positively assessed - in light of the statements made by the interested parties and based on the results to the Company - the existence of the requisites of independence set forth in art. 148, paragraph 3, of Legislative Decree No. 58/1998 and the Code of Conduct

[1] Forlì, 01/14/1962
[2] Nuoro, 02/06/1969
[3] Acqui Terme (AL) 08/19/1959, Director in possession of the independence requisites provided for by art. 148, TUF
[4] Oran Algeria 08/24/1954, Director in possession of the independence requisites provided for by art. 148, TUF
[5] Verona, 10/17/1968, Director in possession of the independence requisites provided for by art. 148, TUF

for Listed Companies for Directors Chiara Renso, Jean-Claude Martinez and Umberto Rapetto, also appointed:

Chairman of the Board of Directors: Mr. Riccardo Tassi

On July 13, 2018, the Board of Directors finally appointed:

Amministratore Delegato: Dott.ssa Alessandra Todde

As well as having delegated to the Director Mr. Umberto Rapetto the skills in the field of information security management and - more generally - in the cybersecurity sector, in the IT-based organization of effective defenses for the protection and physical and cybersecurity of the company with the task of defining the correct strategies to better protect corporate assets and mitigate IT risks.

After the end of the year and, more specifically, on February 22, 2019, however, Chiara Renso resigned for strictly personal reasons.

Also after the end of the year and, more precisely, on April 17, 2019, she resigned from her position as Chief Executive Officer, while still maintaining that of Director, Dr. Alessandra Todde, for personal reasons.

The Shareholders' Meeting of May 2, 2019, in its Ordinary part, therefore resolved, pursuant to article 11 of the by-laws, to appoint, on the proposal of shareholder Le Fonti Capital Partners Srl, the new Director Maria Pia Aqueveque Jabbaz replacing Dr. Chiara Renso who resigned.

At the date of preparation of this draft financial statement, therefore, taking into account the changes described above, the members of the Board of Directors are as follows:

President	**Riccardo Tassi**
Directors (non-executive)	**Umberto Rapetto**
	Jean-Claude-Martinez
	Alessandra Todde
	Maria Pia Aqueveque Jabbaz[6]

Finally, in the Ordinary part of the Shareholders' Meeting held on May 2, 2019, resolved to amend the decision adopted by the shareholders' meeting of April 13, 2018, resolving to increase the number of members of the Board of Directors by fixing the expiry of the mandate as the current Board of Directors, specifically until the date of the Shareholders' Meeting called to approve the Financial Statements at December 31, 2020.

[6] Santiago - Cile, 09/13/1977

THE BOARD OF AUDITORS

The **Board of Statutory Auditors**, appointed with the minutes of the Shareholders' Meeting of April 13, 2018, in office until the approval of the Financial Statements for the year ended December 31, 2020, is composed of:

President	Tecla Succi [7]
Statutory Auditors	Samuele Turci [8] Stefano Bondi [9]
Alternate Auditors	Cristina Antonelli[10] Pier Luigi Mainetti[11]

On August 7, 2019, Dr. Samuele Turci resigned and therefore was replaced by that date by the Alternate Auditor, Cristina Antonelli, who will remain in office until the next Shareholders' Meeting that will resolve on the replacement of Mr. Samuele Turci in the position of Statutory Auditor.

For further information concerning the corporate bodies, please refer to the Report on corporate governance and ownership structure prepared pursuant to art. 123-bis of Legislative Decree no. 58/1998, published on the Olidata S.p.A website at www.olidata.com (Investor Relations section).

6 AUDIT

With the minutes of the Shareholders' Meeting of May 22, 2017, the auditing firm was appointed for the 2016/2024 financial years, to the auditing company AUDIREVI S.p.A. with registered office in Milan, Via Paolo Da Cannobio, 33.

7 TAX ADVISORY

The assignment for tax, corporate and accounting consultancy has been conferred to the Professional Studio of Forlì of chartered accountants Fabio Titi and Alberto Coveri, since December 2009.

8 MANAGEMENT REPORT

ECONOMIC AND PROFITABLE PERFORMANCE

It should be noted that from an economic point of view the 2018 financial year of the Group can be divided into two “sub-periods”: a first period, from the 1st January to the 27th June, represented by the results of

[7] Forlì (FC), 10/05/1970

[8] Cesena (FC), 12/22/1977
[9] Cesena (FC), 05/02/1961

[10] Forlì (FC), 01/11/1968
[11] Forlì (FC), 09/29/1949

Olidata SpA in liquidation, as the termination of the liquidation took effect from June 27th, and a second period from June 28th to December 31st characterized by the results of a transitory and settling of exit from the state of liquidation and implementation of the lines guide of the Company's Business Plan, as described in the following Paragraph “Foreseeable evolution of the Management and Business Continuity”. From a financial standpoint, some substantial effects are mainly linked to the restoration of the value of the Parent Company's trademark - originally subject to devaluation depending on and following the liquidation of the Company - and to the increase in the share capital of the same parent company that made it is also possible to proceed with the acquisition of 100% of the share capital of Italdata SpA, a specialized company, among others, in sectors consistent with the Business Plan such as smart cities and learning management.

Please note that on April 13th, 2018, the Shareholders' Meeting of Olidata SpA, approved the 2017 financial statements, resolved to revoke the liquidation status whose effects started from June 27, 2018, and appointed the new administrative bodies.

It is recalled that Olidata is the owner of recognized and appreciated brands, both in Italy and abroad, which have allowed us to finalize a commercial agreement with the German partner Medion AG.

The Annual Report shows a positive result of Euro 560 thousand against Euro 29,949 positive at December 31, 2017. It should be noted that the 2017 result - the year in which the Company was still in liquidation - is entirely attributable to contingent asset derecognition as a result of the definition and formalization of the Recovery Plan pursuant to art. 67 L.F. of which ample information has been given in the financial statements closed on December 31, 2017, and to which, therefore, reference is made.

Shareholders' equity is positive for Euro 4,799 thousand compared to Euro 525 thousand in the same period of the previous year.

The activity of the company in liquidation and post-liquidation was mainly aimed at safeguarding company values in operation and depending on the need to have incurred costs for the best preservation of these values, through the development of the Business Plan and therefore of research of new business opportunities to support business continuity, employment and restoration of economic and financial value, as better described in the following Paragraph "The objectives of the Business Plan: the executive steps". Furthermore, the activity was also aimed at delimiting the risks deriving from the non-fulfillment of the commitments undertaken with the contracting stations for the tenders previously assigned by Consip.

Overall economic result: main summary data

EURO/000	12/31/2018	12/31/2017	VARIATION
Production value	5.412	33.042	(27.630)
Operating income	545	30.305	(29.760)
Risultato di periodo	560	29.949	(29.389)

The analysis of the same income data normalized for the positive and negative non-recurring items of income, as detailed in the Notes to paragraph 13.41 EVENTS AND SIGNIFICANT NON-RECURRENT TRANSACTIONS to which reference is made, shows a net loss for the period of Euro 1,937 thousand as summarized in the following table.

Total economic result normalized for non-recurring items

EURO/000	12/31/2018	12/31/2017	VARIATION
Production value*	456	(157)	613
Operating income*	(1.953)	(1.058)	(895)
Risultato di periodo*	(1.937)	(937)	153

(*)Income data normalized for non-recurring positive and negative components.

The 2018 normalized results must, therefore, be interpreted in the light of both that indicated in the Management Report and the financial statements for the year ended December 31, 2017 - in which the Company's Business Plan was taken into account in its guidelines and implemented following the filing of the Plan pursuant to art. 67 L.F. - both of the circumstance on the basis of which minimum technical and legal times have allowed the Company to revoke its liquidation as of June 27, 2018. It should be noted that also in this Management Report (relating to 2017) there was how the Business Plan was to ensure that Olidata could become one of the main active players in the area defined as the Internet of Things (IoT), in a B2B (Business to Business) perspective. This objective could have been implemented through the completion of a path of growth also through external lines, sequencing a series of acquisitions of companies and technologies present in different European markets, focusing on the construction of a portfolio of vertical solutions that embrace the most recent developments in the sectors of domotics, automotive, smart grids, enabling technologies for the improvement of urban networks (smart cities), the world of smart white appliances, applications in Industry 4.0.
In the following paragraph "The objectives of the new Business Plan hypothesis: the executive passages" of this Report are given an indication of the activities carried out in this regard during 2018 by the Company Management Team and its Advisors. From this point of view, therefore, it must be understood that 2018 is to be classified as a year of adjustment and transition, as already mentioned above, in which the Company - precisely because of the transition phase in which it found itself in 2018 - nevertheless "worked" in optic of the best conservation of the main elements of its corporate assets, with specific reference to its trademarks, as better described in the Note Paragraph dedicated to them.

The main economic data for the period are shown below:

- EBITDA equal to euro 1.128 thousands compared to euro (964) thousand for the 2017 financial year
- EBIT equal to euro 544 thousands compared to euro (2.045) thousand for the 2017 financial year

Income Statement (in thousands of Euros)	Balance sheet 2018	Balance sheet 2017
Production value*	**5.412**	**692**
Cost of sales	**(811)**	**81**
% on the value of production	***-15,0%***	***11,8%***
Transportation & Installation	**(29)**	**(28)**
% on the value of production	***-0,5%***	***-4,1%***
Technical assistance	**(37)**	**(87)**
% on the value of production	***-0,7%***	***-12,6%***
Different management charges	**(2.423)**	**(790)**
% on the value of production	***-44,8%***	***-114,2%***
Personnel Costs	**(984)**	**(832)**
% on the value of production	***-18,2%***	***-120,3%***
EBITDA	**1.128**	**(964)**
EBITDA %	***20,8%***	***-139,3%***
Depreciation	**(9)**	**(3)**
Provisions	**(575)**	**(1.078)**
EBIT	**544**	**(2.045)**
EBIT %	***10,0%***	***-295,6%***
Financial Management Result	**16**	**(303)**
Tax Management Result	**0**	**(53)**
Profit/Loss	**560**	**(2.401)**

* as at 31/12/2017 **standardized** value (excluding the effect of the write-off resulting from the completion of out-of-court agreements with all creditors included in the Procedure pursuant to Article 67 C.3, letter D) R.D. n.267 / 1942)

NET FINANCIAL POSITION

On December 28, 2017, the Company, following the obtainment of the total adhesion of the company creditors to a recovery plan pursuant to art. 67, C.3, letter D) R.D. n. 267/1942, has completed, the sale operation of the Property owned, located in Cesena (FC) Via Fossalta, 3055 at the total sale price of euro 5,400 thousand.

The financial resources deriving from the disposal transaction have allowed the completion of out-of-court agreements with all creditors included in the Maneuver, approved on December 27, 2017, by the Sole Liquidator and certified pursuant to art. 67, C.3, letter D) R.D. n. 267/1942 on 28 December 2017.

At the end of the 2018 financial year, the Company's net financial debt amounted to euro 133 thousand, an increase of euro 789 thousand compared to the figure at the end of the previous year, due to a decrease in liquidity of euro 946 thousand and a decrease in current financial debt of euro 157 thousand.

Net financial position

EURO/000	12/31/2/2018	12/31/2017	VARIATION
Liquid assets	7	953	(946)
Current financial debt	140	297	(157)
Net current financial debt	133	(656)	789
Non-current financial debt	0	0	0
Net financial debt	**133**	**(656)**	**789**

EVOLUZIONE PREVEDIBILE DELLA GESTIONE E CONTINUITÀ AZIENDALE

The objectives of the new Business Plan Hypothesis: the executive steps

Starting from the Board of Directors of July 13, 2018, the Management of Olidata and the Advisors proceeded swiftly with the analysis of the target acquisition companies, based on the requirements shared with the Shareholders' Meeting of April 13, 2018.

At that time, the Industrial Project was presented, later confirmed by the Board of Directors on December 20, 2018, which highlighted to the Shareholders as OLIDATA S.p.A. were in effect a vehicle to proceed with a series of acquisitions aimed at consolidating the sector defined as the Internet of Things, or Internet of Things.

That Business Plan then led the Olidata Management Team - in subsequent quarters - to take action to identify the objectives being acquired and then proceed to their potential realization in a short time. In this sense, two target companies have been identified that are active in the telecommunications and cloud services, with headquarters in Switzerland and with a portfolio of B2B customers and consolidated services in terms of market presence, which in the last four years have been evaluated by the relevant bodies, as leading companies in terms of customer satisfaction, in the small and medium-sized enterprises market (SMEs). The state of progress of the negotiations resulting from these potential acquisitions with the potential investor subject - attributable to a historical family of Italian capitalism - which had expressed an interest in investing in the aforementioned Business Plan, had led to the resolution by the Shareholders' Meeting of May 2, 2019, in its extraordinary part, to give the Board of Directors the power to do everything necessary in order to execute the approved paid Capital, for a maximum amount of 30,000,000.00 euros to be subscribed within on May 31st 2019.

From June 2019 to today, in consideration of the failure to finalize the aforementioned share capital increase attributable to the failure to reach - under the terms - the underlying agreements with the counterparties that at that time had to proceed with the subscription of the share capital increase, the Company has partially corrected the aforementioned Business Plan that had been approved by the Board of Directors on December 20, 2018. More specifically, the Company proceeded to outline a new Business Plan hypothesis that will submit to the Board of Directors, completely in line with the objectives basic of that original Plan and related to the fact that OLIDATA SpA can become a leading company in the Internet of Things sector. However, this new hypothesis of the Plan provides for the consolidation of the principle - often expressed by Olidata - on the basis of which it aims to create a unique community of entrepreneurs operating in the sectors of Internet of Things, Smart City, Cyber Security, through reverse merging of their companies in Olidata. On the basis of this principle, the Partners, the Founders of these Companies have the opportunity to strengthen their entrepreneurial drive through new opportunities for growth and scalability of the business, giving them the opportunity to obtain - among others - a greater market capitalization or however, to more easily raise capital to support and develop the shared business.

More specifically, Olidata intended to develop the principle of wanting to position itself in the field of Internet of Things, Smart City and Cyber Security, reinforcing them with two important "links" connected to Research and Development and E-Learning, indispensable strengthening factors of these activities and - as far as e-learning is concerned - a sector in strong growth and a potential commercial development vehicle, in the era of social selling, through the development of training programs to implement business relationships and increase sales productivity precisely through the Social Selling. With regard to Research and Development, the new Business Plan hypothesis envisages the strengthening of this activity through the subsidiary Italdata SpA, which has been focused for some time on the implementation of research and development projects related to IoT.

In July 2019 the Company - also for the purpose of expressing the first concrete results with respect to the intent highlighted in the new Business Plan hypothesis, also taking into account the previous failure to complete the share capital increase pursuant to the aforementioned resolution of May 2, 2019 - it then proceeded to sign two Letters of Intent ("Letters Of Intent" or also "LOI") with two important industrial players on the basis of which, these two entities, expressed their common desire to merge with Olidata within Olidata itself in line with the new Business Plan hypothesis described above.

In particular, these are two important operating companies:

- the first in the telecommunications infrastructure sector which aims to create a vertical industry capable of designing, installing and maintaining advanced connectivity systems in the context of the positioning strategy for the generation of Smart Cities and Group Smart Corporate with high specialization in IoT systems;

- the second specialized in the implementation of B2B social selling solutions, corporate training for Social Selling and consultancy for Business Innovation and offers companies E-Learning solutions such as courses and training programs to develop business relationships and increase productivity in sales through Social Selling

While awaiting the signing of the aforementioned letters of intent, which envisage conditions precedent linked to the preliminary finding of new capital aimed at strengthening the capital of Olidata and the two signatories of the LOI, Olidata together with these partners has prepared a new Business Plan hypothesis which will be submitted to the Board of Olidata and will act as a vehicle to find the aforementioned potential financial resources with which the aforementioned conditions precedent will be realized and therefore the mergers of these two companies within Olidata will be carried out.

The letters of intent, signed with the aforementioned industrial players, are subject to a preliminary procurement of new capital aimed at strengthening the capital of Olidata (necessary to meet its debt exposure); also useful for business development with these two realities.

Although the hypothesis of the Business Plan is an expression of the results expected from the union of these realities and therefore is the expression of assumptions and assumptions elaborated in agreement with the signatory companies of the LOIs mentioned above, everything must necessarily be considered today as a factor of uncertainty with respect to business continuity. Moreover, the same Business Plan hypothesis acts as a discriminating vehicle aimed at finding those resources; in other words, the new Business Plan without the LOI's prior signature could not have been prepared and the LOIs were signed precisely because it was intended to prepare an update of the Business Plan trusting that it could be used to find financial resources necessary to achieve the aforementioned mergers within Olidata, thus creating an important company operating in the IoT, Cyber Security, Smart City and E-Learning sector, exploiting mutual synergies and thus acquiring value.

The IAS accounting principle no. 1 to Paragraph 23 states the following: "*In the preparation of the financial statements, the management must make an assessment of the ability of the entity to continue to operate as an operating entity. An entity must prepare the financial statements on a going concern basis unless the management intends to liquidate the entity or discontinue its operations, or has no realistic alternatives to this. If the company management is aware, in making its own assessments, of significant uncertainties relating to events or conditions that may lead to serious doubts arising on the entity's ability to continue to operate as an operating entity, the entity must highlight these uncertainties. If an entity does not prepare its financial statements for the purpose of continuing operations, it must indicate this fact, together with the criteria on the basis of which it has prepared the financial statements and the reason why the entity is not considered to be in operation*".

Therefore, on the date of approval of this Draft Financial Statements, taking into account that the same has been drawn up according to the going corporate concern principle for the reasons so far exposed related to the undersigned Letters of Intent and the new Business Plan hypothesis, it is also necessary to highlight that the conditions precedent described above underlying the same Letters of Intent, represent the uncertainty factor described by the aforementioned Paragraph 23 of the IAS accounting principle no. 1.

Finally, it is reiterated that the set of the two potential mergers is aimed at offering, on the one hand, stable revenues, margins, and EBITDA and at the same time offering an acceleration of the dimensional growth of the companies as well as offering the possibility for Olidata to exploit the resulting synergies from these mergers to return to developing its historical core business among the new IoT-related technologies.

The International Expansion

In order to accompany and where possible accelerate the dimensional growth of OLIDATA S.p.A. it was intended to proceed with the evaluation of the steps necessary to express a more significant international presence, focusing on three growth directions, outlined below.

It was intended, first of all, to affirm the role of OLIDATA S.p.A. in Silicon Valley (California), with the aim of creating a research and service development laboratory that will be based in the Bay Area (San Francisco) and will be led by one of the most respected executives and experts in the field, already in the past among the top management figures of Miscrosoft (Seattle), Telecom Italia Ventures, and more recently Engine Yard (San Francisco).

Afterward, the steps necessary to resume the position that OLIDATA S.p.A. has historically had in South America, with a recognition in terms of appreciation of the brand (brand equity) which still finds a significant response in countries like Chile, Brazil, Paraguay, Colombia, involving the Board Member Maria Pia Aqueveque Jabbaz.

OLIDATA Cyber Security Research Center

Thanks to the commitment of the Director Umberto Rapetto, recognized as one of the leading experts of Cyber Security at an international level, a reference figure of bodies and institutions of excellence active in the field of cybersecurity, the OLIDATA Cyber Security Research Center was launched. The objective of the Center is to establish itself as the reference reality in Italy and in Europe.

INFORMATION PURSUANT TO ART. 114, PARAGRAPH 5 OF THE LEGISLATIVE DECREE. N. 58/1998

Following a specific request from CONSOB to the Company, formulated by letter dated April 22, 2010, pursuant to art. 114, paragraph 5, of Legislative Decree no. 58/98 and relating to the monthly publication of relevant information on the economic-equity and financial situation of Olidata SpA, the Company refers to the press release published monthly on its website www.olidata.com (Investor Relations / Financial Press Releases), as well as at the 1Info storage mechanism, at www.1info.it.

The expansion of negotiations to find new investors has temporarily prevented some payments deriving from the Plan pursuant to art. 67 of the Finance Law which then implemented a partial corresponding "extension" in its implementation lines and which will result in its continuation after the completion of the new Business Plan hypothesis and therefore the fulfillment of the aforementioned conditions precedent linked to the retrieval of financial resources. useful for the complete debit, already from the month of September 2019 and in any case within December 31st, 2019 of Olidata SpA. The strengthening operation will, therefore, allow to recover without delay the regular payment of the Maneuver, considering that, in any case, in the meantime, the President has continued a work of dialogue, updating, and information to the creditors themselves.

GENERAL NEWS

The Company does not hold investments in listed companies.

The Company holds all the investments in four unlisted companies, Olidata Iberica S.L., Data Polaris S.r.l. in liquidation, Olidata Energy Srl in Liquidation and Italdata S.p.A.. Please refer to the Notes to the financial statements for details.

On June 28, 2018, Olidata completed the acquisition of the entire share capital of Italdata S.p.A., a company active in Information Technology, with a strong specialization in the development of IoT (Internet of Things) services and solutions in the Smart Cities and Smart Mobility areas.

Related parties are also represented by the company Le Fonti Capital Partner Srl, which holds n. 10,155,950 shares of Olidata S.p.A. (data known as of May 2, 2019), equal to 29.8704% of the share capital, as well as by the companies (as per article 120 of the TU, concerning the holdings exceeding 5% of the company's capital):

- REDIFIN S.P.A. who holds n. 3,512,396 shares (data known as of May 2, 2019), equal to 8.608% of the share capital;

- E-TEKNE S.R.L. who holds n. 2,792,093 shares (data known as of June 13, 2018), equal to 6.843% of the share capital;

S We also report the participation of less than 5% of the Company:

- Poseidone S.r.l., which holds n. 1,420,856 shares of Olidata S.p.A. (data known as at May 2, 2019), equal to 3.482% of the share capital.

The nature of the transactions, if entered into with the aforementioned companies, and the patrimonial and economic effects deriving from such transactions, are analytically described in the Explanatory Notes.

The Issuer is not subject, pursuant to articles 2497 et seq. of the Civil Code, to management and coordination.

The relative majority shareholder Le Fonti Capital Partners S.r.l. however, participates in the Issuer's administrative and strategic decisions.

The company does not have secondary offices.

PROGRAMMATIC SECURITY DOCUMENT

Although the obligation to prepare the annual report of the D.P.S. has been repealed by Legislative Decree n.5 / 2012, the Company has structured its corporate organization in order to comply with the security and protection measures of personal data and information, as required by the "Code regarding the protection of personal data" EU European Regulation 2016 / 679, commonly called GDPR.

OTHER INFORMATION

Moving on to illustrate what is expressly requested by the art. 2428 cod. civ. below is the information relating to:

AZIONI PROPRIE

The Company does not hold treasury shares either directly or indirectly in portfolio.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE

The Company adhered to the Corporate Governance Code for Listed Companies, approved by the Corporate Governance Committee and promoted by Borsa Italiana SpA, with a resolution of the Board of Directors dated June 8, 2007, intending to comply with this code of conduct through a progressive adjustment of the corporate governance to the recommendations contained therein. In compliance with the envisaged regulatory obligations, the "Report on corporate governance and ownership structure" relating to the 2018 financial year pursuant to art. 123-bis of Legislative Decree no. 58/1998. This Report, approved by the Board of Directors on May 30, 2019, is available to the public, at the Company's registered office, published on the website of Olidata SpA at the address www.olidata.com (Investor Relations section) and with the other methods established by Consob under the terms established by current regulations.

GENERAL AND FINANCIAL RISKS

RISKS RELATED TO THE GENERAL CONDITIONS OF THE ECONOMY.

Within the general context of the Italian economy, unfavorable economic data was recorded as well, with GDP contracting in the last two quarters of 2018 (-0.1% and -0.2% respectively in the third and fourth quarters). This strategic area is one of the main risks to which the Company's commercial activity is exposed. The current uncertain situation in the short and medium-term scenario, which is determining the negative turnover trend, makes it more difficult to estimate the assumptions regarding the future trend. If the macroeconomic and financial environment changes in a manner that does not comply with the estimates and assumptions formulated by the management during the preparation of the 2018-2022 Industrial Project, or if the company shows a deterioration in its ability to generate financial flows in the future compared to forecasts on which the impairment test is based on, it may be necessary to make adjustments to the book value of the intangible assets recorded in the financial statements, with the consequent need to account for the write-downs of these assets in the income statement.

HEALTH, SAFETY AND ENVIRONMENT

Olidata S.p.A. recognizes the protection of the environment, safety at work and health and safety and environmental prevention in general as its important priorities.

The implementation of the company policy takes place through a precise organization of the roles in the field of workers' safety and health protection. A defined corporate organization combined with a systemic approach to occupational health and safety management allows continuous improvement of management, with the aim of constantly reducing occupational and environmental risks.

Worker training, information, and awareness are considered fundamental prevention tools in terms of health, safety and the environment. Training plans are implemented in the field of health and safety at work, aimed at adapting each person's skills within the entire company organization. The intent of the company is to involve all personnel with respect to the risks and prevention and protection measures adopted, in order to reduce the incidence of injuries caused by the human factor, which appears to be the main cause of injury in the company. Training and dissemination of information regarding the organization of safety in the company reaches all employees and, thanks to distance training, the external operational forces are systematically involved as well.

COMPANY WELFARE

Following the termination of the liquidation by the Shareholders' Meeting of April 13, 2018, and in order to close with the past giving a definitive turn to company policies, Olidata has adopted a Company Welfare Plan considering it a powerful motivating factor.

Olidata's new strategy aims to improve the corporate climate and motivate employees to increase their competitiveness, thus improving the company's reputation and attracting new talent.

With a view to rebirth, the company has decided to identify the needs of workers and encourage their protection.

It is the workers who in part have allowed the company to face the difficult restructuring process.

In the Welfare field, Olidata, as required by the national collective labor agreement, already guarantees supplementary pension schemes, but with the new Corporate Welfare Plan it will be more complete and based on company data will be integrated with more benefits and services.

The implementation of a Corporate Welfare Plan is a complex process. Therefore, the training of company figures responsible for managing the Plan in the area of Human Resources is envisaged, which will be the point of reference for the employees receiving the Plan.

The Company Welfare Plan will bring many benefits to the company:

- **Increased purchasing power:** Company contributions, discounts, promotions, agreements to access goods and services with exclusive conditions
- **Increase in business productivity:** The improvement in the company climate will lead to a reduction in turnover and absenteeism
- **Savings on personnel costs:** Optimization of the tax advantage, services in compliance with the current TUIR art.51 - art.100
- **Climate improvement within the company:** Considerable increase in worker well-being
- **Best reconciliation between private and professional life:** Numerous services to improve the lives of every single employee and his family

REMUNERATION TO THE FORMER SOLE LIQUIDATOR AND TO THE BOARD OF DIRECTORS

As analytically set out in the Explanatory Notes, pursuant to art. 78 of the CONSOB Regulation no. 11971 s.m.i., specifically, for the 2018 financial year, the fees due to the administrative bodies, as per the resolution of the Shareholders' Meeting of April 13, 2018, were equal to:

- 100 thousand euros to the Sole Liquidator

- 129 thousand euros to the Board of Directors

In compliance with the applicable regulatory obligations and in order to offer shareholders a piece of further useful information for the knowledge of the Company, the “Remuneration Report” was prepared, pursuant to art. 123-ter of Legislative Decree no. 58/1998. This report is available to the public at the Company's registered office, published on the Internet site at www.olidata.com (Investor Relations section) and with the other methods established by CONSOB under the terms established by current regulations.

SHAREHOLDINGS HELD BY THE FORMER SOLE LIQUIDATOR, THE BOARD OF DIRECTORS, THE CONTROL BODIES AND THE MANAGERS

According to the provisions of CONSOB with Regulation May 14, 1999 n. 11971 smi, we note the holdings held by the Statutory Auditors, the former Liquidator, the current Board of Directors and by Executives as well as by spouses not legally separated and by minor children, directly or through subsidiaries, trust companies or interposed person, resulting from the Shareholders' Book, from the communications received and from the other information acquired by the interested parties.

Holdings of the members of the administrative and control bodies and of the managers

Name	Charge	Participating company	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
Riccardo Tassi	Sole liquidator from 06/21/2016 to 06/27/2018. Director since 06/27/2018, Chairman of the Board since 06/28/2018	Le Fonti Capital Partner Srl	10.155.950*	-	-	10.155.950*
Alessandra Todde	Director since 06/27/2018, Chief Executive Officer from 07/13/2018 to 04/17/2019	N/A	-	-	-	-
Chiara Renso	Director from 06/27/2018 to 02/28/2019	N/A	-	-	-	-
Jean Claud Martinez	Director since 06/27/2018	N/A	-	-	-	-
Umberto Rapetto	Director since 06/27/2018	N/A	-	-	-	-
Maria Pia Aqueveque Jabbaz	Director since 05/02/2019	N/A	-	-	-	-
Marinella Rossi	Appointed Executive	N/A	-	38.857	-	38.857
Edmondo Gnerre	Chief Executive Officer of Italdata SpA	E-Tekne Srl	-	2.793.093	-	2.793.093
Tecla Succi	Chairman of the Board of Statutory Auditors from 04/13/2018	N/A	-	-	-	-
Samuele Turci	Standing Auditor from 04/13/2018 to 08/07/2019	N/A	-	-	-	-
Stefano Bondi	Standing Auditor from 04/13/2018	N/A	-	-	-	-
Cristina Antonelli	Substitute auditor from 04/13/2018, standing auditor from 07/08/2019	N/A	-	-	-	-
Pier Luigi Mainetti	Substitute auditor from 04/13/2018	N/A	-	-	-	-

*the total number of shares held is 10,155,950 divided by the Tassi family and the Fornari family

In the year under review, there were no managers with strategic responsibilities in the Company's workforce.

INFORMATION PURSUANT TO ART. 123-BIS OF LEGISLATIVE DECREE NO. N. 58/1998

The share capital amounts to euro 4,025,480, consisting of 40,799,999 ordinary shares with no par value.

The securities are listed on the Mercato Telematico Azionario managed by Borsa Italiana, Standard segment (Class 1), ISIN Code IT0001350625, but from March 29, 2016, the security is suspended indefinitely from negotiation.

A significant equity interest is held by the company Le Fonti Capital Partner Srl, whose share (10,155,950 shares) is equal to 24.892% of the total shares issued.

There are no known special control rights granted to holders of the securities, nor is there a mechanism for exercising voting rights provided by a system of employee shareholding; there are no restrictions on the right to vote or terms imposed for the exercise of the same or systems in which the financial rights connected to the securities are separate from the possession of the same.

With regard to the appointment of the corporate bodies, the Company has implemented the regulations in the Bylaws, adapting them to the new regulatory requirements introduced by the Law for the protection of savings dated December 28, 2005 n. 262 and by the Legislative Decree of December 29, 2006 n. 303. The Company has also made the mandatory statutory changes introduced by Law July 12, 2011 n. 120 and Consob Resolution No. 18098 regarding gender balance in the composition of the administrative and control bodies, as well as the terms set forth in paragraph 5 of art. 144-sexies of the Consob Issuers Regulation.

There are no agreements between Group companies and directors or former liquidators that provide compensation in the event of resignation or dismissal without just cause or if their employment relationship ceases following a public purchase offer.

There are no significant agreements of which the Company or its subsidiaries may be modified or terminated in the event of a change of control of the Company.

SIGNIFICANT EVENTS AFTER 12/31/2018 AND BEFORE THE APPROVAL OF THE DRAFT BUDGET

At the end of the year, the following main events are to be reported.

- On February 27, 2019, the Company's Board of Directors resolved to mandate the Chairman of the Board of Directors the Extraordinary Shareholders' Meeting to resolve on the increase in share capital, against payment and divisible form, for a maximum amount of 30,000,000.00 euros, through the issue of ordinary shares with no expressed nominal value. This resolution provided that the newly issued shares would be offered for subscription as part of a private placement and would have been issued with the exclusion of the option right pursuant to Article 2441, paragraph 5, of the Italian Civil Code. as to be reserved exclusively for qualified and/or professional investors. The capital increase that was envisaged in this resolution is functional to the implementation of the new industrial project whose guidelines were approved at the meeting of the Board of Directors held on December 20, 2018. The operation, therefore, aims to contribute to strengthen the equity and financial structure of the Company, as well as to finance the investments to be made within the prospects of the new Industrial Project.

- On March 21, 2019, the shareholders' meeting of the Parent Company is called in ordinary and extraordinary part for April 30, 2019, in the first call and for May 2, 2019, in the second call. The agenda of the extraordinary part includes the resolution regarding the capital increase described above. The agenda for the ordinary part, on the other hand, provides for a resolution in merit to increase the number of directors and in relation to the replacement of the Director Dr. Chiara Renso who had previously resigned for personal reasons on February 28, 2019.

- On 9 April 2019, the Company's Board of Directors announced that it had deposited the Illustrative Report prepared pursuant to art. 2441, paragraph 6 of the Civil Code and pursuant to art. 125-ter of the TUF and pursuant to art. 72 and Annex 3A of the Issuers Regulation with the aim of illustrating the content and the reasons for the subject on the agenda of the Extraordinary Shareholders' Meeting referred to in the previous paragraph.

- On April 17, 2019, the Chief Executive Officer, Alessandra Todde, resigned from the sole position of Chief Executive Officer, thus assigning the powers assigned to her on July 13, 2018, for reasons related to her appointment as head of the next European parliamentary elections, while remaining a member of the Board of Directors.

- On May 2, 2019 the Shareholders' Meeting of the Parent Company was held in an ordinary and extraordinary part. With reference to the Ordinary part, the Shareholders 'Meeting amended the decision adopted by the shareholders' meeting of April 13, 2018, resolving to increase the number of members of the Board of Directors by fixing the expiry of the mandate as the current Board of Directors, and precisely until date of the Shareholders' Meeting called to approve the Financial Statements at December 31, 2020 and defining the total compensation for the seven members at a gross annual 300,000.00.

  The Shareholders' Meeting also resolved, pursuant to article 11 of the articles of association, to appoint, on the proposal of shareholder Le Fonti Capital Partners Srl, the new Director Maria Pia Aqueveque Jabbaz to replace Dr. Chiara Renso (who resigned with effect from February 28, 2019).

  In the Extraordinary session, the Shareholders' Meeting resolved to grant the Board of Directors the power to do everything necessary in order to execute the resolution to increase the paid-up share capital, for a maximum amount of 30,000,000.00 euros represented from 45,000,001 new Olidata ordinary shares, without nominal value, with regular entitlement, with the exclusion of the option right of the Company's shareholders pursuant to art. 2441, paragraphs 5 and 6 of the Civil Code, to be placed, signed and paid by the deadline of 31 May 2019. The Shareholders' Meeting also resolved to amend Article 4 of the Bylaws.

- As highlighted in the Paragraph "The objectives of the new hypothesis of the Business Plan: the executive steps" of the Management Report to which reference is made, from June 2019, to the outcome of the failure to complete the aforementioned capital increase, the Company has partially corrected the aforementioned Business Plan that had been approved by the Board of Directors on December 20, 2018. More specifically, the Company proceeded to outline a new Business Plan hypothesis that it will submit to the Board of Directors and which was preceded by underwriting in July and August 2019 of two Letters of Intent ("Letters Of Intent" or also "LOI") with two important industrial players on the basis of which, these two realities showed together with Olidata the common desire to proceed with a their merger within Olidata itself in line with the new Business Plan hypothesis described above.

PROPOSED TO THE ASSEMBLY

Dear Shareholders,

this Report was prepared by the Board of Directors of Olidata S.p.A. (the "Company"), with reference to points 1.1 and 1.2 on the agenda of the Ordinary Shareholders' Meeting called at the registered office in Pievesestina di Cesena (FC), Via Fossalta n. 3055, for the day 27 September 27, 2019, at 11.00 in first call and, if necessary, in second call for the day September 30, 2019, same place and time, with the following agenda:

1. **Financial statements at December 31, 2018:**
   1.1. **Approval of the Financial Statements at December 31, 2018; Report of the Board of Directors, Report of the Board of Statutory Auditors and Report of the Independent Auditors;**
   1.2. **Resolutions regarding the operating result;**

2. **Presentation of the consolidated financial statements at December 31, 2018 and accompanying reports;**

3. **Remuneration Report - resolutions relating to the first Section, pursuant to art. 123-ter, paragraph 6 of Legislative Decree no. 58/1998;**

4. **Integration of the Board of Statutory Auditors for the financial years 2019 - 2020, related and consequent resolutions.**

****

Point 1.1 of the Agenda of today's Shareholders' Meeting **- Approval of the Financial Statements for the year ended December 31, 2018; Report of the Board of Directors, Report of the Board of Statutory Auditors and Report of the Independent Auditors**

The Draft Financial Statements for the year ended December 31, 2018, approved by the Company's Board of Directors on September 23, 2019, shows a net profit of euro 560,151. The Draft Financial Statements for the year ended December 31, 2018, the Report on Operations with an indication of the Report on corporate governance and ownership structure and the certification pursuant to art. 154-bis, paragraph 5 of Legislative Decree no. 58/1998, as well as the Reports of the Board of Statutory Auditors and of the Independent Auditors, are made available to the public according to the provisions in force and in the terms envisaged by them and, in particular, they are deposited at the registered office and made available on the Company's website at www.olidata.com (Investor Relations section), as well as at the 1Info storage mechanism, at www.1info.it.

Referring to the Report on Operations, the Reports of the Board of Statutory Auditors, the Report of the Independent Auditors and the draft financial statements for the year ended December 31, 2018, **the Directors invite the Shareholders to approve the following proposal**:

"The Ordinary Assembly of Olidata S.p.A.

- *examined the draft Financial Statements for the year ended December 31, 2018 and the Report on operations;*
- *having taken note of the Reports of the Board of Statutory Auditors and of the Independent Auditors;*

deliberates

- *to approve the Financial Statements at December 31, 2018 of Olidata SpA, which shows a net profit of € 560,151",*

Point 1.2 of the agenda of today's Assembly **- Resolutions regarding the operating result**

In the event that the draft financial statements as at December 31, 2018, prepared by the Board of Directors were to be approved, the Company's net equity at that date would be composed as follows:

- Share Capital euro 4,025,480;
- Monetary Revaluation Reserve euro 0;
- Legal reserve euro 0;
- Reserve for transition to IAS euro (7.128);
- Reserve for employee stock options euro 220.000
- Cumulative result previous negative exercises for euro 0;
- Period result euro 560.151.

Due to the fact that as of December 31, 2018, the Company's net equity was positive for euro 4,798,503, **the Directors invited the Shareholders to approve the following proposal**:

"The Ordinary Assembly of Olidata S.p.A..

- *approved the financial statements for the year ended December 31, 2018, and the management report;*
- *having taken note of the Reports of the Board of Statutory Auditors and of the Independent Auditors;*
- *having taken note of the proposal of the Board of Directors;*

deliberates

in relation to the net profit shown in the financial statements of Olidata SpA on December 31, 2018, amounting to euro 560,151 of:

approve this Draft Budget allocating the net profit for the year as follows:

- Euro 28.008 to the Legal Reserve

- Euro 532.143 to Extraordinary Reserve".

9 STATEMENT OF THE BALANCE SHEET AND FINANCIAL SITUATION

	OLIDATA S.P.A.	
ASSETS	**31-Dec-18**	**31-Dec-17**
Non-current assets		
Intangible assets	4.372.930	0
	4.372.930	**0**
Tangible assets:		
buildings	0	0
plant and machinery	900	2.707
industrial and commercial equipment	1.075	7.164
	1.975	**9.871**
Other non-current assets:		
- Equity investments	3.059.063	13.312
- Credits	78.172	595.928
- Different	417	417
- Other assets	0	0
	3.137.651	**609.657**
Deferred tax assets	**0**	**0**
Total non-current assets	**7.512.556**	**619.528**
Current assets		
#NOME?	32.594	125.372
- Net trade receivables	218.402	489.062
- Tax credits	98.559	1.284.394
- Other credits	68.624	1.457.579
- Other assets	25.307	11.105
- Cash and bank availability	7.231	953.183
Total current assets	**450.717**	**4.320.695**
TOTAL ASSETS	**7.963.273**	**4.940.223**

	OLIDATA S.P.A.	
LIABILITIES	**31-Dec-18**	**31-Dec-17**
Net assets		
Share capital	4.025.480	2.346.000
Reserves	220.000	717.533
Reserve for accounting documents	(7.128)	(137.977)
Profits / losses from previous years		(32.349.364)
Period result	560.151	29.949.288
TOTAL NET EQUITY	**4.798.503**	**525.480**
Non-current liabilities		
- Loans, long-term portion	0	0
- Employee Benefits (TFR)	88.761	80.141
- Other non-current payables and liabilities	177.273	255.109
- Tax payables	0	0
- Provisions for risks and charges	106.656	291.915
Total non-current liabilities	**372.690**	**627.165**
urrent liabilities		
- Loans, short-term portion	100.000	0
- Payables to banks	40.205	296.810
- Commercial debts	1.436.838	2.439.783
- Other liabilities	12.102	9.443
- Tax payables	560.234	253.059
- Provisions for risks and charges	178.272	369.728
- Other debts	464.429	418.755
Total current liabilities	**2.792.080**	**3.787.578**
TOTAL LIABILITIES	**3.164.770**	**4.414.743**
TOTAL EQUITY AND LIABILITIES	**7.963.273**	**4.940.223**

10 STATEMENT OF COMPREHENSIVE INCOME

	OLIDATA S.P.A.	
INCOME STATEMENT	**31-Dec-18**	**31-Dec-17**
Revenues from sales and services	829.241	267.400
Change in invent. of work in progress, semi-finished and finished prod.	31.412	(947.116)
Other income	4.551.824	33.721.424
Production value	**5.412.477**	**33.041.708**
Purchases of goods	(675.686)	(34.243)
Changes in inventories of ancillary raw materials, consumables and goods	(133.969)	116.426
External services	(951.419)	(664.451)
Use of third-party assets	(20.379)	(11.535)
Cost of labor	(764.083)	(832.415)
Labor Cost - Non-recurring component	(220.000)	0
Other operating expenses	(1.518.611)	(229.673)
Credit write-down	(562.494)	(237.609)
Depreciation	(9.004)	(3.148)
Provisions	(12.250)	(840.149)
Operating income	**544.584**	**30.304.911**
Net financial income	65.033	449.444
Net financial charges	(49.466)	(752.249)
Result before tax	**560.151**	**30.002.106**
Current taxes	0	(52.818)
Deferred / prepaid taxes	0	0
Period result	**560.151**	**29.949.288**

STATEMENT OF THE TOTAL RESULT DUE TO THE PERIOD	12/31/2018	12/31/2017
Result for the period (Euro/1.000)	**560**	**29.949**
Other components of the comprehensive income statement that will be subsequently reclassified in profit/(loss) for the year		
Cash flow hedge reserve	0	0
Change in the cash flow hedge reserve	0	0
Total components of the comprehensive income statement that will be subsequently reclassified in profit/(loss) for the year	**0**	**0**
Other components of the comprehensive income statement that will not be subsequently reclassified in the profit/(loss) for the year		
Actuarial gains/(losses)	7	0
Total items of comprehensive income that will not be subsequently reclassified in the profit/(loss) for the year	**7**	**0**
Overall result	**567**	**29.949**

11 NET EQUITY MOVEMENTS

	SOCIAL CAPITAL	LEGAL RESERVE	STOCK OPTION RES.	MON. REVAL.RES.	IAS RESERVE	PROF./LOSS CARR.FORW.	PROF./LOSSES OF PERIOD	TOTAL NET EQUITY
BALANCE at January 01. 2017	2.346.000	469.200	0	248.333	(137.977)	(20.610.433)	(11.653.848)	(29.338.725)
Previous profit/loss destination						(11.653.848)	11.653.848	0
Olidata International Innovation loss						(85.083)		(85.083)
Transfer Entry/Other variations								0
Handling of IAS Reserve								0
Profit/Loss for the year							29.949.288	29.949.288
BALANCE at December-31-2017	**2.346.000**	**469.200**	**0**	**248.333**	**(137.977)**	**(32.349.364)**	**29.949.288**	**525.480**

	SOCIAL CAPITAL	LEGAL RESERVE	STOCK OPTION RES.	MON. REVAL.RES.	IAS RESERVE	PROF./LOSS CARR.FORW.	PROF./LOSSES OF PERIOD	TOTAL NET EQUITY
BALANCE at January 01. 2017	2.346.000	469.200	0	248.333	(137.977)	(32.349.364)	29.949.288	525.480
Previous profit/loss destination						29.949.288	(29.949.288)	0
Transfer Entry/Other variations	(1.820.520)	(469.200)		(248.333)	137.977	2.400.076		0
Increase in share capital 04.13.18 meeting min.	3.500.000							3.500.000
Handling of IAS Reserve					(7.128)			(7.128)
Stock Option Stock Handling			220.000					220.000
Profit/Loss for the year							560.151	560.151
BALANCE at December-31-2018	**4.025.480**	**0**	**220.000**	**0**	**(7.128)**	**0**	**560.151**	**4.798.503**

12 FINANCIAL STATEMENT

FINANCIAL REPORT		
	31-dic-2018	31-dic-2017
PROFIT/(LOSS) FOR THE PERIOD	560.151	29.949.288
Depreciation	9.004	3.148
Provisions for write-downs of intangible assets	0	0
Provisions for write-downs of tangible fixed assets	0	400.000
Provision for risks and charges and other provisions.	38.741	0
Active contingency pursuant to art. 67 L.F.	(4.372.930)	(32.349.757)
Labor Cost - Non-recurring component	220.000	0
Extraordinary passive contingencies	1.450.396	0
(Plus) / Minus from asset disposal	0	(960)
Provisions for risks and devaluation other than customer receiva	12.250	983.989
Provisions for credit risk on customers	562.494	237.609
Provision for severance pay	26.332	37.952
Provision for prepaid / deferred taxes	0	0
Cash flows generated by current operations	**(1.493.563)**	**(738.731)**
Changes in the assets and liabilities for the year:		
Inventories	92.778	132.739
Commercial credits	1.065.513	561.772
Other credits	3.092.546	(2.825.108)
Other activities	(14.202)	63.895
Payables to suppliers	(1.002.945)	788.694
Other debts	(1.097.547)	(453.759)
Provision for deferred taxes from previous years		
Use of severance pay	(17.712)	(52.445)
Use of the provision for risks and charges	(415.456)	(1.098.236)
Use of the credit risk fund	(1.357.347)	111.133
Other liabilities	(75.177)	203.218
Total changes in assets and liabilities for the year	**270.452**	**(2.568.096)**
CASH FLOW FROM WORK ACTIVITIES (A)	**(1.223.111)**	**(3.306.827)**
Net investments in intangible assets	0	(3.148)
Net investments in tangible assets	(1.108)	5.400.960
Net investments in financial fixed assets	(3.278.000)	4.690
CASH FLOW FROM INVESTMENT ACTIVITY (B)	**(3.279.108)**	**5.402.502**
Changes in Equity	3.612.872	(85.083)
Change in medium / long-term loans	100.000	0
Change in short-term amounts due to banks	(156.605)	(1.294.899)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**3.556.267**	**(1.379.982)**
NET CASH FLOW OF PERIOD / YEAR	**(945.952)**	**715.693**
Net cash at the beginning of the period	**953.183**	**237.490**
Period / year net cash flow	**(945.952)**	**715.693**
Net cash and cash equivalents at the end of the period / year	**7.231**	**953.183**

13 ILLUSTRATIVE NOTES

PREMISE

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB) and endorsed by the European Union, as well as the provisions issued in the implementation of Article 9 of Legislative Decree n. 38/2005 and the related CONSOB regulations.

The term IFRS also includes the revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC”).

The financial statements as at December 31, 2018, are compared with the financial statements for the previous year, and consist of the income statement, the comprehensive income statement, the statement of financial position, the cash flow statement and the statement of equity movements Net, as well as these explanatory notes.

The financial statements and the explanatory notes comply with the minimum content required by international accounting standards, supplemented by the provisions, where applicable, envisaged by the national legislator and Consob.

The Company has not made any changes in the accounting principles applied between the comparative data at December 31, 2017, and December 31, 2018, given that no other accounting standards have been reviewed or issued by the International Accounting Standards Board (IASB) or other interpretations by the International Financial Reporting Interpretation Committee (IFRIC) effective from January 1, 2018, which had a significant effect on the financial statements.

The valuation of the items is made based on the general principles of prudence and competence and in the perspective of business continuity, as well as taking into account the economic function of the asset or liability item considered.

In preparing these financial statements, due consideration was given to the shareholders' resolution of April 13, 2018, revoking the state of liquidation, which became effective on June 27, 2018.

As analytically highlighted both in the Notes to the financial statements for the year ended December 31, 2016, and in the Notes to the financial statements for the year ended December 31, 2017, the Company was placed in voluntary liquidation on March 25, 2016, on dependence and consequence of the resolution of the Extraordinary Shareholders' Meeting of December 22, 2015. Due to the state of liquidation in which the Company was at the aforementioned financial statement dates, as well as the reference dates of the corresponding Semiannual Financial Reports 2016 and 2017, in order to provide information compatible, adequate, relevant and reliable, it was considered correct to apply the specific accounting principles, making reference in any case to the OIC document 5 (hereinafter also “OIC 5”) and to Guide 5 both developed by the OIC (Italian Accounting Body) "The liquidation accounts of IAS compliant companies" (hereinafter also "Guide 5”).

Similarly, therefore, on the date of these financial statements as at 31 December 31, 2018, taking into account the termination of the liquidation, it was deemed necessary to also take into account the principles contained in paragraphs 11.3 and following of the aforementioned Guide 5 which deal with the subject of the withdrawal of the liquidation status.

In the notes to the financial statements for the year ended December 31, 2017, it was then possible to highlight how, up until the previous consolidated interim financial report at June 30, 2017, the preparation of a proposal to satisfy the corporate creditors was still "in itinere". This proposal then took the form of the Recovery Plan pursuant to art. 67 L.F .. On December 28, 2017, at the same time as the sale - as envisaged by the Plan - of the real estate compendium of Olidata SpA in liquidation with the Dismano District Srl, the Recovery Plan pursuant to art. 67 L.F. it was certified, in accordance with the ratio underlying the aforementioned law, as an independent professional and was immediately deposited with the competent Register of Companies.

Taking into account that all the events prior to the aforementioned deposit were analytically described in the financial statements for the year ended December 31, 2017, to which we therefore refer, some of these are cited below, as they allow to better argue the financial statement data, as well as the corporate events underlying these data, shown below and related to these separate financial statements of Olidata SpA..

We therefore remind you of the following:

- on 12.16.2016 the Inland Revenue, Provincial Direction of Forlì - Cesena had notified Olidata S.p.A. in liquidation a Notice of Assessment for the 2014 tax year, in which the same Agency had provided for the legal redevelopment of the transfer of company carried out by Olidata SpA in liquidation (at that time Olidata S.p.A) in Olidata International Innovation Development Srl, from "conferment of company" in "transfer of assets not organized among them". Please note that the Olidata trademarks were included in the aforementioned company transfer. The Office had therefore disregarded for fiscal purposes the tax neutrality regime proper to the contributions as well as, for Iva purposes, considered it necessary to apply VAT against the transfer of the trademarks. Without wanting to analytically retrace the phases of this affair and the preliminary dispute procedure that followed also in view of the conservative measures adopted by the Revenue Agency to apply to the building owned by the Company, the Office's tax claim, as a result of a first court settlement, resulted in a claim of greater IRES for euro 103,930 and a tax claim for VAT of euro 1,078,000 in addition to the remaining accessories by way of penalties and interest.

- On May 31, 2017, the Merger by incorporation Project of Olidata International Innovation Development S.r.l. in liquidation in Olidata S.p.A. in liquidation.

- Meanwhile, following the entry into force of the art. 11 of the Legislative Decree 50/2017 concerning the facilitated definition of pending tax disputes, also taking into account the deliberate approval of the Merger Plan by Olidata International Innovation Development S.r.l. original contributor of the trademarks and therefore company receiving the vat for compensation subject to notice of assessment, the Company has opted, in light of the provisions of art. 60 of Presidential Decree 633/72 and in light of Circular 35 / E of the Inland Revenue, to avail of the aforementioned facilitated definition of pending tax disputes.

- In the meantime, the complex consensus process by social creditors to the Recovery Plan pursuant to art. 67 L.F. the contents of which have been extensively described in the previous financial statements for the year ended 31 December 2017, to which reference is therefore made.

- The choice made by the Company to adhere to the definition of pending tax disputes was carried out also in the light of the agreements entered into in the meantime with the promissory purchaser of the real estate compendium under the Recovery Plan pursuant to art. 67 LF These agreements provided that the purchase of the property, agreed on 5,400 thousand euros, and therefore the consequent possible attestation of the same Recovery Plan was subordinated to the "release from seizure" of the compendium by the Revenue Agency of which it has already been shown. The definition of tax disputes pursuant to Article 11 of Legislative Decree 50/2017 not only made it possible to reduce the latent tax risk connected with the important sanctions underlying the notified deed but also allowed:

a) to reach the definitive stipulation of the deed of sale of the real estate compendium free from liens;

b) to reach the simultaneous attestation of the Recovery Plan pursuant to art. 67 L.F. taking into account that the satisfaction of the social creditors and the feasibility of the Plan were dependent - among others - on the cash flows deriving from the sale of the aforementioned real estate compendium;

c) to recover the ascertained VAT for 1,078,000 euros following the merger by incorporation of Olidata International Innovation Development S.r.l. in liquidation in Olidata S.p.A. in liquidation, whose definitive merger deed was signed on September 18, 2017.

This amount, as of December 31, 2018, has already been "recovered" in compensation within the terms and within the limits of the law.

As already highlighted in the financial statements for the year ended December 31, 2017, the Plan pursuant to art. 67 L.F. has provided, after completing the Phase concerning the disposal of the Olidata building, which took place precisely on December 28, 2017, a second Phase, following the revocation of the liquidation status, the Company could have reached agreements with more than one main industrial partner operating in strategic sectors such as IOT, Big Data, Smart City, Cyber Security, etc. or the business sectors that the Company has chosen to implement its Industrial Relaunch Plan.

From here it is therefore necessary to take the cue to cite the events that took place during 2018, including the revocation of the state of liquidation, the increase in share capital, the appointment of a new Board with high-profile figures functional to the better realization of the Project Company of the Company after liquidation, all events that have already been described in the Introduction to this Annual Financial Report to which we therefore refer.

To these events - as a confirmation of the above, that is that the withdrawal of the liquidation status would have allowed the agreement to be reached with the main partners operating in the IOT, Big Data, Cyber Security, etc. sectors. - it is essential to add that on June 28, 2018, Olidata SpA, thanks above all to the aforementioned capital increase, was able to proceed with the acquisition of 100% of the shares of the Italdata S.p.A. for a value of euro 3,059 thousand.

Referring to the Report on Operations, we only wish to inform you that this is a Company operating in the IT sector with specialization in smart city, smart mobility and IOT.

Finally, at the end of this Paragraph, it should be pointed out that, following the aforementioned merger by incorporation of Olidata International Innovation Development S.r.l. (in short "Olidata IID) in Olidata SpA, the latter has once again become the sole owner of the trademarks previously assigned to Olidata IID. It is not intended here to retrace the estimates and assessments made by the Company on the subject of trademarks in its financial statements for the year ended December 31, 2017, in which - on this topic - an extensive illustrative paragraph was reserved, to which reference should, therefore, be made for further details. It is sufficient to highlight how, in view of the prudential zero valuation of its brands at December 31, 2017, even if the Recovery Plan pursuant to art. 67 L.F. if he had been sworn in on December 28, 2017, Olidata proceeded, starting from the Half-Year Financial Report at June 30, 2018, to restore the value of the brands according to the criteria and amounts that will be illustrated in the Paragraph dedicated to this balance sheet item.

This last consideration, therefore, makes it possible to confirm that this separate Annual Financial Report of Olidata SpA was prepared by applying the international accounting standards ("IAS / IFRS") issued or reviewed by the International Accounting Standards Board ("IASB") and approved by the European Union, and the provisions issued to implement art. 9 of Legislative Decree no. 38/2005. The aforementioned international accounting standards are those in force on December 31, 2018, appropriately adapted - as reported - taking into account the indications provided by the OIC Guide n. 5 "The liquidation statements of IAS compliant companies", paragraphs 11.3 and following in consequence of the revocation of the liquidation status.

Finally, it should be noted that the figures summarized in these Explanatory Notes are expressed in euros and all the values are rounded to the nearest thousand unless otherwise indicated.

BUDGET SCHEDULES AND DIAGRAMS

The Income Statement format, presented following the indications of Paragraph 11.3.2 of the OIC Guide n. 5, reflects the analysis of costs and revenues aggregated by nature as this classification is considered more significant for the purpose of understanding the economic result. The Comprehensive Income Statement format includes, in addition to the Result for the period, the other changes in equity movements other than transactions with shareholders. The statement of financial position is classified on the basis of the operating cycle, with the distinction between current and non-current items. On the basis of this distinction, assets and liabilities are considered current if they are supposed to be realized or settled in the normal operating cycle within 12 months from the balance sheet date. The cash flow statement is prepared using the indirect method for determining the cash flows deriving from the investment or financial activity.

Main evaluation choices in the application of accounting principles and uncertainties in making estimates

The preparation of the financial statements and the related notes in the application of the IFRS requires the directors to make estimates and assumptions that have an effect on the values of the assets and liabilities in the financial statements and on the information relating to potential assets and liabilities at the date of balance. Events may not fully confirm the estimates.

The main data presented refer to the assessment of the fair value of assets, to the assessment of the presence of impairment of assets - and between these, trademarks and equity investments - to provisions for risks and charges, to the bad debt provision and other write-down provisions, depreciation, employee benefits, and taxes. The fundamental assumptions regarding the future and the other causes of uncertainty in making estimates at the balance sheet date that can cause significant adjustments to the accounting values reflected in the financial statements within the following year, essentially concern the process of evaluating the trademarks and holdings. The estimates and assumptions are reviewed periodically and the effects of any changes are recorded in the income statement or, where required by accounting standards, in equity. The estimation and evaluation criteria are based on historical experience and on elements such as expectations related to the reasonable and concrete realization of certain events.

In this regard, as already highlighted in the Management Report to which reference is made on July 2019, the Parent Company - also for the purpose of expressing the first concrete results with respect to the intent highlighted in the new Business Plan hypothesis, also taking into account the previous non-performance completion of the share capital increase pursuant to the aforementioned resolution of May 2, 2019 - therefore proceeded to sign two Letters of Intent ("Letters Of Intent" or also "LOI") with two important industrial players on the basis of which these two realities together with Olidata they expressed their willingness to proceed with their merger within Olidata itself in line with the new Business Plan hypothesis described in the aforementioned Management Report.

In particular, it is about two important operating companies:

- the first in the telecommunications infrastructure sector which aims to create a vertical industry capable of designing, installing and maintaining advanced connectivity systems in the context of the positioning strategy for the generation of Smart Cities and Group Smart Corporate with high specialization in IoT systems;

- the second specialized in the implementation of B2B social selling solutions, corporate training for Social Selling and consultancy for Business Innovation and offers companies E-Learning solutions such as courses and training programs to develop business relationships and increase productivity in sales through Social Selling

While awaiting the signing of the aforementioned letters of intent, which envisage conditions precedent linked to the preliminary finding of new capital aimed at strengthening the capital of Olidata and the two signatories of the LOI, Olidata together with these partners has prepared a new Business Plan hypothesis which will be submitted to the Board of Olidata and will act as a vehicle to find the aforementioned potential financial resources with which the aforementioned conditions precedent will be realized and therefore the mergers of these two companies within Olidata will be carried out

The combination of the two potential mergers is aimed at offering, on the one hand, stable revenues, margins and EBITDA and at the same time offering an acceleration of the dimensional growth of the companies as well as offering the possibility for Olidata to exploit the synergies resulting from these mergers for to return to developing its historic core business in the group of new IoT-related technologies.

The suspensive conditions included in the signed Letters of Intent linked to the preliminary procurement of new capital aimed at strengthening the capital of the Olidata Group - useful for Olidata to meet its debt exposure - and the two signatories of the LOI - useful instead for business development of these two realities and ultimately the development of the new future called for by the "Olidata Group" - even if the hypothesis of the Business Plan is an expression of the results expected from the union of these three realities and therefore is the expression of assumptions and assumptions elaborated together with the signatory companies of the aforementioned LOIs must necessarily be considered today as a factor of uncertainty with respect to business continuity. Moreover, the same Business Plan hypothesis acts as a discriminating vehicle aimed at finding those resources; in other words, the new Business Plan without the LOI's prior signature could not have been prepared and the LOI's were signed precisely because it was intended to prepare that Business Plan trusting that it could be used to find the financial resources needed to reach to the merger within Olidata, thus creating an important reality operating in the IoT, Cyber Security, Smart City, and E-Learning sector, exploiting mutual synergies and thus acquiring value.

The IAS accounting principle no. 1 to Paragraph 23 states the following: "In the preparation of the financial statements, the management must make an assessment of the ability of the entity to continue to operate as an operating entity. An entity must prepare the financial statements on a going concern basis unless the management intends to liquidate the entity or discontinue its operations, or has no realistic alternatives to this. If the company management is aware, in making its own assessments, of significant uncertainties relating to events or conditions that may lead to serious doubts arising on the entity's ability to continue to operate as an operating entity, the entity must highlight these uncertainties. If an entity does not prepare its financial statements for the purpose of continuing operations, it must indicate this fact, together with the criteria on the basis of which it has prepared the financial statements and the reason why the entity is not considered to be in operation”.

Therefore, on the date of approval of this Draft Financial Statements, taking into account that the same has been drawn up according to the going corporate concern principle for the reasons so far exposed related to the undersigned Letters of Intent and the new Business Plan hypothesis, it is also necessary to highlight that the conditions precedent described above underlying the same Letters of Intent, represent the uncertainty factor described by the aforementioned Paragraph 23 of the IAS accounting principle no. 1.

The following are the processes that require the assessment of estimates by management, and for which a change in the underlying conditions could have a significant impact on the consolidated financial data:

Stock devaluation fund

Inventories are recorded at the lower of the purchase cost and net realizable value. The inventory write-down provision is necessary to adjust the value of the inventories to their presumed realizable value, supported by a specific Appraisal, taking into account the state of liquidation in which the Company is located.

Allowance for doubtful accounts

The bad debt provision reflects management's estimate of the recoverability of the portfolio of loans to customers. The assessment of the Board of Directors is based on the experience and the analysis of already known or probable situations of risk of non-payment.

Marchi di Olidata

As already pointed out, the trademarks are entered under intangible assets following the merger by incorporation of the subsidiary Olidata International Innovation Development Srl. These brands are entered for a value, as of 31 December 2018, equal to 4,373 thousand euros. Trademarks that can be classified as intangible assets with an indefinite life are not subject to amortization; the recoverability of their book value is verified at least annually and in any case when events occur that lead to the assumption of a reduction in value, adopting the criteria indicated in the point "Impairment of tangible and intangible assets". Based on what has been indicated therein, if the carrying amount of an asset or cash-generating unit is higher than its recoverable value, this asset has suffered an impairment loss and is consequently written down to its recoverable value. In determining the value in use, the Company discounts estimated future cash flows to the current value, using a pre-tax discount rate that reflects market valuations of the time value of money and the specific risks of the asset. For the purposes of estimating the value in use, future cash flows are taken from the business plans, which represent the best estimate that can be made by the Company on the economic conditions envisaged in the plan period. Therefore the aforementioned estimates are also made on the ineluctable level of uncertainty underlying the established business plans.

Current and non-current funds

Provisions representing the risk of a negative outcome are recognized for legal and tax risks. The value of the funds recorded in the financial statements relating to these risks represents the best estimate at the date made by the Company. This estimate involves the adoption of assumptions that depend on factors that may change over time and that could, therefore, have significant effects compared to the current estimates made by the Company for the preparation of the financial statements. On this topic, refer to the next Paragraph 13.44 for the purpose of a more comprehensive information.

In light of the above, taking into account that Olidata SpA, the Financial Statements as of December 31, 2018, was prepared with the assumption of the going concern, without prejudice to the uncertainty conditions previously mentioned.

I The income statement and balance sheet figures are compared with those taken from the financial statements as of December 31, 2017.

It is recalled that on January 30, 2019, the Board of Directors resolved with regard to the intention to avail of the longer term of 180 days, pursuant to art. 2364 paragraph 2 of the Civil Code for the purpose of approval by the Shareholders' Meeting of the financial statements as of December 31, 2018. The reasons supporting this choice derive from the Company's obligation to draw up the consolidated financial statements (pursuant to art. 25, D. 127 of 9 April 1991) compared to the previous year in which this obligation did not exist

On July 26, 2019, the Company announced that the Board of Directors meeting on May 30, 2019, for the approval of the Draft Financial Statements and Consolidated Financial Statements of the Olidata Group as at 12.31.2018, deemed it appropriate to suspend the meeting and refer it to new date approval of the draft Budget examined.

This postponement to allow further in-depth analysis, still in progress, which mainly refers to the recent partial adjustment of the Company's Business Plan, pending its integration and updating with new economic, equity and financial elements.

It should also be noted that the data summarized in these Explanatory Notes are expressed in euros and all values are rounded to the nearest thousand unless otherwise indicated.

ACCOUNTING PRINCIPLES, AMENDMENTS AND INTERPRETATIONS APPLICABLE FROM JANUARY 1 2018

With regard to the financial statements as of December 31, 2018, the following new international accounting standards are reported:

IFRS 9: Financial instruments

In particular, IFRS 9 introduces the following new features:

a) Classification and evaluation IFRS 9 classifies financial assets into the following main categories:

1) amortized cost (AC),

2) Fair Value Through Other Comprehensive Income (FVTOCI),

3) Fair Value Through Profit or Loss (FVTPL).

The classification within the three categories is determined by the business model (i.e. "hold to collect"/"hold to collect and sell") and the characteristics of the cash flows (i.e. "principal/principal+interest"). The Group has not identified significant impacts as at 12/31/2018 consequent to the application of the classification and valuation requirements established by IFRS 9.

b) Value reduction. The new requirements for impairment under IFRS 9 are based on an expected loss model ("Expected Credit Loss", "ECL") and replace the loss model supported by IAS 39. The expected loss model applies to debt instruments (such as bank deposits, loans, debt securities and trade receivables) recognized in the AC or FVTOCI, plus receivables for leasing, contractual activities, and financial guarantee contracts that are not valued at FVTPL. For the contractual activities deriving from IFRS 15 and from trade receivables, the Group applies a simplified model for reporting expected losses over the life as these items do not have a significant financing component.

c) Hedge accounting The new rules introduced by IFRS 9 for the accounting recognition of hedging activities have not introduced significant substantial elements but have provided for a greater link between the substance of risk management operations and their accounting.

It should be noted that the application of this principle did not entail significant quantitative impacts on the consolidated financial statements as of December 31, 2018. No adjustment was required, in application of the standard, to the Group's shareholders' equity as of January 1, 2018.

IFRS 15: Revenues for contracts with customers

The principle aims to improve the quality and uniformity of revenue recognition and to define the time of transfer as an element of revenue recognition and the amount that the company is entitled to receive.

The process to be followed for revenue recognition is as follows:

1) Identification of the contract with the customer;

2) Identification of the service;

3) Determination of the fees;

4) Allocation of the consideration related to the performance of the service

5) Recognition of revenues related to the performance of the service

It should be noted that the application of this principle did not entail significant quantitative impacts on the consolidated financial statements as of December 31, 2018. No adjustment was required, in application of the standard, to the Group's shareholders' equity as of January 1, 2018.

ACCOUNTING PRINCIPLES AND INTERPRETATIONS ACCEPTED BY THE EUROPEAN UNION IN FORCE SINCE JANUARY 1, 2018

IFRIC 22 - Foreign currency transactions with advance payment/advance payment received

The interpretation concerns foreign currency transactions in the event that a company recognizes a non-monetary asset or liability arising from the payment or collection of an advance before the company recognizes the related asset, cost or revenue.

Amendments to IFRS 2 - Classification and valuation of share-based payments

The changes concern: the methods for calculating the fair value of transactions with payment based on shares settled in cash on the valuation date (ie on the date of assignment, on the closing date of each accounting period and on the date of adjustment) which must be made taking into account market conditions (ex. a share price target) and conditions other than those of maturity; the accounting treatment of share-based payment transactions settled with equity instruments in which the entity acts as a withholding tax for the employee's tax liabilities (withholding tax); accounting for changes to the terms and conditions that determine the change in classification from share-based payments "settled in cash" to share-based payments "settled with equity instruments”.

Amendments to IAS 40 - Investment Property

The changes made to the principle provide clarifications on the changes in destination that lead to qualifying an asset that is not real estate investment as such or vice versa.

Improvements to the IFRS (2014-2016 cycle)

The amendments concern IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in associates and joint ventures".

The adoption of these amendments and interpretations did not have any effect on the consolidated financial statements at 12/31/2018.

ACCOUNTING PRINCIPLES, AMENDMENTS, AND INTERPRETATIONS NOT YET APPLICABLE OR NOT EVEN IN FORCE

The principles and interpretations that, at the date of the preparation of the financial statements, had already been issued but were not yet in force are illustrated below. The Company will adopt these principles when they come into effect.

IFRS 16

IFRS 16 was issued in January 2016 and replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains to Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 establishes the principles for the recognition, measurement, presentation, and disclosure of leasing contracts and requires the lessees to account for all the leasing contracts following a single accounting model in the financial statements similar to the accounting for financial leases that were governed by IAS 17. The standard includes two exceptions to the recognition for tenants - leasing of "low value" assets and short-term lease agreements (ex. leasing contracts with a rental period of less than or equal to 12 months). At the start of a lease, the lessee will recognize a liability related to the lease payments (ex. the liability for the lease) and an asset that represents the right to use the underlying asset during the lease term (ex. the right user). The tenants will be required to recognize separately the interest expense on the liability for the lease and the depreciation on the right of use.

Amendments to IFRS 9 - Financial Instruments - Advance Payment Elements with Negative Compensation

The amendments clarify the classification of certain financial assets repayable in advance. These changes are applicable from 01/01/2019.

IFRIC 23 - Uncertainty regarding the treatment of income taxes

The interpretation clarifies how to reflect the effects of uncertainty in accounting for income taxes in the event that the tax treatment of a specific transaction is unclear. The provisions introduced by this interpretation are applicable from 01/01/2019.

The Group is currently analyzing these changes and interpretations and assessing whether their adoption will have a significant impact on the separate and consolidated financial statements.

At the date of preparation of this Annual Financial Report, the following new Principles and Interpretations were issued by the IASB, but have not yet been implemented by the European Union:

- IFRS 17 “Insurance Contracts”, issued on 05/18/2017, the standard governs the accounting treatment of insurance contracts issued and reinsurance contracts held.

- Amendments to IAS 28 “Long-term interests in associates and joint ventures” which clarify that a company applies IFRS 9 to long-term interests in an associated company or joint venture that are part of the net investment in the associate or joint venture. These changes are applicable from 01/01/2019.

- Improvements to the IFRS (2015-2017 cycle) - The amendments concern IFRS 3, IFRS 11, IAS 12 and IAS 23, all applicable from 01/01/2019.

- Amendments to "IAS 19 - Employee Benefits" - The amendments specify that when an entity recalculates its net liability (asset) for defined benefit plans after a modification, reduction or regulation of the plan, it must use the updated actuarial assumptions to determine the current service cost and net interest for the remainder of the annual reference period. These changes are applicable from 01/01/2019.

- Modification of references to the Systematic Framework of IFRS (Conceptual Framework) in the standards in force, in order to align citations and references to the document itself in an updated version. These changes are applicable from 01/01/2020.

- Amendments to "IFRS 3 - Business Combinations". The changes are aimed at clarification from a practical point of view of the definition of "business", in order to facilitate the entity in determining whether it has acquired an asset or a group of assets. These changes are applicable from 01/01/2020.

- Amendments to IAS 1 and IAS 8: Definition of materiality. The changes are aimed at clarifying the definition of materiality and at aligning the definition used in the conceptual framework with that present in the standards themselves. These changes are applicable from 01/01/2020.

SUMMARY OF THE MOST SIGNIFICANT ACCOUNTING PRINCIPLES

INTANGIBLE ASSETS

Intangible assets are recognized only if they are identifiable and controllable, if it is foreseeable that they will generate future economic benefits and if their cost can be reliably determined. Intangible assets with a definite useful life are valued at purchase or production cost, net of amortization and accumulated impairment losses. Intangible assets are initially recognized at purchase or production cost. The acquisition cost is represented by the fair value of the means of payment used to acquire the asset and any direct costs incurred to prepare the asset for use. The acquisition cost is the equivalent price for cash on the recognition date and therefore, if the payment is deferred beyond the normal terms of credit extension, the difference with respect to the equivalent price for cash is recorded as interest along the extension period . Depreciation is based on the expected useful life and begins when the asset is available for use. The carrying value of intangible assets is maintained within the limits in which there is evidence that this value can be recovered through the use and recourse to the impairment test procedure.

The start-up and trademarks, which qualify as intangible assets with an indefinite life, are not subject to amortization; the recoverability of their book value is verified at least annually and in any case when events occur which lead to the assumption of a reduction in value, adopting the criteria indicated in the following point “Impairment of tangible and intangible assets”.

FIXED ASSETS

Tangible fixed assets are recorded at the purchase price or at production cost, net of accumulated depreciation. The cost includes accessory charges and direct and indirect costs incurred at the time of acquisition and necessary to make the asset usable. The acquisition cost is the equivalent price for cash on the recognition date and, therefore, if the payment is deferred beyond the normal terms of credit extension, the difference with respect to the equivalent price for cash is recorded as interest over the period of respite. The fixed assets are systematically depreciated in each period in relation to the residual possibility of use of the assets.

Depreciation is determined, on a straight-line basis, on the cost of the assets net of the relative residual values, based on their estimated useful life applying the following rates:

GOODS CATEGORY	RATES
Light constructions	10%
Generic plants	15%
Specific installations	15%
Motor vehicles	20%
Cars	25%
Furniture and furnishings	12%
Offices machines electronic	20%

The maintenance costs that determine an increase in the value, functionality or useful life of the assets, as well as the costs for improvements, modernization and transformation of assets that are incremental in nature, are directly charged to the fixed assets to which they refer and depreciated in relation to the residual possibilities of use of the same. Ordinary maintenance costs are charged to the income statement. On the occurrence of events that may indicate a lasting reduction in the value of the asset, the existence of the related book value is verified by comparison with the "recoverable" value, represented by the greater of the fair value and the value in use. The fair value is defined on the basis of the values expressed by the active market, by recent transactions, or by the best information available in order to determine the potential amount obtainable from the sale of the asset. The value in use is determined by discounting the cash flows deriving from the expected use of the asset, applying the best estimates about the residual useful life and a rate that also takes into account the implicit risk of the specific business sectors in which the Company operates. This assessment is carried out at the level of the individual asset or of the smallest identifiable group of assets generating independent cash flows (CGU).

In the event of negative differences between the aforementioned values and the carrying amount, a write-down is carried out, whereas when the reasons for the loss in value cease to exist, the asset is increased up to the new estimate of the recoverable value and cannot exceed the value that would have been determined had no impairment loss been recognized. Write-downs and revaluations are charged to the income statement.

DURABLE VALUE LOSS OF INTANGIBLE FIXED ASSETS AND MATERIALS

Annually, at each reporting date, the Company assesses the existence of indicators of impairment of intangible assets, plant and machinery owned and carries out specific "impairment testing of assets". In assessing whether there are indications that the assets may have suffered a loss in value, internal and external sources of information are considered. With regard to the first (internal sources), it is considered whether significant changes in the use of the business and/or the economic performance of the business are worse than expected. With regard to external sources, on the other hand, it is considered whether the market prices of the assets have recorded significant declines and/or if there are technological or market discontinuities or regulations capable of reducing the value of the business.

Regardless of whether there are internal or external indications of impairment, goodwill, and the trademark and any other intangible assets with an indefinite useful life are subject to impairment testing at least once a year and the Company makes an estimate of the recoverable value.

The recoverable value is the greater of the fair value of an asset or cash flow generating unit net of sales costs and its value in use and is determined for each individual asset, except when this asset does not generate cash flows that are largely independent of those generated by other assets or groups of assets in which case the Company estimates the recoverable value of the cash-generating unit to which the asset belongs. In particular, since goodwill does not generate cash flows independently of other assets or groups of assets, the impairment test regards the unit or group of units to which the goodwill has been allocated.

If the carrying amount of an asset or cash-generating unit is higher than its recoverable value, this asset has suffered an impairment loss and is consequently written down to its recoverable value. In determining the value in use, the Company discounts estimated future cash flows to the current value, using a pre-tax discount rate that reflects the market valuations of the time value of money and the specific risks of the asset.

For the purposes of estimating the value in use, future cash flows are taken from the business plans, which represent the best estimate that can be made by the Company on the economic conditions envisaged in the plan period. The projections normally cover a multi-year period; the long-term growth rate that can be used for the purpose of estimating the terminal value of the asset or unit is normally lower than the average long-term growth rate of the sector, the country or the reference market. The future cash flows are estimated based on the current conditions: therefore, the estimates do not consider the benefits deriving from future restructuring for which the Company is not yet committed nor the future investments to improve or optimize the activity or the unit, if not those designed to maintain the assets in their normal state of use.

Impairment losses incurred by operating assets are recognized in the income statement in the cost categories consistent with the function of the asset that highlighted the impairment loss. Furthermore, at the end of each financial year, the existence of indications about the loss (or reduction) of impairment losses previously recorded is assessed and, if such indications exist, the recoverable value is estimated. The value of an asset previously written down, with the exception of goodwill, can be restored only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recognition of an impairment loss. In this case, the book value of the asset is carried to the recoverable value, without, however, that the value so increased can exceed the book value that would have been determined, net of depreciation if no impairment loss had been recognized in previous years. Each restoration is recognized as income in the income statement, except when the asset is recognized at a revalued amount, in which case the restoration is treated as a reduction of the asset revaluation reserve unless the impairment loss does not exceed the amount of the reserve itself. After a recovery in value has been detected, the depreciation charge of the asset is adjusted in future periods, in order to allocate the modified carrying amount, net of any residual values, on a straight-line basis over the remaining useful life. In no case may the value of goodwill previously written down be restored to its original value.

INVESTMENTS

Investments in subsidiaries are recorded at cost, adjusted if there are losses in value. The positive difference, emerging at the time of purchase, between the acquisition cost and the portion of shareholders' equity at current values of the subsidiary pertaining to the company is therefore included in the carrying amount of the investment. Equity investments in subsidiaries are subjected every year, or more frequently if necessary, to verification of any losses in value. If there is evidence that these investments have suffered an impairment loss, the same is recognized in the income statement as a write-down. In the event that any share attributable to the company in the investee's losses exceeds the book value of the investment, and the company has the obligation or intention to respond to it, the value of the investment is zeroed and the share of the additional losses are recognized as a liability provision. If subsequently, the loss of value ceases or is reduced, a reversal in value is recognized in the income statement within the limits of the cost.

Equity investments in companies where the Parent Company does not exercise significant influence are treated in accordance with the provisions of IAS 39 and, therefore, are valued at fair value, or at a cost in the event that the fair value or market price cannot be determined.

INVENTORIES

Inventories are valued on the basis of an appraisal report as previously indicated. The cost includes direct materials and, where applicable, direct labor, general production costs and other costs incurred to bring the inventories to their current location and conditions. The cost is calculated using the FIFO method. The net realizable value represents the estimated selling price less the expected completion costs and the estimated costs needed to make the sale.

TRADE CREDITS, FINANCING AND OTHER FINANCIAL ACTIVITIES

Financial assets other than trade receivables and loans and cash and cash equivalents are initially recognized at fair value, including charges directly related to the transaction. Receivables are recorded in the financial statements at nominal value, which is generally representative of their fair value. In the event of significant differences between the nominal value and the fair value, the receivables are recorded in the financial statements at fair value and are subsequently valued on the basis of amortized cost, using the effective interest rate method. The value of the receivables is adjusted through the recording of specific provisions for bad debts to take into account the risk of non-collection of the receivables themselves. The write-downs are determined in an amount equal to the difference between the book value of the receivables and the present value of the estimated future cash flows estimated at the effective interest rate calculated on the date the credit was registered.

FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual agreements that generated them and in accordance with the respective definitions of liabilities. Interest-bearing bank loans and bank overdrafts are recognized on the basis of the amounts collected, net of transaction costs, and subsequently measured at amortized cost.

TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES

Trade payables and other financial liabilities are recorded in the financial statements at nominal value, which is generally representative of their fair value. In the event of significant differences between the nominal value and the fair value, the trade payables are recorded in the Financial Statements at fair value and are subsequently valued on the basis of the amortized cost, using the effective interest rate method.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges represent probable liabilities of an uncertain amount and/or maturity deriving from past events whose fulfillment will entail a financial outlay. Allocations are made exclusively in the presence of a current obligation, legal or implicit, towards third parties which makes it necessary to use economic resources and when a reliable estimate can be made of the obligation itself. The amount recognized as a provision represents the best estimate of the expenditure required for the fulfillment of the present obligation at the reporting date. The funds set aside are reviewed at each reporting date and adjusted so as to represent the best current estimate. Changes in estimates are recognized in the income statement. Where it is envisaged that the financial disbursement relating to the obligation will take place beyond the normal payment terms and the discounting effect is significant, the provision is represented by the current value, calculated at a nominal rate without risk, of the expected future payments for the extinction of the obligation. The potential assets and liabilities (possible assets and liabilities, or those not recognized because of an amount that cannot be reliably determined) are not accounted for. In this regard, however, adequate information is provided.

RECOGNITION OF REVENUES

Revenues from product sales are accounted for when the goods are shipped and the Company has transferred the significant risks and rewards of ownership of the goods to the purchaser. Revenues are recorded net of returns, discounts, allowances, and bonuses. Revenues of a financial nature are recognized on an accrual basis, while revenues from the provision of services at the time they are made.

RECOGNITION OF COSTS

Costs are recognized when they relate to goods and services purchased and/or received during the period or by a systematic distribution of an expense that generates future benefits that may be distributed over time. Financial and service charges are recognized on an accrual basis.

FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than the euro are recognized at the transaction exchange rates. At the balance sheet date, the monetary assets and liabilities denominated in the aforementioned currencies are converted at the current exchange rates on that date. Exchange differences arising from the settlement of monetary items and their translation at current exchange rates at the end of the year are charged to the income statement for the year.

DERIVATIVES INSTRUMENTS AND ACCOUNTING OF COVERING OPERATIONS

It should be noted that as of December 31, 2018 there are no derivative instruments linked to hedging transactions. During 2018, transactions to hedge against exchange risks were not implemented.

FINANCIAL COMPONENTS

They include interest income and expense, positive and negative exchange rate differences, realized and not realized

TAXES

Current taxes are recorded and determined on the basis of a realistic estimate of the taxable income in accordance with the tax laws in force in the State in which the company is based and taking into account any applicable exemptions and the tax credits due. Deferred taxes are determined based on the temporary taxable or deductible differences between the carrying amount of assets and liabilities and their fiscal value and are classified among non-current assets and liabilities. A deferred tax asset is recognized if it is probable that a future taxable income will be realized against which the deductible temporary difference can be used. The carrying amount of deferred tax assets is subject to periodic analysis and is reduced to the extent that it is no longer probable that there will be sufficient taxable income to allow the use of the benefit deriving from this deferred asset. Deferred tax assets and liabilities are determined with tax rates that are expected to be applicable in the years in which the temporary differences will be realized or settled.

SECTORAL INFORMATION

Based on IFRS 8 "Operating segments", information must be provided that enables users of financial statements to assess the nature and effects on the financial statements of the business activities undertaken. At 12.31.2018, the requested subdivision, again pursuant to the aforementioned IFRS 8, does not appear to be significant for the purposes of disclosure in the financial statements.

COMMENT ON THE MAIN ITEMS OF THE INCOME STATEMENT VALUE OF PRODUCTION

13.1 RICAVI

In the period in question they amount to euro 829 thousand detailed as follows:

Euro/000	12/31/2018	12/31/2017	*VARIATION*
Characteristic revenues	829	267	562
Revenue adjustments	0	0	0
TOTAL	829	267	562

The breakdown of the item by geographical area of sales revenues is as follows:

Euro/000	12/31/2018	12/31/2017	VARIATION
Sales in Italy	782	215	567
Sales in Europe	47	0	47
Sales in the rest of the world	0	52	(52)
TOTAL	829	267	(19.294)

On the other hand the sales percentages are:

	12/31/2018	12/31/2017	VARIATION
Sales in Italy	94,33%	80,52%	0,14
Sales in Europe	5,67%	0,00%	5,67%
Sales in the rest of the world	0,00%	19,48%	(19,48%)

The data in the Table above reflects the state of liquidation in which the Company was found practically during the entire first half of 2018 (it should be noted that the revocation of the liquidation took effect on June 27, 2018). In particular, the “Italy” revenues, amounting to 782 thousand euros, mainly refer to the better disposal and consequent billing of parts of the warehouse (referable to the previous business sector and in any case not considered “strategic” in the context of the Business Plan for the period subsequent to the revocation of the state of liquidation), as well as the invoicing of printer rentals and related services (the latter attributable to a supply contract signed in July 2015 - on a date therefore prior to putting the Company into liquidation - for rental of printers and services granted to SACE SpA.).

13.2 VARIATIONS OF INVENTORIES IN PROCESSING, SEMI-FINISHED AND FINISHED PRODUCTS

This item is so detailed:

Euro/000	12/31/2018	12/31/2017
Finished products, goods, initial inventories	(759)	(1.265)
Finished products, goods, final inventories	341	759
Reverse write-down of excess stock in 2016	449	103
Inventory write-down	0	(697)
VARIATION Inventories of finished products and goods	31	(1.099)

It should be noted that in the Company's financial statements for the year ended December 31, 2016, to which reference should be made, a write-down of Euro 443 thousand had already been made, in consideration of the liquidation phase in which the Company was located - and was found until June 26, 2018

- in order therefore to align the value of the warehouse with the Expertise made by the expert appointed by the Company. Similarly, in the financial statements for the year ended December 31, 2017, taking into account the continued “slow rate of turnover”, even in a liquidation perspective, of the assets being stocked, which is difficult to reconcile with the best liquidation of the Company, determined the decision to operate at June 30, 2017 a further prudential inventory write-down up to euro 696 thousand. The uses of the period mainly occurred following the sale of assets on which a fund had previously been set aside, or for updating the estimate of expected losses.

13.3 OTHER INCOME

It should be noted that in this item, as of December 31, 2017, the contingent assets attributable to the write-off resulting from the Recovery Plan pursuant to art. 67 L.F. attested on December 28, 2017.

Euro/000	12/31/2018	12/31/2017	VARIATION
Active rent	0	243	(243)
Marketing contributions	0	0	0
Contingent assets	4.529	1.108	3.421
Non-current operating income pursuant to art. 67 L.F.	0	32.350	(32.350)
Gains on disposal of assets	1	1	0
Reimbursement of transport costs	5	8	(3)
Other expense refunds	17	11	6
TOTAL	**4.552**	**33.721**	**(29.169)**

In remembering that the amount as at 12.31.2017 of euro 32,350 was, in fact, inherent in the contingent assets attributable to the write-off pursuant to art. 67 LF, for the details of which can be found in the Notes to the Financial Statements for the year ended December 31, 2017, the item "Contingent assets", amounting to 4,529 thousand euros refers, for 4,373 thousand euros, to the restoration of the value of the Olidata brands for the details of which can be found in the specific Paragraph contained in the section of the Explanatory Notes dedicated to the Balance Sheet items (Paragraph 13.13).

The main remaining items making up the "Contingent assets" account refer, for Euro 21 thousand, to the settlement of a dispute with a supplier and, for Euro 64 thousand, to a reimbursement by the Revenue Agency as part of the payments made by the Company in 2017 relating to the facilitated definition of the pending litigation pursuant to Legislative Decree 50/2017 referred to in the Introduction.

13.4 COST FOR EXTERNAL SERVICES

The cost for external services is so detailed:

Euro/000	12/31/2018	12/31/2017	VARIATION
Third party services - External processing	52	97	(45)
Transportation	26	26	0
Advertising costs	32	15	17
Consultancy for professional services	734	413	321
Utilities	52	71	(19)
Insurance and insurance contracts assets	32	18	14
Stationery, printed matter, postal	0	3	(3)
Other costs (minor)	23	21	2
TOTAL	**951**	**664**	**287**

Compared to the total item Costs for Services, equal to euro 1,397 thousand, euro 861 thousand (62% of the total) are represented by Consultancy costs to be charged mainly to the remuneration paid to professionals appointed to assist the Parent Company in this particular life phase of the same, characterized by necessity:

a) to terminate the liquidation status,

b) to reach the acquisition of the subsidiary Italdata SpA of which information was given in the Management Report, in the Introduction to these Notes and in the Dossier regarding the Annual Consolidated Financial Report. These consultancies are to be intended as ancillary costs for the acquisition of the controlling interest in Italdata SpA. In the first analysis, from an accounting point of view, the case of accessory costs for the acquisition of a controlling interest is regulated by paragraph 53 of the IFRS 3 which finds, however, direct application exclusively in the consolidated financial statements. With regard to the separate financial statements and the recording of investments in subsidiaries it is instead necessary to refer to IAS 27, Separate Financial Statements, which provides for the recognition of the same according to different criteria (at cost, according to IFRS 9, or with the method of shareholders' equity). While IFRS 9 contains specific rules for recording transaction costs, which in general must be charged to the income statement, no specific regulation is provided for the recognition of the same when choosing the equity method or the cost criterion. It seems reasonable to argue that, even in these latter cases, the recognition can take place in the income statement, as operated by Olidata in its separate financial statements at 12.31.2018. And this on the basis of various arguments: the ascertainment that this accounting behavior is that provided for in the consolidated financial statements; if the acquisition of the company had taken place through a transfer or purchase of a business unit, rather than acquisition of the investment, these costs would have been recognized in the income statement, even in the separate financial statements; if the acquisition of the controlling interest were followed by a merger by incorporation, the acquisition values should not take into account the sustained transaction costs which, as seen, could be charged to the income statement.

c) to come to the preparation of the Business Plan to be implemented in succession to the revocation of the liquidation status.

13.5 LABOR COSTS

The cost of personnel is so detailed:

Euro/000	12/31/2018	12/31/2017	VARIATION
Salary cost	608	625	203
Social charges	126	167	(41)
Termination indemnity	26	38	(12)
Other personnel costs	4	2	2
Non-recurring part: employee stock options	220	0	220
TOTAL	**984**	**832**	**152**

It should be recalled that in 2017 this item had suffered a decrease due to the physiological reduction in the number of personnel assigned as a result:

- of the liquidation of the approved company - it is recalled - by the Board of Directors on March 25, 2016;
- of the related actions, mentioned several times, put in place by the Company to reach the definition of the Recovery Plan as part of a provisional exercise of the activity completely downsized - evidently - with respect to the ordinary pre-existing activity, as well as "conservative", that is aimed at the better achievement of the aforementioned Recovery Plan.

It should be noted, in fact, that the personnel cost at December 31, 2015 - or a few months before the aforementioned liquidation of the Company - amounted to 2,348 thousand euros. At December 31, 2016, the cost, therefore, decreased to euro 1,151 thousand to be reduced further to euro 832 thousand at December 31, 2017 (a decrease of euro 1,516 thousand compared to December 31, 2015).
Personnel costs, therefore, amounted to euro 984 thousand at December 31, 2008, up euro 152 thousand compared with December 31, 2017, but taking into account that this sum includes euro 229 thousand in compensation due to the Liquidator and to the new members of the Board of Directors in compliance with the shareholders' meeting resolutions that quantified the amounts.
In addition, the sum of euro 984 thousand includes euro 220 thousand of non-recurring charges referring to the Stock Option Plan for employees of the Company implemented in 2018 as a result of the shareholders' resolution of April 13, 2018 which resolved the increase in share capital of euro 3.5 million also for the aforementioned company incentive plan, implemented pursuant to and for the purposes of art. 2441 last paragraph c.c.

It should be noted that the number of employees of the Company at December 31, 2018 was 11, while the number of employees considered in the period had the following average performance:

Euro/000	12/31/2018	12/31/2017	VARIATION
Senior executives	0	0	0
Managers	3	6	(3)
Adm./Comm./Technical employees	8	9	(1)
Workers and apprentices	0	0	0
TOTAL	**11**	**15**	**(4)**

13.6 PROVISIONS

The following table shows the details of the provisions made by the Company:

Euro/000	12/31/2018	12/31/2017	VARIATION
Provision for the write-down of the entire investment in Data Polaris Srl in liquidation	12	0	12
Provision for Public Administration penalty risks	0	288	(288)
Provision for doubtful debts materials	0	400	(400)
Provision for future charges	0	152	(152)
TOTAL	**12**	**840**	**(827)**

This item, equal to euro 12 thousand, refers to the write-down of the remaining value of the investment in Data Polaris S.r.l. in Liquidation, as a result of the continued liquidation state in which the Company is located.

13.7 AMORTIZATION

This item is so detailed:

Euro/000	12/31/2018	12/31/2017	VARIATION
1) Industrial buildings	0	0	0
2) Plants and machinery	1	0	1
3) Equipment ind. and commercial	0	0	0
4) other assets	8	0	8
5) Amortization of intangible assets	0	3	(3)
TOTAL	**9**	**3**	**6**

Until December 31, 2017 - and therefore also on the date of the Half-year Financial Report at 06.30.17 - it did not proceed with allocating depreciation. Given the dissolution of the Company, ascertained on March 25, 2016, the assumption of the multi-year utility of the residual tangible assets whose registration presupposes the ordinary operation of the company at least until their complete amortization had in fact been lacking.
At the date of this Annual Financial Report, in compliance with the indications provided by the aforementioned OIC Guide n. 5, the Company has instead reinstated the depreciation, taking into account the occurred revocation of the state of liquidation that occurred, it is recalled, on April 13, 2018 and with effect from June 27, 2018.

For all the items relating to tangible assets, their "recoverability" was verified according to the criteria set by IAS 36.

Finally, it should be noted that as a result of the merger by incorporation of the subsidiary Olidata International Innovation Development S.r.l. The sole shareholder in liquidation in Olidata S.p.A. in liquidation, which took place in 2017, the latter also included the tangible and intangible assets belonging to the incorporated company. These include the important item relating to the Olidata Trademarks discussed in the Management Report and in the Notes to the financial statements for the year ended December 31, 2017, to which reference should, therefore, be made. It should be remembered that these brands, taking into account the definition in paragraph 88 of IAS 38, have not been amortized but are subjected to an annual impairment test as per IAS 36.

13.8 OTHER OPERATING EXPENSES

On December 31, 2018, this item, amounting to euro 1,519 thousand, includes - for euro 1,366 thousand - the economic effect of the VARIATION note issued by a supplier whose credit was canceled in late 2017 as a result of the agreements underlying the Plan pursuant to art. 67 L.F. (for the details, please refer to the following paragraphs 13.31 and 13.36) and also includes losses on receivables and other sundry management charges, including taxes, membership contributions, charges for stock exchange listing, contingent liabilities and other minor costs.

13.9 NET FINANCIAL INCOME

The net financial income is summarized in the following table:

Euro/000	12/31/2018	12/31/2017	VARIATION
Interest income	41	43	(2)
Exchange gains	24	406	(382)
TOTAL	**65**	**449**	**(384)**

13.10 NET FINANCIAL EXPENSES

The net financial charges are thus detailed:

Euro/000	12/31/2018	12/31/2017	VARIATION
Passive interests	5	494	(489)
Other financial charges	40	193	(153)
Foreign exchange losses	5	65	(60)
TOTAL	**50**	**752**	**(702)**

This item, amounting to 50 thousand euros, decreased by 702 thousand euros compared to December 31, 2017, due to the effect of the elimination of the Company's debt positions vis-à-vis credit institutions, in implementation of the Recovery Plan pursuant to art. 67 LF, certified and filed on December 28, 2017.

The item Other financial charges, amounting to euro 40 thousand, refers, for euro 37 thousand, to commissions for sureties against transactions with the Public Administration.

13.11 TAXES OF THE PERIOD

This item is detailed as follows:

EURO/000	12/31/2018	12/31/2017	VARIATION
Current Taxes			
IRES	0	0	0
IRAP	0	53	(53)
Deferred taxes			
ADVANCED/DEFERRED TAXES	0	0	0
TOTAL	**0**	**53**	**53**

Prepaid taxes are equal to zero even though Olidata presents tax losses accrued during the financial year just ended as well as temporary differences arising in previous years that have not yet determined the decision to allocate the related prepaid taxes. The tax losses that arose during 2018 are mainly attributable to the downward recovery made in relation to the restoration of the value of the Olidata S.p.A. (see Paragraph 13.3), in consideration of the fact that the original corresponding write-down, carried out in previous years, was the subject of a corresponding increase in VARIATION. More specifically, it should be noted that pursuant to IAS 12, it is possible to allocate deferred tax assets to take into account the fact that with these tax losses, Olidata will be able to use them to offset future tax profits.

In particular, paragraph 14 of IAS 12 states that:

"*14 When a tax loss is used to recover the current tax relating to a previous year, the entity recognizes the benefit as an asset in the year in which the tax loss occurs if the benefit to the entity is likely to occur. if it can be reliably measured*".

Again paragraphs 34-36 of IAS 12 are reported:

"*34 A deferred tax asset for tax losses and unused tax credits carried forward must be recognized to the extent that it is probable that future taxable income will be available against which tax losses and tax credits can be used not used.*
35 The requirements for the recognition of deferred tax assets deriving from the carryover of tax losses and unused tax credits are the same as those applied to the recognition of deferred tax assets deriving from deductible temporary differences. The existence of unused tax losses, however, is a significant indicator that future taxable income may not be available. Therefore, if the entity has a history of recent losses, it recognizes a deferred tax asset arising from unused tax losses or unused tax credits only to the extent that it has sufficient taxable temporary differences or convincing evidence exists that an income will be available sufficient taxable income against which the unused tax losses or unused tax credits can be used. In such cases, paragraph 82 requires an indication of the amount of the deferred tax asset and the nature of the reasons justifying its recognition.
36 In assessing the probability that taxable income will be available against which unused tax losses or unused tax credits can be used, the entity takes into consideration the following criteria:
a) if the entity has sufficient taxable temporary differences, with reference to the same tax jurisdiction and the same taxable person, which will result in taxable amounts against which the unused tax losses or unused tax credits can be used before their expiry;
b) whether it is probable that the entity has taxable income before the expiry of unused tax losses or unused tax credits;
c) if unused tax losses result from identifiable causes that are unlikely to occur again; and
d) if the entity has tax planning (see paragraph 30) on the basis of which there will be taxable income in the year in which unused tax losses or unused tax credits can be used.
If it is not probable that taxable income will be available against which the unused tax losses or unused tax credits can be used, the deferred tax asset is not recognized".
…
"82 An entity shall disclose the amount of a deferred tax asset and the nature of the elements justifying its recognition when:
a) the use of deferred tax assets depends on future taxable income exceeding the profits deriving from the cancellation of existing taxable temporary differences; and
b) the entity has suffered a loss in the current or previous year in the tax system to which the deferred tax asset refers".

To proceed correctly with the possible allocation of deferred taxes related to tax losses, it is necessary to take into account the principles set out in IAS 12 and therefore have regard to the "nature of the reasons" that justified the possible recognition of deferred tax assets. In this regard, it is noted that:

- the Company had prepared an Industrial Plan following the already revoked Liquidation State revocation and that will see the Company and the Olidata Group involved in a new business connected to the IoT and Cybersecurity sector to be implemented through the succession of acquisitions of important operators in this sector (please refer to the Report on Operations for more details);
- the Company, in order to carry out the various activities underlying the Business Plan referred to in the previous point, had resolved on May 2, 2019, a payable share capital increase up to 30 million euros to be carried out by May 31. 2019;
- as highlighted in the Report on Operations to which the Company is referred, following the failure to complete the capital increase referred to in the previous point, the Company has partially corrected the aforementioned Business Plan that had been approved by the Board of Directors Administration

of December 20, 2018. More specifically, the Company proceeded to outline a new Business Plan hypothesis which will submit to the next Board of Directors which contemplates the achievement of positive economic results for the next five-year period 2020-2024 and which was preceded by the subscription in July 2019 of two Letters of Intent with two important industrial players on the basis of which, these two realities showed together with Olidata the common will to proceed with their merging within Olidata itself in line with the new hypothesis of Business Plan better described in the Management Report.

Taking into account the reasons set out above and also taking into account:
- that IAS 12 states that "At the balance sheet date, the entity makes a new assessment of the deferred tax assets not recognized in the financial statements. The entity recognizes a deferred tax asset previously not recognized if it has become probable that a future taxable income will allow the recovery of the deferred tax asset";
- that the Company, at the date of approval of this Draft Balance Sheet, is in the simultaneous phase of formal approval of the new Business Plan Hypothesis by the Board, even though there are already two Letters of Intent signed with two important companies in the IoT sector and E-Learning which contributed to the preparation of the aforementioned new Business Plan hypothesis;
- that the aforementioned letters of intent envisage a suspension clause with respect to the merger of these two companies within Olidata linked to the prior finding of financial resources aimed at strengthening the capital of Olidata itself;

at present, therefore, it was considered prudentially not to proceed with any provision of deferred tax assets;

COMMENTS ON THE MAIN ASSET ITEMS

NON-CURRENT ASSETS

INTANGIBLE ASSETS

13.12 INTANGIBLE FIXED ASSETS EXCLUDING TRADEMARKS

This item, amounting to EURO 0 thousand, incorporates both the full write-down - already made in 2016 - of long-term product development costs, and intangible assets attributable to Olidata International Innovation Development S.r.l. in liquidation following the aforementioned merger by incorporation.

13.13 TRADEMARKS

As already illustrated in the introductory paragraph of these Explanatory Notes, the Company, following the revocation of the state of liquidation, proceeded - as of 06.30.2018 - to restore the value of the trademarks for Euro 4,373 thousand, corresponding to the value of the trademarks of Olidata IID (later incorporated into Olidata SpA) before the latter proceeded to fully write them down in 2016. Please refer to the statement of comprehensive income, prepared on the basis of the indications provided by the OIC Guide n. 5, to highlight how Olidata S.p.A. has carried out the aforementioned restoration after the formal termination of the liquidation, which took place on June 27, 2018, and after the acquisition of the investment in Italdata S.p.A.

For the sake of the best illustrative clarity, given the importance of the restored amount, already put in place on the date of the Half-Year Report as at June 30, 2015, it is considered not only useful, but essential to highlight what is analytically reported in the Explanatory Notes to the Financial Statements closed at December 31, 2017.

Extract from Paragraph 13.13 of the Explanatory Notes to the Financial Statements for the year ended December 31, 2017.

Please note that following the merger by incorporation on September 18, 2017 between Olidata S.p.A. in liquidation and Olidata International Innovation Development S.r.l. in liquidation (henceforth also "Olidata IID"), Olidata S.p.A. in liquidation it reacquired the trademarks originally transferred as part of the transfer operation carried out in December 2014, which was discussed in the consolidated and separate financial statements as of December 31, 2014, to which reference is made. The table summarizing the values expressed in the OIC adopter financial statements of Olidata IID since the financial statements as of December 31, 2015, and as of December 31, 2016, is shown below. As can be seen, the Olidata brands carry a residual value after amortization of euro 4,368 thousand and a provision for the write-down of trademarks for the same amount, that is Euro 4,368 thousand.

Date	Olidata Brands	Euro/1000
01/01/2015	Net initial carry value	4.914
	Depreciation	(273)
12/31/2015	Final net asset Value	4.641
01/01/2016	Net initial carry value	4.641
	Depreciation	(273)
12/31/2016	Final net book value before write-down	4.368
	Brand devaluation Fund	(4.368)
12/31/2016	Final net book value before write-down	0

Short methodological history

As already amply illustrated in the financial statements for the year ended December 31, 2014, Olidata SpA, in this year, contributed, among other things, by way of transfer, to the company Olidata International Innovation Development Srl, wholly-owned, the following assets:

(i) the Olidata brand portfolio and

(ii) the 33% stake held by Olidata in Olidata AJA S.r.l

The contribution, carried out at current values, led to the registration in the separate financial statements of Olidata S.p.A. of the registration value of the investment in Olidata International Innovation Development S.r.l. at a value of Euro 5,210 thousand. This transaction was then consistently eliminated - as an intra-group transaction - in the Group's consolidated financial statements for the year ended December 31, 2014.

The aforementioned value of Euro 5,210 thousand was attributable to Euro 4,900 thousand to the higher value of the Olidata Spa brands. These brands, in fact, were the subject of an estimate by the expert appointed to draft the appraisal prepared pursuant to the art. 2465 c.c.
Subsequently, following the voluntary liquidation of Olidata on 03.25.2016, at the time of approval of the separate financial statements of Olidata at 12.31.2015, the investment in Olidata International (originally recorded at a value of euro 5,210 thousand) was fully written down.
On 03.14.2017, also Olidata International Innovation Development S.r.l. it was put into voluntary liquidation and, at the time of approval of the Financial Statements - OCA Adopter - closed on 12.31.2016 of this Company, the brand was completely written down..
…omissis…
On September 18, 2017, the merger deed was signed - registered with the Companies Register on 09.21.2017 - with which the merger by incorporation of Olidata International Innovation Development S.r.l. in liquidation in Olidata S.p.A. in liquidation ... omissis ...
Finally, on 28.12.2017, Olidata's recovery plan pursuant to art. 67 L.F. by the independent professional. This plan expressly provides for the restoration of the value of the Olidata brand up to a maximum of Euro 4,900 thousand subordinated - evidently - to the certification of the plan itself.
…omissis…
Again for illustrative completeness, it is highlighted as in the Restructuring Plan certified pursuant to art. 67 L.F. a phase subsequent to the sale of the real estate compendium consisting, after the revocation of the liquidation status, in the signing of an Agreement with a main industrial partner operating in strategic sectors such as IoT, Big Data, Cyber Security, etc. is contemplated. has already expressed an interest in investing in the undoubted recognition and reputation of the Olidata brand, as well as in the decades-long commercial experience and knowledge of Olidata's IT market in order to increase - hopefully significantly - the total cash flows.

<u>Business combinations of entities under common control”.</u>
The "business combinations involving entities or businesses under common control" are defined in appendix B of IFRS 3 revised as "business combinations in which all participating entities or businesses are ultimately controlled by the same party or by the same parties both before and after the merger, and this control is not transitory "... omissis ... This also includes the merger by incorporation between the parent company and a wholly-owned company such as occurred in September 2017 between Olidata SpA in liquidation and Olidata SpA International Innovation Development S.r.l. in liquidation.
The corporate reorganization operations under common control are excluded from the mandatory scope of IFRS 3. In the absence of references to specific IFRS principles or interpretations for these transactions, it is necessary to refer to the provisions of IAS 8 with regard to cases in which the IAS / IFRS corpus does not

establish an accounting standard or an interpretation to be applied for the recognition of a transaction. In this situation, based on the provisions of the aforementioned standard, the company management must use its judgment in developing and applying an accounting standard that is consistent with the purpose of the financial statements contained in the Framework.

In particular, IAS 8 paragraph 10 states that: "In the absence of a Standard or an Interpretation that specifically applies to a transaction, other event or circumstance, management must use its judgment in developing and applying an accounting standard to order to provide an information that is:(a) relevant for the purposes of economic decisions by users; and

(b) reliable, so that the Budget:

(i) faithfully represents the financial position, the economic result and the financial flows of the entity;

(ii) reflects the economic substance of the transactions, other events and circumstances, and not merely the legal form;

(iii) be neutral, that is without prejudice;

(iv) be prudent; and

(v) is complete with reference to all relevant aspects.

On this topic in Italy, there are two Assirevi Documents, the OPI Document n. 1 revised and the OPI Document n. 2 which deal with the topic in question by virtue of the absence in the IAS corpus of a specific Principle dealing with the topic. In particular, the OPI Document n. 2 deals - in the present case - with the merger by incorporation.

The Assirevi OPI Document n. 1 revised in recalling the aforementioned paragraph 10 of IAS no. 8, also states that in the search for an accounting treatment that falls within the conceptual framework of the Framework and that meets the criteria of IAS 8.10, the critical element is represented by the fact that the accounting principle chosen to represent business combinations under common control must reflect the economic substance of the same, regardless of their legal form. The presence or otherwise of "economic substance" therefore appears to be the key element to be placed at the base of the Accounting Principle. If, for example, the transaction that involves a business transfer (for example, a business branch) does not have "significant influence on the cash flows of the net assets transferred", the accounting entry must take place according to the principle of continuity of values: this means that the same book values that the elements of the business transferred had in their respective accounts must be kept before the transaction.

The Assirevi OPI Document n. 2 revised, instead, is entitled "Accounting treatment of mergers in the financial statements" and states, in relation to mergers by incorporation that: "given the elements characterizing mergers by incorporation mother-daughter (absence of economic exchange with third economies and *persistence of control over the acquired entity), such operations cannot be considered business combinations. For this reason, they are excluded from the scope of application of IFRS 3. Their accounting, therefore, must be carried out according to the guidelines of IAS 8.10. Since these operations, by their nature, have no significant influence on the cash flows of the merged companies, the choice of accounting criteria must, therefore, favor suitable principles to ensure the continuity of the values ".In light of the above considerations, therefore, the Assirevi OPI 2 Revised Document states that - with regard to the Merger by incorporation operations with 100% control of the merging company on the incorporated, the application of the principle of continuity of values follows from the absence of an exchange with third economies and an acquisition in the economic sense. … Omissis… The entry into the financial statements of the merging company of the assets and liabilities deriving from the incorporated company should not lead to the emergence of higher current values of these assets than those expressed in the consolidated financial statements, nor of a higher goodwill, in how, as already mentioned, the merger by incorporation does not involve any economic exchange with third economies, nor an acquisition in the economic sense. Consequently, the emergence of higher values of the assets of the incorporated company and/or further goodwill appears - according to this Document - unjustified. The only exception to this general principle - says the Assirevi OPI Document n. 2 - concerns the higher values recorded in the books of the merged company resulting from the sale of assets made between the acquiring company and incorporated before the merger and eliminated as intragroup transactions in the consolidated financial statements.*

It should also be noted that today the mentioned Assirevi OPI Documents n. 1 and OPI n. 2 are not the only documents that deal with the subject. Please note that these Assirevi Documents favor the principle of continuity of values. However, in the field of Practice, there are also documents both at a "domestic" and international level which privilege, instead of the principle of continuity of values, the Principle of the "purchase method", such as for example the Circular of Assonime n. 51 of 12 September 2008. It was, in particular, observed - for example on the basis of the aforementioned Assonime Circular - that it would be difficult to reconcile the setting of the principle of "continuity of values" with the civil reconstruction of the operation that sees to for example the transfer of a company branch between the parent company and the subsidiary as a deed of transfer between subjects that are in any case legally distinct (which, moreover, may be attended by various minority shareholders), as well as with the company law rules under which the higher contribution values should allow subscribers to an increase in capital rather than contribute to a reduction in equity. It was also pointed out that the thesis of the continuity of values, in hindsight, does not seem to find full comfort in the same systematic principles inferable from the IAS/IFRS. In general, in fact, international accounting standards state that the acquisition of an asset must be recognized by recording this asset at the fair value of its consideration consisting of the equity investments issued. With respect to this general rule, IFRS 3 constitutes a derogation in the sense of allowing the registration of companies acquired at the fair *value of the assets that comprise them and allocating the excess of the acquisition cost to goodwill. In other words, IFRS 3, unlike the other accounting standards, allows assets to be recorded at their fair value even if higher than their total acquisition cost (fair value of the investments). If this is the case, the operations of transfer of a company under common control, although not attributable to the exception contained in IFRS 3, should in any case be able to be represented according to the general rule, ie with the company's registration at fair value of the equity investments issued to acquire it. From this point of view, therefore, also the contributions that constitute mere reorganization operations, should be accounted for in closed balances and not in continuity. In other words, based on this different reconstruction, starting from the assumption that the international accounting standards are aimed at regulating, in the first instance, the consolidated financial statements and that in this view it is well explained that IFRS 3 refers to the passage of the control between independent companies (and not between companies belonging to the same group), the continuous representation of transactions under common control should logically take place only in the consolidated financial statements and not in the separate financial statements of each of the combined companies.*

Finally, as also mentioned in the Document issued by the Order of Chartered Accountants of Milan: "Business combinations under common control: theory and practice. The point of view of Efrag and Assirevi ”of February 25, 2014, is the same Efrag - European Financial Reporting Advisory Group - to affirm that between the principle of continuity of values and the principle of the purchase method there can be a third way that is based on the consideration that the analogy with IFRS 3 can be applied when the (accounting) result of the representation of the transaction involves useful information for the shareholders (and other users of the financial information). It is always necessary to evaluate the relevant facts and circumstances - transaction by transaction - rather than applying the first (principle of continuity of values) or the second alternative accounting proposal (purchase method).

Conclusions to Paragraph 13.13 "Trademarks"

Please note that the merger is part of the broader Recovery Plan pursuant to art. 67 L.F. In this Plan - it is recalled - a Phase is contemplated following the sale of the real estate compendium consisting, after the revocation of the liquidation status, in the signing of an agreement with more than one main industrial partner operating in strategic sectors such as IoT, Big Data, Cyber Security, etc. With these partners negotiations are underway subject to the revocation of the liquidation status. On the basis of these letters of intent, it is clear that these partners - in turn - have expressed their interest in investing - even in the form of business combinations - in the undoubted recognition and reputation of the Olidata "brand", as well as in decades of commercial experience and knowledge. of the IT market of Olidata itself in order to increase - hopefully significantly - the total cash flows.

We therefore remind you that the reasons for which the Merger by incorporation between Olidata SpA and Olidata IID was carried out are completely different from those for which the transfer of these brands was originally carried out in 2014 and are not - in the sense that they are not limited only to this mere requirement - from the need to reach the best liquidation of the Company, taking into account that, on the contrary, these brands now constitute - by virtue of the combined circumstance of the asseveration of the plan pursuant to art. 67 L.F. and the divestment of the owned building - the main strategic asset in order to achieve the significant expected cash flows from the aforementioned partnerships (for which reference is also made to the Management Report).

Recalling the provisions of paragraph 10 of IAS no. 8 and above, it should be noted that the Liquidator, in order to comply with the provisions of this Standard, gave a mandate to three Professors from three of the main Italian Universities to provide an opinion on the appropriateness of transposing the Financial Statements for the year ended December 31, 2017, based on the IAS 38 Principle and taking into account the provisions of IAS 36 regarding the reversal impairment test, the reinstatement of the higher value of the trademark, due to the confirmation of the Recovery Plan pursuant to art. 67 L.F..

In fact, on 12.27.2017 the Liquidator had received a comfort letter from Prof. Riccardo Tiscini, containing an updated assessment of the brand. In particular in this Comfort Letter, the current value of the trademark has been estimated equal to the value indicated at the end of 2014 by the same Prof. Tiscini, or 4,900 thousand Euros, on condition that the recovery plan pursuant to art. 67 L.F. had been attested and that the business combination under study with a leading company in the sector had been completed.

In particular, at the basis of favorable professional judgments about the correctness of the operation to restore the value of the Company's brands in accordance with the assumptions underlying the recovery plan certified pursuant to Article 67 L.F. which also reflects the revocation of the liquidation status, there are the following main cases and considerations:

a) the Olidata brand portfolio has its own intrinsic economic value that can be separated from the rest of the Company's assets and can be the subject of an independent transfer deed to third parties. Furthermore, it is the exclusive property of the Company and is able to generate future economic benefits in terms of revenue generation and forecast cash flows. Therefore, the Trademark possesses the characteristics of an intangible asset that can be entered in the Company's Financial Statements in accordance with the provisions of international accounting standards, with particular reference to the aforementioned IAS 38 regarding the accounting of intangible assets and, furthermore, to IAS 36 "Impairment of Assets", which provides that the value of an intangible asset such as a brand is equal to the greater of the value in use - equal to the current value of future cash flows deriving from the continuous use of the asset and from its final disposal - and the realizable value of the disposal, equal to the fair value net of direct sales costs.

..omissis…

d) On the basis of the information reported in the certified recovery plan, as also reported in the Management Report to which reference is made, Olidata is currently in negotiations with investors interested in entering its share capital.

Each of the aforementioned points is therefore to be interpreted - based on the professional opinions received - as the tangible manifestation of the "economic substance of the transaction" (IAS 8.10 cit) and therefore of the existence of a specific value of Olidata's brand portfolio is able to generate significant cash flows and therefore able to be considered "relevant for the purposes of economic decisions by users" (always IAS 8.10 cit.) once the liquidation has been revoked.

The Liquidator, however, despite the opinions mentioned above, in compliance with IAS Principle no. 8 paragraph 10 and therefore in compliance with the aforementioned principle of prudence, it decided not to have to restore - at least in the Financial Statements ended 12.31.2017 - the greater value of the brand portfolio in order to be able to proceed only once the liquidation status has been revoked of the Company and therefore only after having followed up the business combination with the industrial partners of which we have had the opportunity to deal with. Therefore, in the Financial Statements as at 12.31.2017, it was decided to privilege the principles contained in the ASSIREVI OPI Documents n. 1 Revised and OPI n. 2 Revised, with the necessary specification, however, that the continuity of the values asserted therein is to be understood as continuity - provisional and with specific reference to the date of December 31, 2017 - of the value of the trademarks and of the related allowance for impairment resulting from the financial statements of the incorporated Olidata International Innovation Development Srl. It should be recalled - and finally - that it is the Assirevi OPI 1 Document itself that states that, where an economic effect of the transaction so significant as to make it presumably liable even between unrelated parties is evident, this is accounted for as it would be " among third parties "since the economic substance is such as to generate significant cash flows;
- it is the Assirevi OPI 2 Document itself that states that the only exception to the principle according to which it is not necessary to proceed with the registration of the higher value of the assets of the incorporated company is given by the "greater values recorded in the books of the merged company resulting from sales of assets carried out between the acquirer and incorporated before the merger and eliminated as intra-group transactions in the consolidated financial statements".
The aforementioned is considered to be entirely consistent with IAS no. 8 and with the Efrag interpretations on the subject of business combinations under common control.

Therefore, the Intangible Assets item, even though it has a value of zero, includes a latent capital gain attributable to the Trademark Portfolio between euro 3,800 thousand and euro 4,900 thousand.
….omissis…

As a result of what has just been highlighted with particular reference to the sentence in which it was emphasized that the Liquidator, prudently, has decided to postpone the restoration of the value of the trademarks "only once the Company's liquidation status has been revoked and therefore only after having given following the business combination with the industrial partners we have dealt with ”, it is reiterated that:

- the termination of the liquidation took effect formally on June 27, 2018;
- the Company has carried out a capital increase of € 3,500 thousand;
- on June 28, 2018, the Company purchased the entire stake in Italdata S.p.A. company specializing in the IT sector with a particular focus on IoT, Smart City, and Smart Mobility, ie some of the sectors that Olidata intended to include in its “post-revocation liquidation” Business Plan.- the company has prepared an Industrial Plan for which on May 2, 2019, it resolved a capital increase up to euro 30 million in divisible order in order to implement the guidelines of the aforementioned Business Plan.

Finally, it should be noted that the Company has mandated an authoritative Consultant and Lecturer on the subject, as already carried out during the year 2017 and in compliance with the accounting principles on the subject, for the preparation of a specific annual appraisal report Olidata brand portfolio with a specific request that, for the purpose of the valuation, should primarily be the estimate of the recoverable value of the asset brand portfolio, to be understood as “the greater of its fair value - fair value, less the costs of sale, and its use-value "(Ias 36, par. 6). At the end of this document, the expert considered that there is no reduction in the value of the Olidata brand portfolio compared to the amount of Euro 4,372 thousand expressed in the financial statements.

13.14 BUILDINGS, PLANTS AND MACHINERY, INDUSTRIAL AND COMMERCIAL EQUIPMENT

This item, net of depreciation and write-downs applied, changes euro (8) thousand as of December 31, 2018. The change in the period is shown below:

Euro/1000	Lands and buildings	Plant and machinery	Equi. Ind. And commercial	Other movable property	Tot. Imm.Materiali
historical cost at 12/31/2017	-	70	12	1.192	1.274
Additions / disposals		(18)	(6)	(107)	(131)
balance at 12/31/2018	-	52	6	1.085	1.143
Accumulated					
balance at 12/31/2017	-	67	12	1.145	1.224
Exercise offices	-	1	-	15	16
Variations	-	(18)	(6)	(109)	(133)
Write-downs for the year	-	-	-	-	-
balance at 12/31/2018	-	50	6	1.051	1.107
Valore Netto					
at 12/31/2017	-	3	0	47	50
at 12/31/2018	-	1	0	34	35

As reiterated in paragraph 13.7, Depreciation, the Company did not proceed with allocating any depreciation until December 31, 2017. Given the dissolution of the Company, ascertained on March 25, 2016, the assumption of the multi-year utility of the residual tangible assets, whose registration presupposes the ordinary operation of the company at least until their complete amortization, had in fact been lacking.
At the date of this Annual Financial Report, in compliance with the indications provided by the aforementioned OIC Guide n. 5, the Company has instead restored the depreciation and therefore updated the Funds, considering the divestments in the period in question, taking into account the occurred revocation of the state of liquidation took place, please note, on April 13, 2018 and with effect from June 27, 2018.

13.15 INVESTMENTS

The balance of the investments is as follows:

Euro/000	12/31/2018	12/31/2017	VARIATION
Italtada S.p.A.	3.059	-	3.059
Data Polaris S.r.l. in liquidazione	-	12	(12)

Cassa di Risparmio di Cesena S.p.A.	-	1	(1)
Olidata Energy S.r.l. in liquidazione	-	-	-
TOTAL EQUITY INVESTMENTS	**3.059**	**13**	**3.046**

The amount of euro 3,059 refers to the equity investment in Italdata S.p.A .; an investment that was acquired as mentioned several times - on June 28, 2018, and therefore after the revocation of the liquidation status. Italdata is a company that operates in the IT sector with particular regard to the IoT, Smart City and Smart Mobility's areas. The decision to proceed with the acquisition of this Company falls within the corporate strategy of basing its Industrial Relaunch Plan - among others - in the sectors mentioned above.
As already pointed out in the paragraph relating to the most significant accounting standards, the Company, in addition to having considered the expected cash flows, also proceeded to verify the possible loss of value of this investment, also through the use of a specific valuation estimate prepared by an authoritative experienced expert that confirmed the need to proceed with any devaluation.

The amount of euro 12 thousand, fully written down as of June 30, 2018, refers to the equity investment in Data Polaris S.r.l. in liquidation, a company that carried out global service activities for small and medium-sized companies for everything related to the IT sector.
Following the merger by incorporation of Olidata IID S.r.l. in liquidation, Olidata has "acquired" the direct participation in Olidata Energy Srl in liquidation. It should be remembered that Olidata Energy Srl (initially Olidata AJA Srl) was established on July 15, 2014 with the participation of Olidata IID (100% owned by Olidata SpA and currently merged) and Le Fonti Capital Partner with the objective to Olidata SpA to expand, on the one hand, its presence in foreign markets and on the other, to expand the range of products offered through a specific division dedicated to energy efficiency projects in the public and private sectors. This investment was the subject - during the year ended December 31, 2016 - of full write-down by Olidata IID Srl in Liquidation (following the liquidation of the investee) and this value was acknowledged by Olidata S.p.A. in liquidation by virtue of the "continuity" principle of the values already mentioned several times in the notes to these financial statements.

13.16 RECEIVABLES (INCLUDING NON-CURRENT ASSETS)

In detail:

Euro/000	12/31/2018	12/31/2017	VARIATION
Credits on an American branch	500	452	48
Allowance for doubtful accounts on American branch	(500)	0	(500)
Non-current receivables	78	144	(66)
TOTAL	**78**	**596**	**(518)**

The amount - in compliance with the provisions of IAS 17 - is attributable for euro 78 thousand to the non-current credit derived from the rental of computer equipment which provides for a five-year lease with the possibility of redemption at the end of the rental period.

On December 31, 2018, there were also receivables for 500 thousand euros (at December 31, 2017, 452 thousand euros) referring to the compensation that Olidata SpA managed to obtain in the first half of 2017 (at the time in liquidation) against the recovery and reimbursement of the costs incurred for the development of the American Olidata Smart Cities Branch, now no longer active. This amount, on the basis of the agreement signed with the counterparty, should have been subject to payment by the latter in a single payment to the Company during the 2020 financial year, thus determining - as of 2017 and up to the total extinction of debt - the accrual of interest income in favor of Olidata SpA in liquidation. The Company has constantly monitored the degree of the collectability of this credit through one of the most important American law firms. Depending on the negative events that arose during the course of 2018 on the American counterparty, based on which the Californian government agencies denied the authorizations to implement the counterparty project for defaults put in place by this same counterparty, on October 3, 2018, Olidata has received feedback from its law firm about the objective difficulty of returning to the original credit, and "of anti-profitability" to pursue a dispute, even though Olidata was in possession of collateral to guarantee its credit. Taking into account the above, Olidata S.p.A. at December 31, 2018, prudently and in compliance with the current accounting principles, to fully write down this credit.

Finally, it should be noted that the adjustment of the aforementioned non-commercial credit in a currency other than the euro has led to the recognition of positive exchange differences for 21 thousand euro.

13.17 DIFFERENT

Nel dettaglio:

Euro/000	12/31/2018	12/31/2017	VARIATION
Different credits	0	0	(0)
TOTAL	**0**	**0**	**(0)**

They represent security deposits for users and on December 31, 2018, have a value of less than 1 thousand euro.

13.18 OTHER ACTIVITIES

Not found in the financial year.

13.19 DEFERRED TAX ACTIVITIES

This item amounts to euro 1,153 thousand and refers entirely to deferred tax assets connected to the tax loss accrued for the year 2018. This item was instead equal to zero on December 31, 2017.

Euro/1000	12/31/2018	12/31/2017	VARIATION
Deferred tax assets: Net Value	1.153	0	1.153
TOTAL	**1.153**	**0**	**1.153**

Attività fiscali anticipate	12/31/2018	12/31/2017

Euro/1000		
Balance at January 1	0	0
Increases	1.153	0
Purposes	0	0
TOTAL	**1.153**	**0**

Euro/1000	Provision for guarantees	Past losses	Write-downs of receivables and inventory	Others	Total
Balance at 12/31/2017	0	0	0	0	0
Increases	0	1.153	0	0	1.153
Utilization/adjustments	0	0	0	0	0
Balance at 12/31/2018	**0**	**1.153**	**0**	**0**	**1.153**

For a more complete detail about the reasons underlying the allocation of this amount, please refer to Paragraph 13.11 of these Notes.

It should also be noted here that, given the reasons given above and also taking into account that:

- IAS 12 states that "At the balance sheet date, the entity makes a new assessment of the deferred tax assets not recognized in the financial statements. The entity recognizes a deferred tax asset previously not recognized if it has become probable that a future taxable income will allow the recovery of the deferred tax asset".
- at present, given that the Company, at the date of approval of this Draft Balance Sheet, is still in the phase prior to the implementation of the Business Plan described above and therefore the Company must still proceed with the acquisitions of the target companies covered by the Business Plan same;
- at present, therefore, it is not yet possible to proceed with adequate tax planning as described by paragraphs 29 and 30 of the aforementioned IAS 12;

it was prudently decided to proceed exclusively with the allocation of deferred tax assets related to the tax loss accrued during the 2018 financial year, while no further deferred taxes were allocated, related to the temporary differences arising in previous years.

CURRENT ASSETS

13.20 INVENTORIES

The composition is so detailed:

EURO/000	12/31/2018	12/31/2017	VARIATION
raw materials, subsidies and consumption	115	248	(133)
Finished products and goods:			
Finished products and goods	341	759	(418)

Advances to suppliers	12	2	10
Stock devaluation fund	(435)	(884)	449
TOTAL	**33**	**125**	**(92)**

Inventories are mainly composed of hardware components used for the assembly of personal computers and laptops. A further write-down was made at December 31, 2017, compared to December 31, 2016, of euro 441 thousand for the reasons already highlighted in the paragraph "Changes in inventories of work in progress, semi-finished and finished products" to which reference is made.

13.21 NET TRADE RECEIVABLES

They amount respectively:

Euro/000	
at 12/31/2017	489
at 12/31/2018	218
VARIATION	(271)

The receivables are in line with their presumed realizable value through a provision for doubtful debts of 2,207 thousand euros, which appears to be congruous and constituted against possible future losses on receivables currently presumed to be subject to collectability, including a generic reserve quota calculated on the upstream credits.
The movement of the provision for doubtful debts results:

Euro/000	Allowance for doubtful credits
Write-down fund at 12/31/2017	3.002
Provisions	62
Purposes	(857)
Write-down fund at 12/31/2018	2.207

The use of the doubtful debt provision of euro 857 thousand recorded in 2018 is attributable for euro 709 thousand to an original receivable from a customer subject to a procedure of arrangement with creditors against which, in 2018, the partial irretrievability became final of the receivable previously written down, as a result of the divisions carried out by the Composition with Creditors and even if the Company has a separate active dispute still pending for the recovery - albeit partial - of the sum described above.

On December 31, 2018, there are no trade receivables recognized among current assets denominated in foreign currencies.

13.22 TAX CREDITS

Amount respectively to:

Euro/000	12/31/2018	12/31/2017	VARIATION

IRES / IRAP credit	24	0	24
Other tax credits	74	76	(2)
Inland Revenue for VAT	1	130	(129)
Inland Rev. for VAT ex art. 60 Pres. Decree 633/72	0	1.078	(1.078)
TOTAL	**99**	**1.284**	**(1.185)**

With regard to the VAT credit equal to euro 1,078 thousand at 12.31.2017, reference should be made to what is amply illustrated both in the Introductory Paragraph of these Notes and in the Notes to the Financial Statements as at 12.31.2017.

13.23 OTHER CREDITS

Amount respectively to:

Euro/000	
at 12 31 2017	1.458
at 12 31 2018	69
Variation	(1.389)

The decrease in the item compared to 2017 is largely attributable to the absence (due to the payment as per agreements) of the non-commercial credit outstanding at December 31, 2017, to the Dismano District company assignee of the property of Olidata SpA in liquidation against the deed of sale stipulated on December 28, 2017, implemented as part of the aforementioned repeatedly established recovery plan pursuant to art. 67 L.F.

13.24 OTHER ACTIVITIES

They amount respectively to:

Euro/000	
at 12 31 2017	11
at 12 31 2018	25
Variation	14

They refer to prepaid expenses for costs relating to the subsequent year for an insignificant amount.

13.25 CASH AND BANK AVAILABILITY

The composition is as follows:

Euro/000	12/31/2018	12/31/2017	VARIATION
Bank Deposits	7	953	(946)
Cash and cash in hand	0	0	0

TOTAL	**7**	**953**	**(946)**

Bank deposits represent current account positive balances and consist exclusively of euro deposits.

NET ASSETS

13.26 NET ASSETS

The summary of the changes in the Equity accounts is detailed as follows:

Share capital

	12/31/2018
Share capital at 06/30/2018	4.025.480
n. Ordinary shares	40.799.999
Nominal value per share	without

On June 19, 2018, the Company announced the closure of the share capital increase of euro 3,500,000, approved by the Extraordinary Shareholders' Meeting on April 13, 2018, which was therefore finalized with the subscription and issue of n. 6,799,999 Olidata S.p.A. ordinary shares, newly issued, with no expressed nominal value, having the same characteristics as those in circulation, with regular enjoyment, for a total value of euro 3,500,000.00. The new Share Capital of the Company has therefore passed from euro 525,480 to euro 4,025,480 divided into n. 40,799,999 ordinary shares, with no expressed nominal value. On June 28, 2018, therefore, for the publication in the Business Register, the Notice was filed that on that date the aforementioned Share Capital of euro 4,025,480 was fully subscribed and paid up. The Business Register then proceeded with the relative publication on July 13, 2018.

Reserves:

EURO/000	
at 31 12 2017	718
at 31 12 2018	220
VARIATION	**(498)**

As of December 31, 2017, these reserves were made up of 469 thousand euros from the Legal Reserve and 248 thousand euros from the revaluation reserve. As shown in the Table relating to the Movements in Equity to which reference is made, these reserves were fully used in the shareholders' meeting resolution of April 13, 2018, to cover previous losses. The amount of euro 220 thousand at December 31, 2018 instead refers to the Reserve specifically resulting from the Stock Option Plan intended for employees of the Company implemented in 2018 as a result of the aforementioned shareholders' resolution of April 13, 2018 which resolved - among others - the share capital increase of euro 3.5 million partly to service the aforementioned company incentive plan, implemented pursuant to and for the purposes of art. 2441 last paragraph of the Italian Civil Code and which saw the assignment to the employees of the Company n. 427.427 shares of the Company.

13.27 TRANSITION RESERVE TO THE IAS

Amounts respectively to:

EURO/000	
at 31 12 2017	(138)
at 31 12 2018	(7)
VARIATION	(131)

The amount of the "IAS transition reserve" refers to the allocation under actuarial reserves of the actuarial changes accrued, with reference to the revaluation of severance pay, during the year.

COMMENTS ON THE MAIN LIABILITY ITEMS

NON-CURRENT LIABILITIES

13.28 LOANS

Non-current loans amount to euro 0 thousand, unchanged compared to 12.31.2017. It should be noted, in fact, that as of December 31, 2017, the debt for this item, as mentioned several times, was fully paid off depending on and as a result of the payment agreement "as balance and withholding" included in the Recovery Plan prepared by the Company and object of certification - occurred on December 28, 2017 - by the Independent Professional.

13.29 EMPLOYEE BENEFITS (TFR)

The balance on December 31, 2018, amounted to 89 thousand euros compared to 80 thousand euros as of 12/31/2017 and reflects liabilities towards existing employees at the end of the year. It should be noted that as of December 31, 2018, the Company has quantified the capital and economic impact of applying the criteria established by IAS 19. This impact amounts to euro 7 thousand allocated to an increase in the employee severance indemnity and to the Ias Reserve to which the reader is referred. It should be noted, for the purpose of an adequate comparison with the year 2017 in which the Company - still in liquidation - had not quantified the aforementioned amount, that the Severance Pay on that date, in the application of the aforementioned IAS 19, it would have been 89 thousand euros instead of 80 thousand euros.

13.30 OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item, equal to euro 177 thousand, includes liabilities due beyond 12 months referable to payables to suppliers and payables to other company creditors for which the aforementioned Repurposing Plan pursuant to art. 67 L.F. he had provided for payment with these deadlines. In particular, this item includes:

- euro 177 thousand relating to payables to other creditors pursuant to art. 67 LF and refer to compensation for penalties due to public bodies.

13.31 PROVISIONS FOR RISKS AND CHARGES

Euro/000	12/31/2018	12/31/2017	VARIATION
Term.Fund Ongoing Collab.Report COO.	39	0	39
Non-current guarantee risk fund	0	0	0
Penalty risk fund	0	224	(224)
Provision for disputes with customers	68	68	0
Total non-current quota	**107**	**292**	**(185)**
Term.Fund Ongoing Collab.Report COO.	0	0	0
Provision for current guarantee risks	66	66	0
Risk fund for PAM penalties	112	149	(37)
Provision for fiscal risks	0	0	0
Provision for disputes with customers	0	0	0
Provision for disputes with Personnel	0	3	(3)
Provision for risks and charges of the Maneuver due to corporate restructuring	0	0	0
Provision for future liabilities	0	152	(152)
Total Current Quota	**178**	**370**	**(192)**

The total of non-current provisions at December 31, 2018 amounted to 107 thousand euros (292 thousand euros at December 31, 2017), a decrease of 185 thousand euros due mainly to a different reclassification following an agreement reached with a creditor Public entity for a total of euro 224 thousand.

It should be noted that during 2018, following the appointment of the new Board of Directors held with the shareholders' meeting of April 13, 2018, a sum of euro 39 thousand was set aside as an end of mandate.

The Product warranty provision reflects the best possible estimate, based on the information available, of charges for work under warranty to be incurred after the reporting date. The provision for risks for penalties of euro 112 thousand refers to supplies to the Public Administration, with possible charges for penalties for defaults connected mainly to the liquidation phase of the Company.

It should be noted that the provision for litigation with customers, of euro 68 thousand, was reclassified during 2017 from the item “Provisions for current risks and charges” to the item “Provisions for non-current risks and charges” based on the results of the certified recovery plan pursuant to art. 67 L.F.

It is intended here to recall that in the Half-Year Financial Report on June 30, 2018, the amount of 1,366 euros and referable to the “Fund for Note of VARIATION pursuant to art. 26 Presidential Decree 633/72 ”. It should be noted, in fact, that one of the Company's suppliers whose credit, at the end of 2017, was subject to cancellation following the deposit of the Reorganization Certificate Plan prepared pursuant to art. 67 of the Italian Civil Code, exercised, at a later date than the reference date of the Half-Year Report (and issuing the relevant VARIATION Note), the faculty granted to it by art. 26 of Presidential Decree 633/72 for the recovery of the VAT originally applied as compensation on the invoices then subject to the aforementioned cancellation. Since this is a faculty exercised after June 30, 2018, at the reference date of the Half-Year Report it did not constitute a debt to the Treasury, but represented a risk fund item specifically set up for this event.

At December 31, 2018, it represents a VAT payable, for which reference is made to Paragraph 13.36 below.

CURRENT LIABILITIES

13.32 LOANS, SHORT-TERM FEES

They amount to 100 thousand euros, while they were zero at December 31, 2017.
The amount of 100 thousand euros refers to an interest-bearing loan requested and obtained by the Company to meet temporary cash needs.
This item, on December 31, 2017, referred entirely to the debt to the Banking Class already referred to in the Paragraph relating to non-current loans. As already highlighted in this paragraph, it should be noted that as of December 31, 2017, the debt was extinguished as a result of the "balance and write-off" agreement included in the Recovery Plan prepared by the Company and object of certification - which took place on December 28, 2017 - by part of the independent professional.

13.33 PAYABLES TO BANKS

Short-term payables to banks amount respectively to:

Euro/000	
at 31 12 2017	297
at 31 12 2018	40
VARIATION	**(257)**

These debts have been reduced by 257 thousand euros as a result of the aforementioned payment agreement "in settlement and withdrawn" in execution of the provisions of the Recovery Plan attested pursuant to art. 67 L.F. In particular, on December 31, 2017, all positions with credit institutions had been extinguished with the exception of payables to the Cassa di Risparmio di Cesena SpA and to Monte dei Paschi di Siena, with original euro 2,626 thousand and euro 1,075 thousand respectively. These positions were also the subject of settlement and elimination in the context of the Reorganization Plan certified pursuant to art. 67 L.F., however on December 31, 2017, the respective re-qualified debtor positions had not yet been settled on the basis of the agreement reached "in full and in writing" with the two Institutes. These relative amounts recalculated for a total of euro 297 thousand had been placed - as of December 31, 2017 - in this item and, during the first half of 2018, they were settled and then written off.

The Company's net financial position at December 31, 2018, is a negative euro 133 thousand and decreased compared to December 31, 2017 - in terms of higher debt exposure - of euro 789 thousand (attributable both to payments due under the Reorganization Plan ex Article 67 of the Finance Law implemented in 2018, and the non-recurring costs incurred by the Company in this transitional phase: from the revocation of the liquidation status, to the acquisition of the subsidiary Italdata SpA and also up to the preparation and implementation of the preliminary activities on Olidata Business Plan), and is detailed below:

Values in euro **units**

NET FINANCIAL POSITION EURO			
	12.31.2018	**12.31.2017**	**variation**
A. cash	1.093	423	670
B. Other liquid availability	6.138	952.760	(946.621)
C. Securities held for trading			
D. Cash (A) + (B) + (C)	**7.231**	**953.183**	**(945.951)**
E. Current financial receivables			
F. current financial debts	40.205	296.810	(256.605)
G. Current portion of financial debt (short term fin.)	-	-	-
H. Other current financial payables	100.000	-	100.000
I. Current financial debt (F) + (G) + (H)	**140.205**	**296.810**	**(156.605)**
J. Net current financial debt (I) - (E) - (D)	**132.974**	**(656.373)**	**789.347**
K. Non-current bank debts	-	-	-
L. Bonds issued	-	-	-
M. Other non-current payables	-	-	-
N. Non-current financial debt (K) + (L) + (M)	**-**	-	-
O. Net financial debt (J) + (N)	**132.974**	**(656.373)**	**789.347**

Summary PFN	**12.31.2018**	**12.31.2017**	**variation**
Liquid assets	7.231	953.183	(945.951)
Current financial debt	140.205	296.810	(156.605)
Net current financial debt	132.974	(656.373)	789.347
Non-current financial debt	0	0	0
Net financial debt	**132.974**	**(656.373)**	**789.347**

The comparison between the value recorded in the financial statements and the relative fair value of financial assets and liabilities is not presented since it coincides.

13.34 COMMERCIAL DEBTS

Trade payables to suppliers, including end of period allocations for invoices to be received, amount respectively to:

Euro/000	
at 31 12 2017	2.440
at 31 12 2018	1.437
VARIATION	(1.003)

Payables to suppliers are all payable in the short term. The item suppliers include foreign currency payables for USD. 101 thousand.

The adjustment of payables to suppliers in currencies other than the euro led to the recognition of net negative exchange differences of euro 4 thousand.

In the year under review, the overall balances of trade payables are detailed as follows:

Euro/1000	
Italian Suppliers	1.339
European Suppliers	93
Non-EEC Suppliers	5
TOTAL TRADE PAYABLES	**1.437**

13.35 OTHER LIABILITIES

They amount respectively to:

Euro/000	
at 31 12 2017	9
at 31 12 2018	12
VARIATION	3

They are essentially due to revenues recognized in advance.

13.36 TAX PAYABLES

The item Tax payables recorded a VARIATION up by 307 thousand euros compared to December 31, 2017.

Euro/1000	TOTALE	Entro es. successivo	Oltre es. successivo
Amounts due to the tax authorities as a withholding agent	34	34	
Amounts due to tax authorities for VAT	526	526	
Total payables to the tax authorities	**560**	**560**	-

Euro/1000	
balance at December 31, 2017	253
balance at December 31, 2018	560
VARIATION	**307**

The increase in this item refers to an increase in the VAT payable. In fact, here it is intended to recall that in the Half-Year Financial Report as of June 30, 2018, the amount of 1,366 euros and referable to the “Fund for Note of VARIATION pursuant to art. 26 Presidential Decree 633/72 ”. It should be noted, in fact, that one of the Company's suppliers whose credit, at the end of 2017, was subject to cancellation following the deposit of the Reorganization Certificate Plan prepared pursuant to art. 67 of the Italian Civil Code, exercised, at a later date than the reference date of the Half-Year Report (and issuing the relevant VARIATION Note), the faculty granted to it by art. 26 of Presidential Decree 633/72 for the recovery of the VAT originally applied as compensation on the invoices then subject to the aforementioned cancellation. Since this is a faculty exercised after June 30, 2018, at the reference date of the Half-Year Report it did not constitute a debt to the Treasury, but represented a risk fund item specifically set up for this event. This debt is included in the annual VAT settlement of the Company following the actual receipt of the Credit Note mentioned above. In this regard, it is specified that the aforementioned Credit Note, given the interpretative uncertainty on the specific issue, was the subject of a specific appeal by the Company pursuant to art. 11 co. 1 letter to the. 212/2000 against which, in the month of December 2018, the Inland Revenue received confirmation that it prudently entailed the debit entry in the item object of this paragraph, net of the VAT credit accumulated in the year.

13.37 FUNDS FOR RISKS AND CHARGES

For details, see paragraph 13.31.

13.38 OTHER LIABILITIES

They amount respectively to:

Euro/000	
At 12 31 2017	418
At 12 31 2018	464
VARIATION	46

The amount, on December 31, 2018, mainly refers to the payable to insurance companies for Euro 105 thousand due to commissions and enforcement of sureties originally issued in favor of public bodies customers for goods deliveries as per the Consip Agreement. This item also consists of: payables to the Board of Statutory Auditors for euro 91 thousand, payables to former Directors for euro 75 thousand, payables to employees for salaries, compensation for holidays and additional monthly payments accrued but not yet paid at December 31, 2018 for Euro 63 thousand, social security debts for Euro 25 thousand and other minor debts.

13.39 DISPUTES, TAX SLOPES AND POTENTIAL LIABILITIES

It should be noted that the tax annuities subject to verification follow the ordinary rules established by the tax legislation.
With regard to potential tax disputes, reference should be made to what was previously reported in the Report on Operations.
With regard to potential liabilities at the date of approval of this Annual Financial Report, we note the persistence of the commercial debt with the creditor Poste Italiane SpA and included within the remediation plan pursuant to art. 67, C.3, letter D) R.D. n. 267/1942 as better detailed in the paragraph "Liquidity Risks" referred to in the Notes to the Financial Statements as at December 31, 2017, which is summarized and updated below: the Poste Italiane creditor SpA has sent the Company a counter-offer with respect to the one originally sent by Olidata under the Recovery Plan, which provides for the Company's commitment to grant Poste Italiane Sp.a. the right to recover, in whole or in part, the portion of credit written off with a definable "Earn-Out" mechanism based on the expected future results of Olidata. In particular, the Earn-Out was calculated as 50% of the operating profits produced from year to year by Olidata post-restructuring, until the completion of all the amount canceled to date by Poste, equal to approximately 5,524 thousand euros, provided Olidata produces profits of exercise. The period within which Olidata must return to producing profits is by 2025, and the Earn-Out will apply even beyond this period until the potential claims of Poste Italiane are fully satisfied, in addition to legal interests.

In response to this request, Olidata replied, through its Legal Advisor, that it would in any case be necessary to clarify / deal with some points, including (i) the debt to be considered, which for Olidata would be euro 3,842 thousand against euro 5,315 about requested by Poste, including interest, sanctions as per the following point and (ii) the percentage of profits to be allocated to Poste in the future, which should not exceed 20% - 25% of the profit itself and with exclusion of legal interests.
In any case, it should also be noted that in October 2018 the Company requested and obtained from an authoritative specific and analytical legal firm an opinion on the legal and factual assumptions that confirm that the Agreement signed with Poste Italiane SpA can only be traced back to the original credit waiver made by this creditor and already included in the financial statements for the year ended 12.31.2017.
It should also be noted that on June 26, 2019 Olidata received from the Poste Italiane SpA law firm a formal notice of withdrawal from the original Agreement described above due to failure to meet the terms originally agreed for payment of the amount waived by Poste Italiane SpA highlighting at the same time that the credit claimed by Poste Italiane against Olidata cannot be considered withdrawn and amounts to a total of € 4,385,423.40 (of which € 4,094,281.89 corresponding to USD 4,213,403.73), in addition to legal and default interest to be calculated pursuant to art. 5 of Legislative Decree n. 231/2002, from the expiry of the individual invoices, and legal expenses settled by the Court.
Olidata then immediately started working with its own law firm which immediately activated the dialogue with the lawyers of Poste Italiane SpA, also carrying out a first meeting aimed at re-establishing at least the original agreement.

13.40 TRANSACTIONS WITH RELATED PARTIES

The transactions with the following investee companies are reported below:

Data Polaris Srl in liquidazione	(Euro/1000)
credits	47*
debts	1
revenues	0
costs	2

* Fully written down

Olidata Energy Srl in liquidazione	(Euro/1000)
credits	171*
debts	0
revenues	0
costs	0

* Fully written down

Finally, it should be noted that no transaction was entered into with the remaining related parties already mentioned in the previous paragraph “Equity investments”.
In particular, it is noted - although exceeding the information to be provided in this Paragraph - that as of December 31, 2018, no transactions were entered into with the Company Italdata SpA, which has already

been reported in the previous paragraphs and whose total equity investment was acquired by Olidata SpA on June 28, 2018.

Following what has been highlighted, it is specified that there have been no transactions or contracts with related parties which, with reference to the materiality of the effects on the financial statements, can be considered significant by value or conditions. Furthermore, the aforementioned transactions were entered into with an entrepreneurial logic and are regulated at market conditions. However, for completeness of the information and in compliance with the provisions of CONSOB with Resolution no. 15519 of 27 July 2006 provides the following summary table, showing the incidence of transactions with related parties:

		PARTI CORRELATE	
Euro/1000	**totale**	**valore Ass.**	**valore %**
Commercial credits	218	0	0,00%
Commercial debts	1.437	1	0,07%
Revenues	829	0	0,00%
Purchase costs and services	1.627	2	0,12%

The incidence of transactions and positions with related parties on cash flows is substantially the same as that on the income statement items, as the transactions are regulated, it is reiterated, at market conditions.

13.41 INFORMATION IN COMPLIANCE WITH LAW 124/2017, ART. 1, COMMI 125 E SS

Pursuant to the CONSOB Communication of July 28, 2006, the following table is provided which summarizes the main events, operations, and events whose occurrence is non-recurring and which are not repeated frequently in the ordinary course of business.
The details of these significantly non-recurring transactions are shown below:

Details of significantly non-recurring transactions	31/12/2018	31/12/2017
Non-recurring income		
Change in positive transactions with Customers / Suppliers	69.165	85.759
Reimbursement Relief Revenue Agency	64.583	-
Definition of debt to the Revenue Agency for IRES		276.070
Olidata Smart Cities development costs recovery	-	487.140
Write-down recovery of intang. property Olidata Int.l (restor.of the trademarks value)	4.372.930	-
Active overvaluation from STRALCIO debts as per the Restructuring Plan Ex art.67 LF	-	32.349.757
Stock Deprecation Fund Recovery	449.596	102.888
Total non-recurring income	**4.956.274**	**33.301.614**
Non-recurring charges		
Extraordinary consultations	206.862	135.439
Extraordinary Notary Consultations	41.941	-
Provision for risk of enforcement of sureties	-	287.606
Provision for construction write-down risk and movable and immovable assets	-	400.000
Provision for the risk of inventory write-down	-	543.839
Provision for credit / equity write-down risk	562.494	237.609
Provision for tax / legal / personal litigation risk	-	152.184
Losses on loans	340	33.212
Revenue Agency For Definition Pending litigation. Returns reimbusments	60.927	-
Collection charges Revenue Agency ref. Definition of debt	-	46.134
Default interest on bank debt	-	476.276
Passive contingency due to Note of Change of Supplier (Article 26 of Presidential Decree 6	1.366.305	-
Stock Option employees	220.000	-
Total non-recurring charges	**2.458.870**	**2.312.299**

13.42 ATYPICAL AND/OR UNUSUAL OPERATIONS

Pursuant to the CONSOB Communication of July 28, 2006, based on which atypical and / or unusual transactions are those transactions which, due to their significance/relevance, the nature of the counterparties, the object of the transaction, the methods for determining the transfer price and the timing of the event (proximity to year-end closure) may give rise to doubts as to the correctness/completeness of financial statement information, conflict of interest, safeguarding of company assets, protection of minority shareholders, it is confirmed that there were no transactions of this kind in addition to what has already been highlighted in the financial statements.

13.43 RISK MANAGEMENT

The following is an analysis of the risks to which the Company is exposed by following the types of risk identified by IFRS 7. On December 20, 2018, the Issuer, by resolution of the Board of Directors, appointed the following committees:

1) Commissioned for appointments and compensation with Chairman Jean Claude Martinez and members of the Board were Mrs. Chiara Renso (resigning from 28 February 2019) and Dr. Umberto Rapetto;

2) Control and risk committee with Chairman Umberto Rapetto and members Dr. Jean Claude Martinez and Dr. Chiara Renso (resigning from 28 February 2019).

CREDIT RISK

It relates to the risk of potential losses deriving from the non-fulfillment of obligations undertaken by both commercial and financial counterparties. This risk can be associated both to situations of default by the counterparty and to factors of a technical/commercial nature (eg disputes on the nature / quality of the product, on the interpretation of contractual clauses), and to the circumstance that one of the parties causes a financial loss to the other by not fulfilling the obligation. With regard to the quantitative analysis of credit risk, it should be noted that on December 31, 2018, trade receivables overdue for over a year amounted to € 2,278 thousand individually written down by € 2,207 thousand. At December 31, 2017, trade receivables past due for over a year amounted to € 3,258 thousand, individually written down for € 3,002 thousand.
In addition to the aforementioned trade receivables, the receivable from the executives of the American branch is added, details of which can be found in paragraph 13.16 for euro 500 thousand. This amount, on the basis of the agreement signed with the counterparty, should have been subject to payment by the latter in a single payment to the Company during 2020. The Company has constantly monitored the degree of the collectability of this credit through one of the most important American law firms. In dependence on negative events that arose during the course of 2018 on the American counterpart, on October 3, 2018, Olidata received feedback from its law firm about the objective difficulty of returning to the original credit, and "of anti-profitability" to pursue a litigation, even though Olidata was in possession of collateral to guarantee its credit. Taking into account the above, Olidata S.p.A. at December 31, 2018, prudently and in compliance with the current accounting principles, to fully write down this credit. In any case, the Company continues to monitor, through the law firms, for the purposes of potential recoveries of past due receivables and expires in the same way as the one claimed against the aforementioned American branch.

MARKET RISK

It relates to the risk that the fair value or future cash flows of a financial instrument fluctuate following changes in market prices. The market risk is subdivided in turn into foreign exchange risk, interest rate risk, and price risk. The Company currently is not exposed directly to this type of risk except for what is due in the future for Risks connected to the general conditions of the economy already described in the relative paragraph in the Management Report.

RISK OF LIQUIDITY

It relates to the risk that the Company will have difficulty in fulfilling its commercial and financial payment obligations, foreseen or unforeseen, in the pre-established terms and deadlines.

As previously stated, in particular in the paragraph relating to the Net Financial Position, the Company on December 28, 2017, following the obtaining of the total adhesion of the company creditors to a Recovery Plan pursuant to art. 67, C.3, letter D) R.D. n. 267/1942, has completed, the sale operation of the Property owned, located in Cesena (FC) Via Fossalta, 3055 at the total sale price of 5,400 thousand euros.

The financial resources deriving from the divestment operation made it possible to make payments to the creditors included in the Maneuver, approved on December 27, 2017, by the Liquidator and certified pursuant to art. 67, C.3, letter D) R.D. n. 267/1942 on December 28, 2017.

On the basis of the disposal and collection of receivables plan, a Plan was developed which provides for the payment of all overdue trade payables in the 2017-2021 period, in full, even in a deferred manner, also in the execution of the Recovery Plan pursuant to art. 67 LF;

<u>The counter-proposal of the creditor Poste Italiane S.p.A. under the Recovery Plan pursuant to art. 67 L.F.</u>

It is intended to highlight, in the paragraph dedicated to the "Liquidity Risk" - and as mentioned in the certification to the Plan pursuant to art. 67 L.F. by the independent professional - that on December 22nd 2017 the creditor Poste Italiane SpA, sent to Olidata S.p.A. in liquidation, a counter-proposal with respect to that originally transmitted by Olidata under the Recovery Plan. This counter proposal includes the following:

- Olidata S.p.A. in Liquidation undertakes to grant Poste Italiane S.p.A. the right to recover, in whole or in part, the part of the credit that has so far been canceled with a definable "Earn-Out" mechanism based on the expected future results of Olidata;

- the Earn-Out will be calculated as 50% of the operating profits produced from year to year by Olidata post-restructuring, until the completion of all the amount so far canceled by Poste, equal to about 5,524 thousand euros, provided that Olidata produces profit for the year;

- the period within which Olidata must return to produce profits is by 2025, Earn-Out will apply even beyond this period until the potential claims of Poste Italiane are fully satisfied, as well as legal interests.

Olidata replied, through the Legal Advisor - that is, through the Gianni Origoni Studio Grippo Cappelli & Partners - that they would, in any case, clarify/deal with some points, including:

- the debt to be considered for Olidata would be euro 3,842 thousand against the euro 5,315 requested by Poste, including interest, penalties as per the following point;

- the percentage of profits to be allocated to Poste in the future should not exceed 20% -25% of the profit itself and with the exclusion of legal interests.

In any case, it should also be noted that in October 2018 the Company requested and obtained from an authoritative specific and analytical legal firm an opinion on the legal and factual assumptions that confirm that the Agreement signed with Poste Italiane SpA can only be traced back to the original credit waiver made by this creditor and already included in the financial statements for the year ended 12.31.2017.

It should also be noted that on June 26, 2019 Olidata received from the Poste Italiane SpA law firm a formal notice of withdrawal from the original Agreement described above due to failure to meet the terms originally agreed for payment of the amount waived by Poste Italiane SpA highlighting at the same time that the credit claimed by Poste Italiane against Olidata cannot be considered withdrawn and amounts to a total of € 4,385,423.40 (of which € 4,094,281.89 corresponding to USD 4,213,403.73), in addition to legal and default interest to be calculated pursuant to art. 5 of Legislative Decree n. 231/2002, from the expiry of the individual invoices, and legal expenses settled by the Court.

Olidata then immediately started working with its own law firm which immediately activated the discussion with Poste Italiane SpA's lawyers, also carrying out a first meeting aimed at re-establishing at least the original agreement. At the outcome of this comparison, the specific acknowledgment was received from the Olidata SpA law firm for the short routes.

"*During the meeting held on July 19th at the Studio ………. - as you know - assists Poste in the Olidata affair), we left with the lawyer. ……… .. about the opportunity to open a discussion table with the top management of Poste (hopefully directly to the CEO for our request) to reach a reorganization of the position following the letter of the Firm ………………… .. of June 26, 2019.*

I point out that that communication ended with an invitation to "jointly define payment methods and timing" and that at the same time, in the email with which that communication was sent to me, the lawyer. .... wanted to specify that: "We remain available if Olidata is willing to enter into negotiations aimed at redefining the terms of the agreement".

During the meeting, Olidata's situation was clearly represented on a par with the need to reach an agreement that somehow - realistically - preserves the interests of the creditor, who would concretely risk obtaining a stalemate or a little more if he decides to persevere in the idea of a complete recovery. It seems to me that this occurrence was very clear to the colleagues, to whom we addressed the invitation to represent everything in Poste.

At present, at the meeting on July 19, a new meeting did not follow, also thanks to the summer break. At the resumption, however, we will resume the dialogue with the hope of reaching the aforementioned objectives (id est report, as a minimum, the situation in the perimeter of the original transaction).

I would like to add that the Poste Italiane CFO's offices have personally been interested in the position in order to have the most effective and confident dialogue at the start".

In light of this response, Olidata - in compliance with its own obligation - also indicated by the current International Accounting Standard IAS n. 10 - to assess the effects on the 2018 financial statements of events that occurred after the end of the year, since this case was changed in 2019 and not concluded but, on the contrary, completely indicative of its definition in line with what was reported by the law firm, not considered the conditions to be present for having to record the economic effects on the financial statements as at 12.31.2018 consequent to the notification of the PEC received from the lawyer of Poste Italiane SpA.

In any case, it is specified that - for the purposes of the most complete completeness and transparency of information - the detection of this effect, that is, the restoration of the original credit claimed by Poste Italiane SpA regardless of the additional amounts of interest and legal fees, would have entailed for Olidata the recognition of a higher cost of euro 3,611 thousand and therefore the achievement of a loss for the year of a total of euro 3,051, with a simultaneous reduction in shareholders' equity to euro 1,188 thousand.

It will be the responsibility of the undersigned Company to report on the evolution of the aforementioned negotiations starting from the next half-year financial report.

It should be recalled that the activity of the company in liquidation and post-liquidation of 2018 was mainly aimed at safeguarding the company values in operation and in relation to the need to have incurred costs and therefore financial exits depending on the best preservation of these values, through the development of the Business Plan and therefore the search for new business opportunities to support business continuity, employment and restoration of economic and financial value, as better described in the following Paragraph "The objectives of the new Business Plan hypothesis: the steps executives "contained in the Management Report to which reference is made.

This path was the result of constant meetings with both national and international entrepreneurial excellences that led to the implementation of the Business Plan with new financial commitments, always assisted by one of the leading international law firms: the Law Firm Gianni Origoni Grippo Cappelli & Partners.

RISK OF HUMAN RESOURCES

It falls within the more general sphere of operational risk, defined as the risk of suffering losses due to the inadequacy or malfunction of procedures, human resources, and internal systems, or from external events. Operational risk includes legal risk, that is, the risk of losses deriving from violations of laws or regulations, contractual or extra-contractual liability or other disputes; strategic and reputational risks are not included.
The Company has defined the overall framework for the management of operational risks, defining legislation and organizational processes for the measurement, management, and control of the same. The management of operational risks is assigned to the Board which identifies the risk management policies and has the task of periodically verifying the overall operational risk profile of the Company, arranging any corrective actions, coordinating and monitoring the effectiveness of the main mitigation activities and approving operational risk transfer strategies.

PERSONNEL INFORMATION

In 2018 there were no work-related accidents of any kind.

There are also no significant events to damage employees and/or the company.
Investments were made for safety of euro 3 thousand.

ENVIRONMENTAL INFORMATION

No environmental damage occurred for which Olidata SpA was held liable in 2018. During the year, the Company continued to consolidate the procedures of its integrated quality and environment system with particular attention to activities related to waste management and 2017 has made investments for the environment equal to euro 2 thousand.

13.44 AMOUNT OF COMPENSATION GRANTED TO LIQUIDATORS, DIRECTORS, STATUTORY AUDITORS, AND AUDITING COMPANIES

The fees due to the Directors, Liquidators, Statutory Auditors and Executives are indicated below. For further information, see the Remuneration Report prepared by the Board of Directors, pursuant to art. 123-ter of Legislative Decree no. 58/1998, published on the website of Olidata S.p.A. at www.olidata.com (Investor Relations section):

The fees paid to the Liquidator, the Directors, the Statutory Auditors and the Executives in 2018 are indicated below.

Name	Charge	Period	In charge until	Fixed Fees	Remuneration for participation in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for termination of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Riccardo Tassi	Sole Liquidator of Olidata SpA	Appointed with the Extraordinary Shareholders' Meeting of 06/21/2016	06/27/2018	100.000,00	N/A	N/A	N/A	N/A	-	100.000,00	N/A	-
Riccardo Tassi	Director of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	Approval of the financial statements at 12/31/2020	109,59	N/A	N/A	N/A	N/A	-	109,59	N/A	-
Riccardo Tassi	Chairman of the Board of Directors of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	Approval of the financial statements at 12/31/2020	50.904,11	N/A	N/A	N/A	N/A	-	50.904,11	N/A	-
Alessandra Todde	Director of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	Approval of the financial statements at 12/31/2020	876,71	N/A	N/A	N/A	N/A	-	876,71	N/A	-
Alessandra Todde	Chief Executive Officer of Olidata SpA	Appointed by the Board of Directors at the meeting of 07/13/2018	**resignation of proxies on 04/17/2019**	46.589,03	N/A	N/A	N/A	N/A	-	46.589,03	N/A	-
Chiara Renso	Director of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	**resignation with effect from 02.28.2019**	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Jean Claud Martinez	Director of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Umberto Rapetto	Director of Olidata SpA	appointed with the Meeting minutes of 04/13/2018 and took office on 06/27/2018	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Scapicchio Luigi	Chairman of the Board of Statutory Auditors of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	**04/13/2018**	47.385,75	N/A	N/A	N/A	N/A	1.895,43	49.281,18	N/A	N/A
Tecla Succi	Statutory Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	**04/13/2018**	19.295,50	N/A	N/A	N/A	N/A	771,82	20.067,32	N/A	N/A
Pullano Domenico	Statutory Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	**04/13/2018**	19.295,50	N/A	N/A	N/A	N/A	771,82	20.067,32	N/A	N/A
Roberto Rampoldi	Alternate Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	**04/13/2018**	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Cristina Antonelli	Alternate Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	**04/13/2018**	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Tecla Succi	Chairman of the Board of Statutory Auditors of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Samuele Turci	Statutory Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Stefano Bondi	Statutory Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Pier Luigi Mainetti	Alternate Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Cristina Antonelli	Alternate Auditor of Olidata SpA	appointed with the Meeting minutes of 04/30/2015	Approval of the financial statements at 12/31/2020	-	N/A	N/A	N/A	N/A	-	-	N/A	N/A
Marinella Rossi	Executive in Charge of Olidata SpA	Appointed by the Liquidator on 06/30/2016 and subsequently by the Board of Directors in the meeting of 07/13/2018	until revoked	-	N/A	N/A	N/A	N/A	63.947,89	63.947,89	N/A	-

The following are the fees pertaining to the 2018 financial year for statutory audit services and for those other than auditing, provided by the auditing company:

TYPE OF SERVICES	SUBJECT THAT HAS PROVIDED THE SERVICE	EURO/000
Audit	**Audirevi S.p.A.**	52
Miscellaneous expenses, Consob rights and other services	**Audirevi S.p.A.**	21

With regard to remuneration for the Audit activity, it should be noted that the Ordinary Shareholders' Meeting of May 22, 2017, conferred the task of auditing for the financial years from 2016 (only review of the Financial Statements and Annual Consolidated Financial Statements) to 2024, to the audit firm AUDIREVI SpA with registered office in Milan, Via Paolo Da Cannobio, 33.

13.45 GUARANTEES

At December 31, 2018, there were sureties issued by banks and insurance companies on behalf of the Company for a total amount of euro 7,684 thousand.

14 CERTIFICATION PURSUANT TO ART. 81-TER OF THE CONSOB ISSUERS REGULATION

Certification of the financial statements pursuant to art. 81-ter, of Consob Regulation no. 11971 of May 14, 1999, and subsequent amendments and additions.

1. The undersigned, Riccardo Tassi as Chairman of the Board of Directors of OLIDATA SpA and Marinella Rossi as Manager responsible for the preparation of the corporate accounting documents of Olidata SpA, certify, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of the legislative decree February 24, 1998, n. 58:
   - adequacy in relation to the characteristics of the company and
   - the effective application of the administrative and accounting procedures for the preparation of the financial statements in 2018.
2. In this regard, no significant aspects emerged.
3. Moreover, it is certified that:

3.1 The financial statements for the year ended December 31, 2018:

a. is drafted in compliance with the applicable international accounting standards recognized in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, of July 19, 2002;
b. corresponds to the document results, books and accounting records;
c. is prepared in accordance with International Financial Reporting Standards as adopted by the European Union with regulation 1725/2003 and subsequent amendments and additions, as well as by Legislative Decree 38/2005, as far as is known, it is suitable to provide a true and correct representation of the balance sheet, income statement and financial position of the issuer.

3.2 The Report on Operations contains a reliable analysis of the performance and results of operations, together with a description of the main risks and uncertainties to which it is exposed and also relevant information with related parties.

This certificate is made pursuant to and for the purposes of art. 154-bis, paragraphs 3 and 4, of Legislative Decree n. 58 of 1998.

Pievesestina di Cesena, August 23, 2019

The Chairman of the Board of Directors

Riccardo Tassi

the Manager in charge of preparing the corporate accounting documents

Marinella Rossi