

GRUPPO OLIDATA S.P.A.

2018 Consolidated
Financial
Statements
as at
31.12.2018

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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

The obligation to prepare the consolidated financial statements, as the parent company, for Olidata S.p.A. acquired on June 28, 2018 following, both the revocation of the liquidation status and the increase in share capital, events of which a summary is provided below together with the remaining main events that took place during the year 2018.

It should be noted that Italdata S.p.A. (hereinafter also "Italdata") is a company operating in the Information Technology sector, with a strong specialization in the development of services and solutions in the areas of e-Learning and Social networking and advanced services for Mobility, of Security and solutions for Business Intelligence.

In the following Olidata S.p.A. will also be called "Parent Company" or only "Company".

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 Renzo (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

According to the art. 2 of the Bylaws, the Parent Company has as its object:

- 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, even 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 Tassi¹

Alessandra Todde²

¹ Forlì, 01/14/1962

² Nuoro, 02/06/1969

Umberto Rapetto³
Jean-Claude-Martinez⁴
Chiara Renso⁵

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 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:

Chief Executive Officer: 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

³ Acqui Terme (AL) 08/19/1959, Director in possession of the independence requisites provided for by art. 148, TUF

⁴ Oran Algeria 24/1954, Director in possession of the independence requisites provided for by art. 148, TUF

⁵ Verona, Director in possession of the independence requisites provided for by art. 148, TUF

Alessandra Todde
 Maria Pia Aqueveque⁶

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.

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	Pier Luigi Mainetti ¹⁰ Cristina Antonelli 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 Santiago - Cile, 13/09/1977

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

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 the only Parent Company 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:

- from the results of a transitory activity and settlement of the exit from the state of liquidation and implementation of the guidelines of the Parent Company's Business Plan, as described in the following Paragraph “Foreseeable evolution of the Management and Business Continuity”;
- from the economic and financial effects of the subsidiary companies (and included in the consolidation area) Italdata S.p.A. and Kes S.r.l. - the latter subsidiary of Italdata S.p.A. - which, it should be remembered, was acquired by Olidata S.p.A. on June 28, 2018, and therefore the results have been consolidated since that date.

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 13, 2018, the Shareholders' Meeting of the Parent Company approved the 2017 Separate Financial Statements, resolved the revocation of the liquidation status whose effects started from June 27 and appointed the new administrative bodies.

We also inform that other Group companies are in liquidation status (and therefore with irrelevant economic and financial results):

- Olidata Energy Srl, following the reduction of the share capital below the legal minimum, art. 2484 n. 4 of the Italian Civil Code, with a notary deed dated 12 July 2016 referred to the Extraordinary Shareholders' Meeting;

- Data Polaris S.r.l. following the reduction of the share capital below the legal minimum, art. 2484 n. 4 of the Italian Civil Code, with a notarial deed dated June 15, 2017, referred to the Extraordinary Shareholders' Meeting.

It is recalled that the Parent Company 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 subsidiary Italdata S.p.A. also has brands recognized for its multi-year specialization in Information Technology, with a strong specialization in the development of services and solutions in the areas of e-Learning and Social networking and of advanced services for Mobility, Security and solutions for Business Intelligence.

The Group's annual financial statements show a consolidated result for the period of Euro 635 thousand. Consolidated net equity is positive for Euro 4,845 thousand.

The activity of the Parent Company in liquidation and post-liquidation was mainly aimed at safeguarding the company values in operation and depending on the need to sustain costs with the aim of better preserving 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 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**	7.292	0	7.292
Operating income**	681	0	681
Period result**	635	0	635

* No comparison is made with December 31, 2017, as in 2017 there was no obligation to prepare the consolidated financial statements.

** It is recalled that the data of Italdata are consolidated starting from 06.28.2018 date of acquisition of 100% of the shares of this company by Olidata

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 **13.42 EVENTS AND SIGNIFICANT NON-RECURRENT TRANSACTIONS** to which reference is made, shows a net loss for the period of Euro 1,879 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**	2.336	0	2.336
Operating income**	(1.832)	0	(1.832)
Period result**	(1.879)	0	(1.879)

(*) No comparison is made with December 31, 2017, as in 2017 there was no obligation to prepare the consolidated financial statements.

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

The normalized 2018 results must therefore be interpreted in light both of what is indicated in the Report on Operations to the Financial Statements for the year ended December 31, 2017, of the Parent Company - which gave an account of the Company's Business Plan in its guidelines and to be implemented after the filing of the Plan ex art. 67 L.F. - both of the circumstance on the basis of which the minimum technical and legal times have allowed the Company to revoke the state of liquidation as of June 27, 2018. It should be noted that also in this Management Report for 2017 it was noted that the Business Plan would have been 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. Also in the aforementioned Report, it was pointed out that the objective could have been implemented by completing 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), in the world of white appliances smart, 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 1,380 thousand (*)
- EBIT equal to euro 681 thousand (*)

Income Statement (in thousands of Euro)	Balance sheet 2018	Balance sheet 2017
Production value	7.292	0
Cost of sales	(1.283)	0
<i>% on the value of production</i>	-17,6%	0,0%
Transportation & Installation	(29)	0
<i>% on the value of production</i>	-0,4%	0,0%
Technical assistance	(37)	0
<i>% on the value of production</i>	-0,5%	0,0%
Different management charges	(2.497)	0
<i>% on the value of production</i>	-34,2%	0,0%
Personnel Costs	(2.066)	0
<i>% on the value of production</i>	-28,3%	0,0%
EBITDA	1.380	0
<i>EBITDA %</i>	18,9%	0,0%
Depreciation	(104)	0
Provisions	(595)	0
EBIT	681	0
<i>EBIT %</i>	9,3%	0,0%
Financial Management Result	(39)	0
Tax Management Result	(8)	0
Profit / Loss *	634	0

(*) The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements

NET FINANCIAL POSITION

On December 28, 2017, the parent 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 Group's net financial debt amounted to euro 1,762 thousand and consisted mainly of the debt attributable to the subsidiaries Italdata and Kes.

Net financial position *

EURO/000	12/31/2018	12/31/2017	VARIATIONS
Liquid assets	220	0	220
Current financial debt	1.509	0	1.509
Net current financial debt	1.289	0	1.289
Non-current financial debt	473	0	473
Net financial debt	1.762	0	1.762

* The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements.

BUSINESS OUTLOOK AND BUSINESS CONTINUITY

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 deliberate increase in paid-up share capital, for a maximum amount of 30,000,000.00 euros to be subscribed by 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 realities showed together with Olidata the common desire to merge them into internal to 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 the Parent Company will be carried out.

The quality of the assets and of the executive team is combined with the requirements of excellence that OLIDATA S.p.A. aims to establish as a market standard, and reflect the positive assessment of the main and most recognized experts operating in the sector.

The letters of intent signed with the aforementioned financial entities are subject to a preliminary finding of new capital aimed at strengthening the capital of Olidata (necessary to face its own debt exposure) and, ultimately, useful for the economic development of the new hopeful " Olidata Group".

Although 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 in agreement with the signatory companies of the LOIs mentioned above, they 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 Consolidated Financial Statements, bearing in mind that the same was drafted in accordance with the going concern principle for the reasons set out so far related to the signed Letters of Intent and the new Business Plan Hypothesis, it should also be noted 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 with regard to the parent company Olidata SpA.

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 Microsoft (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 prolongation of the negotiations to find new investors has temporarily prevented some payments deriving from the Plan pursuant to art. 67 LF of the Parent Company which therefore 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 procurement of resources financial also useful for the complete debit, already from the month of September 2019 and in any case by December 31, 2019 of the parent company Olidata SpA. The strengthening operation will, therefore, enable the regular payment of the maneuver to be recovered without delay, taking into account that, in any case, in the meantime the President continued a dialogue, updating and information campaign for the creditors themselves.

GENERAL NEWS

The Group does not hold investments in listed companies.

The Parent 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;

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 parent company is not subject, pursuant to the 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 Companies of the Group have structured their 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" European Regulation EU 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

Olidata does not hold treasury shares either directly or indirectly.

GENERAL AND FINANCIAL RISKS

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 carrying amount of 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

The Group recognizes the protection of the environment, safety at work and in general prevention in matters of health, safety and the environment 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.

Risk assessment is the main tool of the safety management system, thanks to which the risk control element is defined and the related prevention and protection measures to be adopted or monitored in order to reduce the occupational risks for the health and safety of operators.

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 companies of the Group is to involve all personnel with respect to the risks and the 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 accident in the companies. Training and dissemination of information on the organization of safety in companies reaches all employees and, thanks to distance training, the external operational forces are systematically involved as well.

REMUNERATION FOR THE SOLE LIQUIDATOR AND 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 of the Companies of the Group, were equal to:

- 100 thousand euros to the sole liquidator of the parent company
- a total of 203 thousand euros to the Board of Directors of Group companies

In compliance with the applicable regulatory obligations and in order to offer the shareholders a piece of further useful information for the knowledge of the Company, it was prepared by the parent company Olidata S.p.A. the "Remuneration Report", 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 within the terms established by current regulations.

SHAREHOLDINGS HELD BY THE 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 equity investments 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 notices received and from the other information acquired by the interested parties: the holdings reported in the table below are reported:

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

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

The share capital of the Parent Company is 4,025,480 euros, consisting of 40,799,999 ordinary shares with no nominal 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 THE 12/31/2018 DATE AND BEFORE THE APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

- On February 27, 2019, the Board of Directors of the Parent Company resolved to give 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 an amount maximum 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 Board of Directors of the Parent Company 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 which had been approved by the Board of Directors on December 20, 2018. More specifically, the Company proceeded to outline a new Business Plan hypothesis which will be submitted to the next Board of Directors and which was preceded from the signing 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 their merger within Olidata itself in line with the new Business Plan hypothesis described above to.

- In July 2019 the subsidiary Italdata SpA pointed out to the parent company Olidata that the financial and economic situation of Italdata, which had increased in 2019, made it necessary to adopt measures to contain costs and redefine the business model. At the end of July 2019, the administrative body of Italdata, following the express delegation received on 15 July 2019 by the parent company Olidata and related to the desire to exercise - from that date - on the part of the latter, management activity and coordination, has developed a new Business Plan containing actions and timing for cost containment and for commercial development.

9 STATEMENT OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *

ASSETS	12/31/2018	12/31/2017
Non-current assets		
Intangible assets:		
- Intangible assets with a finite life	7.201.696	0
	7.201.696	0
Tangible assets:		
buildings	0	0
plant and machinery	900	0
industrial and commercial equipment	34.362	0
	35.262	0
Other non-current assets:		
- Investments	21.645	0
- Creditis	78.172	0
- Different	97.674	0
- Other Assets	16.261	0
	213.751	0
Deferred tax assets	180.682	0
Total non-current assets	7.631.391	0
Current assets		
- Inventories left over	463.453	0
- Net trade receivables	856.550	0
- Tax credits	271.061	0
- Other credits	2.868.955	0
- Other assets	60.955	0
- Cash and bank availability	219.944	0
Total current assets	4.740.918	0
TOTAL ASSETS	12.372.309	0

* The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements.

LIABILITIES	12/31/2018	12/31/2017
Net assets		
Share capital	4.025.480	0
Reserves	220.000	0
Consolidation reserves	0	0
Reserve for application of accounting standards	(35.546)	0
Profits/losses from previous years	0	0
Period result	634.855	0
TOTAL NET EQUITY	4.844.789	0
Non-current liabilities		
- Loans, long-term share	779.848	0
- Employee Benefits (TFR)	551.579	0
- Other liabilities	177.273	0
- Tax payables	35.862	0
- Provisions for risks and charges	106.656	0
Total non-current liabilities	1.651.219	0
Current liabilities		
- Loans, short-term share	100.000	0
- Payables to banks	1.102.283	0
- Commercial liabilities	2.003.995	0
- Other liabilities	147.076	0
- Tax payables	1.339.437	0
- Provisions for risks and charges	198.272	0
- Other liabilities	985.237	0
Total current liabilities	5.876.301	0
TOTAL LIABILITIES	7.527.520	0
TOTAL EQUITY AND LIABILITIES	12.372.309	0

10 REPORT ON THE CONSOLIDATED COMPREHENSIVE INCOME *

INCOME STATEMENT	12/31/2018	12/31/2017
Revenues from sales and services	1.951.839	0
Change in inventories of work in progress, semi-finished and finished products	(20.908)	0
Other income	5.361.547	0
Production value	7.292.479	0
Purchases of goods	(702.007)	0
Changes in inventories of ancillary raw materials, consumables and goods	(133.969)	0
External services	(1.397.026)	0
Use of third-party assets	(69.520)	0
Cost of labor	(1.845.522)	0
Labor Cost - Non-recurring component	(220.000)	0
Other operating expenses	(1.544.058)	0
Credit write-down	(572.494)	0
Depreciation	(104.274)	0
Provisions	(22.250)	0
Operating income	681.360	0
Net financial income	71.041	0
Net financial charges	(110.039)	0
Result before tax	642.361	0
Current taxes	(7.506)	0
Deferred/prepaid taxes	0	0
Period result	634.855	0

* The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements.

STATEMENT OF THE TOTAL RESULT DUE TO THE PERIOD	12/31/2018	12/31/2017
Result for the period (Euro/1.000)	635	0
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 profits/(losses)	36	0
Total items of comprehensive income that will not be subsequently reclassified in the profit/(loss) for the year	36	0
Overall result	671	0

* The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements.

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. 2018	0	0	0	0	0	0	0	0
Increments from the balance 01.01.2018 Parent Company	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
Accounts / Other variations	(1.820.520)	(469.200)		(248.333)	137.977	2.400.076		0
Increase in share capital, Min.dated 13.04.18	3.500.000							3.500.000
Handling of IAS Reserve					(35.546)			(35.546)
Movement of the stock option reserve			220.000					220.000
Profit/Loss for the year							634.855	634.855
BALANCE at December 31, 2018	4.025.480	0	220.000	0	(35.546)	0	634.855	4.844.789

12 FINANCIAL STATEMENT *

FINANCIAL STATEMENT		
	31-Dec-18	31-Dec-17
PROFIT/(LOSS) FOR THE PERIOD	634.855	0
Depreciation	104.274	0
Provisions for write-downs of intangible assets	0	0
Provisions for write-downs of tangible fixed assets	0	0
Provision for risks and charges and other provisions.	38.741	0
Active contingency pursuant to art. 67 L.F.	(4.372.930)	0
Labor Cost - Non-recurring component	220.000	0
Extraordinary passive contingencies	1.450.396	0
(Plus)/Minus from asset disposal	0	0
Provisions for risks and devaluation other than customer receivable	22.250	0
Provisions for credit risk on customers	72.314	0
Other provisions for credit risks	500.180	0
Provision for severance pay	78.297	0
Provision for prepaid/deferred taxes	0	0
Cash flows generated by current operations	(1.251.624)	0
Changes in the assets and liabilities for the year:		
Inventories	(463.453)	0
Commercial credits	(3.077.667)	0
Other credits	(3.218.187)	0
Other assets	(77.216)	0
Payables to suppliers	2.003.995	0
Other liabilities	910.141	0
Provision for deferred taxes from previous years		
Use of severance pay	473.282	0
Use of the provision for risks and charges	82.387	0
Use of the credit risk fund	2.148.803	0
Other liabilities	324.350	0
Total changes in assets and liabilities for the year	(893.565)	0
CASH FLOW FROM WORK ACTIVITIES (A)	(2.145.189)	0
Net investments in intangible assets	(2.916.766)	0
Net investments in tangible assets	(51.536)	0
Net investments in financial fixed assets	(361.568)	0
CASH FLOW FROM INVESTMENT ACTIVITY (B)	(3.329.870)	0
Changes in Equity	3.612.872	0
Change in medium/long-term loans	879.848	0
Change in short-term amounts due to banks	1.202.283	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	5.695.003	0
NET CASH FLOW OF PERIOD/FIN. YEAR	219.944	0
Net cash at the beginning of the period	0	0
Net cash flow for the period/year	219.944	0
Net cash at the end of the period/year	219.944	0

* The comparison with December 31, 2017, is not carried out, as for that year there was no provision for Olidata SpA the obligation to prepare the consolidated financial statements.

13 ILLUSTRATIVE NOTES

PREMISE

The consolidated financial statements of Olidata SpA at December 31, 2018, was prepared in accordance with the International Accounting Standards IAS / IFRS (International Accounting Standards and International Financial Reporting Standards, hereinafter also "IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, supplemented by the relevant interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), previously called the Standing Interpretations Committee (SIC), as well as the provisions issued to implement art. 9 of Legislative Decree n. 38/2005.

PREPARATION BASIS

This document contains the consolidated financial statements, including the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity for the year ended December 31, 2018 and the related explanatory notes without comparison with December 31, 2017 as, at that date, there was no obligation to prepare the consolidated financial statements.

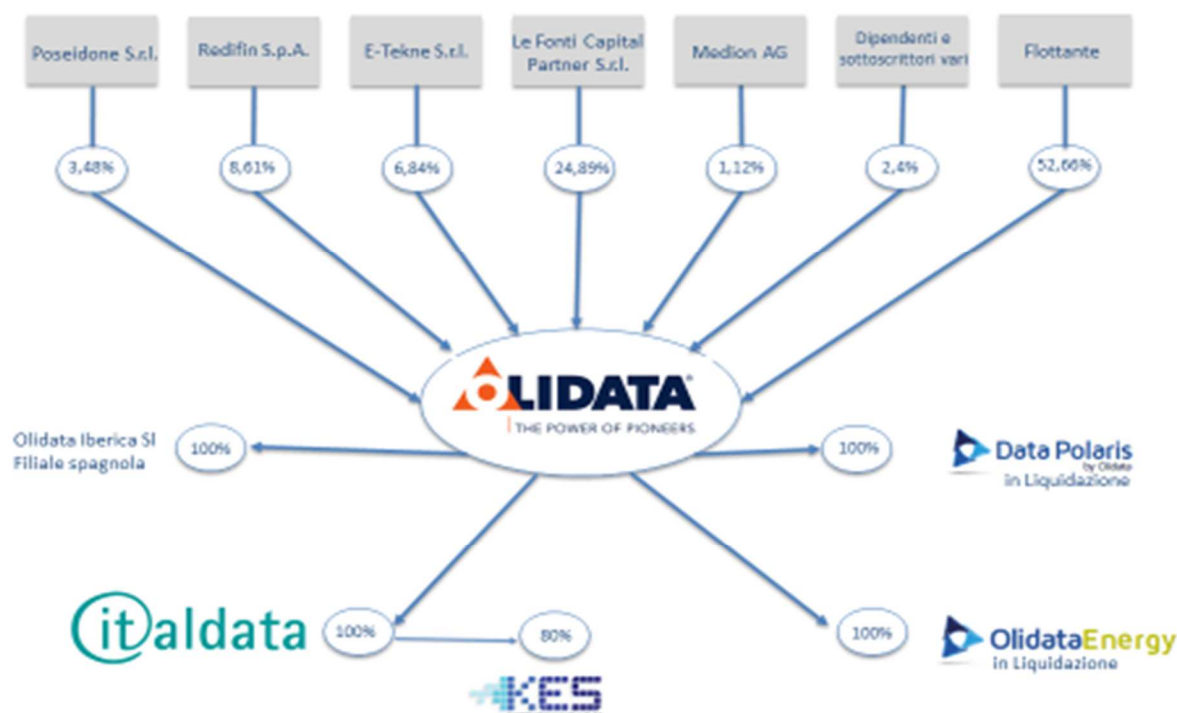
By IFRS we mean all the "International Financial Reporting Standards" (IFRS), all the International Accounting Standards (IAS), all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

With regard to the methods of presentation of the financial statements, for the balance sheet, the "current/non-current" distinction criterion was adopted for the Income Statement, the scale chart with the classification of costs by nature and, for the Financial Statement, the method of indirect representation. The comprehensive income statement is presented in a separate document, as permitted by IAS 1 (revised), with respect to the income statement. The consolidated financial statements have been prepared in euros, the currency used in the economies in which the Group mainly operates.

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.

GROUP GRAPHIC REPRESENTATION

In order to provide a clear representation, the structure of the Group at December 31, 2018 is shown in graphic form below:



CONSOLIDATION AREA

The Consolidated Financial Statements at December 31, 2018, include the Financial Statements of the Parent Company Olidata S.p.A. and the financial statements of some companies, represented below, in which it directly or indirectly holds control.

The consolidated financial statements were prepared at December 31, 2018, ie at the reference date of the consolidated financial statements and are those prepared and approved by the Boards of Directors of the individual companies, appropriately adjusted, where necessary, to align them with the accounting principles of the Parent Company.

The complete list of equity investments included in the consolidation area as at December 31, 2018, is shown in the following table:

NAME	HQ	STATE	VAT number	Currency	Share Capital (€/1000)	Net assets (€/1000)	% control
Olidata S.p.A.	Cesena (FC)	Italia	01785490408	Euro	4.025	5.952	Parent Company
Italdata S.p.A.**	Avellino	Italia	80001050642	Euro	3.096	3.359	100%
Kes S.r.l.*	Benevento	Italia	01441340625	Euro	20	20	80%

* Company indirectly controlled 80% through Italdata SpA.

** Both Italdata SpA and Kes Srl are consolidated only from June 28, 2018: date of acquisition of control by Olidata SpA.

It should be noted that Italdata closes its financial statements as of 30 September of each year, therefore, in compliance with IFRS 3, the financial statements of this company were prepared on the same date as the parent company, ie at December 31, 2018. This draft financial statements for the year ended December 31, 2018, was approved by the Board of Directors of Italdata SpA on May 3, 2019.

Please also note that the financial statements of the following companies are not consolidated:

- Olidata Iberica SL,
- Data Polaris S.r.l. in Liquidazione
- Olidata Energy S.r.l. in Liquidazione

despite being in control as defined by the IFRS 3, as they are all non-operating or in liquidation companies and whose values are not significant.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of Olidata SpA and its subsidiaries at December 31, 2018.

Subsidiaries: control is obtained when the Group is exposed or has a right to variable returns, deriving from its relationship with the investee and, at the same time, has the ability to influence these returns by exercising its power over this entity. Specifically, and pursuant to the provisions of IFRS 10, companies define themselves as subsidiaries if and only if the Parent Company has:

- the power over the investee entity (or holds valid rights that give it the current capacity to direct the relevant activities of the investee entity)
- the exposure or rights to variable returns deriving from the relationship with the investee; and
- the ability to exercise its power over the investee to affect the amount of its returns.

When the Group holds less than the majority of voting rights (or similar rights) it must consider all the relevant facts and circumstances to determine whether it controls the investee entity. The Group reconsiders whether or not it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three elements relevant for the purposes of defining control.

It is considered useful to reiterate that Italdata closes its financial statements as of September 30th each year, therefore, in compliance with IFRS 3, the financial statements of this company were prepared on the same date as the parent company, ex. at December 31, 2018. This draft financial statements for the year ended December 31, 2018, were approved by the Board of Directors of Italdata SpA on May 3, 2019.

The financial statements of subsidiaries are consolidated using the global integration method from the moment control is acquired until the date of its possible termination. The global integration method envisages that the assets, liabilities, as well as the costs and revenues of the consolidated companies are taken on a line-by-line basis in the preparation of the consolidated financial statements, attributing to the investments in specific items of the balance sheet, of the account in the income statement and in the comprehensive income statement, the share of net equity and the result for the year pertaining to them.

Pursuant to IFRS 10, the overall loss (including the profit/loss for the year) is attributed to the shareholders of the parent company and to minority interests, even when the net equity attributable to minority interests shows a negative balance.

The reciprocal debit/credit and cost/revenue relationships, present among the companies included in the consolidation area, as well as the effects of all significant transactions between them, are eliminated. Profits not yet realized with third parties deriving from transactions between Group companies are eliminated, including those deriving from the valuation at the balance sheet date of inventories.

The book value of the investment in each of the subsidiaries is eliminated against the corresponding portion of the shareholders' equity of each of the subsidiaries including any adjustments to fair value at the date of acquisition of control. On this date, goodwill, determined as follows, is recorded under intangible assets, while any "profit deriving from a purchase at favorable prices (or negative goodwill)" is recorded in the income statement.

Pursuant to IFRS 10, changes in the parent company's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. In these circumstances, the accounting values of the majority and minority shareholdings are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the value in which minority equity investments are adjusted and the fair value of the amount paid or received is recognized directly in equity and attributed to the shareholders of the parent company. If the parent loses control of a subsidiary, it:

- Eliminates the accounting activities (including any goodwill) and the liabilities of the subsidiary based on their book values at the date of the loss of control
- It eliminates the accounting values of any previous minority interest in the former subsidiary at the date of the loss of control (including any other component of the comprehensive income statement attributable to it))
- It shows the fair value of the consideration received as a result of the transaction, the event or circumstances that led to the loss of control
- It detects, if the operation that caused the loss of control implies a distribution of the shares of the subsidiary to the shareholders in their capacity as shareholders, said distribution
- It detects any interest previously held in the former subsidiary at the respective fair value at the date of the loss of control
- Reclassification in the statement of profit (loss) for the year, or transfer directly to retained earnings, if required by other IFRSs, the amounts recognized under other components of the income statement in relation to the subsidiary;
- Detects any resulting difference as a profit or loss in the profit and loss statement for the year attributable to the parent company.

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 Consolidated 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 Parent Company's Financial Statements for the year ended December 31, 2016, and in the Notes to the Parent Company's Financial Statements for the year ended December 31, 2017, Olidata SpA was put into 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 Parent Company was at the dates indicated in the Financial Statements indicated above, as well as the dates of reference of the corresponding Semiannual Financial Reports 2016 and 2017, in order to provide a compatible, adequate, relevant and reliable information, it was considered correct to apply the specific accounting principles, making reference in any case to the OIC document n. 5 (hereinafter also referred to as "OIC 5") and Guide 5 both prepared by the OIC (Italian Accounting Body) "The liquidation budgets of IAS compliant companies" (hereinafter also "Guide 5").

Similarly, therefore, on the date of these Consolidated Financial Statements at December 31, 2018, taking into account the revocation of the liquidation status of the Parent Company, 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 issue of the revocation of the liquidation status.

In the Notes to the Separate Financial Statements for the year ended December 31, 2017, of Olidata SpA, it was then possible to highlight how, up until the previous Half-Year Financial Report at June 30, 2017, the preparation of a proposal to satisfy creditors was still "in itinere" social. 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. of the Parent Company 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 Parent Company's financial statements for the year ended December 31, 2017, to which reference should, therefore, be made, some of these are cited below, as they allow to better argue the Balance sheet data, as well as the corporate events underlying these data, shown below and related to these consolidated financial statements of Olidata SpA..

We therefore remind you of the following:

- On 12.16.12.2016 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. of the Parent Company whose content was extensively described in the previous financial statements for the year ended December 31, 2017, to which reference is therefore made.

- The choice made by the Parent Company to adhere to the definition of pending tax disputes was carried out also in the light of the agreements in the meantime assumed with the promissory purchaser of the real estate compendium within 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 has not only made it possible to reduce the latent tax risk connected also to the important sanctions underlying the notified deed but has also allowed the Parent Company to:

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

b) 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) 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 Parent Company's financial statements as of December 31, 2017, the Plan pursuant to art. 67 L.F. has provided, after completing the Phase concerning the disposal of the building of Olidata SpA, 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 in 2018, including the revocation of the liquidation status of the Parent Company, the increase in the share capital of the same Company, the appointment of a new Board with high-profile figures functional to the better realization of the Company's post-liquidation Industrial Project, all of which have already been described in the Introduction to this Annual Consolidated Financial Report, to which we therefore refer.

To these events - confirming the above, namely that the withdrawal of the Parent Company's 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, it is only important here to reiterate how it 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 Parent Company's financial statements for the year ended December 31, 2017, in which - on this topic - a broad illustrative paragraph was reserved, to which we refer for more 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. had he been sworn in on December 28, 2017, Olidata proceeded, starting from the Non-Consolidated Interim 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.

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 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 next year, essentially concern the process of evaluating the brands 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 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 In fact, together with Olidata, they expressed their common desire to merge into 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 letters of intent signed with the aforementioned financial entities are subject to a preliminary finding of new capital aimed at strengthening the capital of Olidata (necessary to face its own debt exposure) and, ultimately, useful for the economic development of the new hopeful " Olidata Group"

Although 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 in agreement with the signatory companies of the aforementioned LOIs, they must necessarily be considered today as a factor of uncertainty with respect to the 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 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 Consolidated Financial Statements, bearing in mind that the same was drafted in accordance with the going concern principle for the reasons set out so far related to the signed Letters of Intent and the new Business Plan Hypothesis, it should also be noted that the conditions precedent described above underlying the same letters of intent represent the uncertainty factor described in the aforementioned Paragraph 23 of the IAS accounting principle no. 1 with regard to the parent company Olidata SpA.

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.

Brands of Olidata S.p.A. and Italdata S.p.A.

As already pointed out, the brands of Olidata S.p.A. are entered under intangible assets following the merger by incorporation of the subsidiary Olidata International Innovation Development Srl. These trademarks are recorded for a value, as at December 31, 2018, of 4,373 thousand euros.

The trademarks of Italdata S.p.A. are also registered in the consolidated financial statements as of 12.31.2018, in compliance with the current international accounting standards for an amount equal to 1,173 thousand euros. Therefore, as at 31 December 2018, the total brand portfolio of Olidata and Italdata amounted to € 5,546 thousand.

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 business plans prepared and the information reported at the beginning of this Paragraph “Main evaluation choices in the application of accounting principles and uncertainties in making estimates”.

Current and non-current funds

Provisions representing the risk of a negative outcome are recognized for legal and tax risks. The value of the provisions 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, given that Olidata SpA, the individual financial statements as of December 31, 2018, was prepared on the assumption of the going concern condition, without prejudice to the uncertainty conditions mentioned above, the consolidated financial statements were also prepared with the same assumption.

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

It should be remembered that on January 30, 2019, the Board of Directors resolved on 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, 2018IFRIC 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 preparation of the Report, 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 lease contracts following a single accounting model in the financial statements similar to the accounting of the

finance 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 (ie 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 (ie the liability for the lease) and an asset that represents the right to use the underlying asset during the lease term (ie, 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 use and through the use of the impairment test procedure.

The start-up and the trademarks, 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 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%
Vehicles	20%
Cars	25%

Furniture and furnishings	12%
Office machines electronics	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.

BUSINESS COMBINATIONS

Business combinations are accounted for by applying the so-called "purchase method" (purchase method as defined by IFRS 3 - revised - "Business combinations"). The "purchase method" requires, after identifying the purchaser in the context of the business combination and having determined the cost of the acquisition, to value at the fair value all the assets and liabilities (including the so-called contingent liabilities) acquired. Any goodwill is determined only as a residual difference between the cost of the business combination and the share pertaining to it as the difference between the assets and liabilities acquired valued at fair value. If this difference is negative, it is recognized as a positive component of the result of the period in which the business combination takes place. The transaction costs are directly charged to the income statement.

BUSINESS COMBINATIONS UNDER COMMON CONTROL

If there are aggregations between companies under common control or "Business combinations of entities under common control" they are the aggregations between companies that are, finally, controlled by the same subjects both before and after the business combination and whose control is not of a nature temporary. The presence of minority interests in each of the merged entities before or after the business combination is not relevant in determining whether the combination involves entities under common control. Aggregations between companies under common control are accounted for in such a way that the

net assets of the acquired entity and the acquiring entity are recognized at the book values that they had in their respective accounts before the transaction (continuity of values), without recognizing in the Financial Statements consolidated any capital gains arising from such combinations accounted for in the individual financial statements of the Company.

INVESTMENTS IN ASSOCIATED COMPANIES AND OTHER COMPANIES

If existing, equity investments in associated companies are valued using the equity method.

Investments in other companies are measured at fair value; if the fair value cannot be reliably estimated, the investment is valued at cost. The recoverability of their book value is verified by adopting the criteria indicated in the paragraph “Impairment of assets”.

INVENTORIES

Inventories are recorded at the lower of purchase or production cost and net realizable value. 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.

Work on custom courses included in Inventories is accounted for in accordance with IAS 11. Since the result of these construction contracts cannot be reliably estimated, these inventories are accounted for using the zero profit method, recording revenues (recorded under changes in inventories) only within the limits of the costs, deemed recoverable, and recognized in the year in which they are incurred. Inventories are recorded at the lower of purchase or production cost and the presumed realizable value. In the event that it is probable that contract costs will exceed total contract revenue, the loss is immediately recognized as a cost in the income statement.

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 the 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.

PROFITS/LOSSES PER SHARE

The basic earnings per share are calculated by dividing the profit or loss attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

SECTORAL INFORMATION

On the basis of IFRS 8 "Operating segments", information must be provided that enables the users of the financial statements to assess the nature and effects on the financial statements of the business activities undertaken. At 12.31.2018, the required subdivision, taking into account the information provided in the Introduction and therefore taking into account that the data of the subsidiaries Italdata and Kes have been consolidated as of June 28, 2018, is as follows:

COMMENT ON THE MAIN ITEMS OF THE INCOME STATEMENT VALUE OF PRODUCTION**13.1 RICAVI**

In the period in question they amount to euro 1,952 thousand detailed as follows:

Euro/000	12/31/2018	12/31/2017	variation
Characteristic revenues	1.952	0	1.952
Revenue adjustments	0	0	0
TOTAL	1.952	0	1.952

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	1.792	0	1.792
Sales in European Community	160	0	160
Sales in the rest of the world	0	0	0
TOTALE	1.952	0	(19.294)

On the other hand the sales percentages are:

	12/31/2018	12/31/2017	variation
Sales in Italy	91,80%	0,00%	0,92
Sales in European Community	8,20%	0,00%	8,20%
Sales in the rest of the world	0,00%	0,00%	0,00

The figures in the above table reflect both the liquidation state in which the Parent Company was found practically during the entire first half of 2018 (it should be noted that the termination of the liquidation took effect on June 27, 2018), and the circumstance envisaged by the current international accounting standards, based on which the economic data of Italdata SpA and Kes Srl were consolidated starting from June 28, 2019, the date from which - as has already been pointed out several times - the control by Olidata S.p.A..

In particular, the "Italy" revenues refer to:

- for euro 1,010 the characteristic revenues of the subsidiaries Italdata SpA and Kes S.r.l. of the period 06/28/2018 - 12/31/2018, in turn, referable to the specialist sectors of these companies, namely E-Learning and IoT (with focus on Smart City and System Integration) and
- for euro 782 thousand, they mainly refer to the better disposal and consequent invoicing of parts of the Parent Company's inventory (referable to the previous business sector and in any case not considered "strategic" in the context of the Business Plan relating to the period following the revocation of the liquidation status), as well as the invoicing of printer rentals and related services (the latter attributable to a supply contract signed in July 2015 - therefore prior to the Company going into liquidation - for the rental of printers and services granted to SACE SpA.).

It is recalled that Italdata is a company active in Information Technology, with a strong specialization in the development of IoT (Internet of Things) services and solutions in the field of Smart Cities and Smart Mobility and in the field of E-learning. Their main products/services include:

- Icity, a solution to support Smart Cities, which integrates mobility and intelligent security
- Kon.it, a Learning Management solution that provides human capital management systems and a learning management platform.

Kes S.r.l. is also a company specializing in Smart Cities and Smart Mobility.

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)	0

Finished products, goods, final inventories	341	0
Work in progress on order, initial inventories	(434)	0
Contract work in progress, final inventories	382	0
Write-off of excess inventory in 2016	449	0
Inventory write-down	0	0
Change in inventories of finished products and goods	(21)	0

It should be noted that in the financial statements of the Parent Company closed as at 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 - for the purpose of aligning the value of the inventory to the appraisal carried out by the expert appointed by the Parent Company. Similarly, in the separate financial statements for the year ended December 31, 2017, taking into account the continuing "slow rate", even in a liquidation perspective, of the assets being stocked, difficult to reconcile with the better liquidation of the Parent company, has 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.

Contract work in progress, included in Inventories, is accounted for in accordance with IAS 11 and relates to the subsidiary Italdata SpA. Since the result of these construction contracts cannot be estimated reliably, it should be noted that these inventories are accounted for according to the zero-profit method, recognizing revenues (recorded under changes in inventories) only within the limits of costs, deemed recoverable, and recognized in the year in which they are incurred. Inventories are recorded at the lower of purchase or production cost and the presumed realizable value. If there is a probability that the contract costs exceed the total contract revenue, the loss is immediately recognized as a cost in the income statement.

13.3 OTHER INCOME

Euro/000	12/31/2018	12/31/2017	variation
Contingent assets	4.567	0	4.567
SW incremental costs	246	0	246
Contributions R&D Projects	457	0	457
Capital gains	1	0	1
Reimbursement of transport costs	5	0	5
Altri rimborsi spese	86	0	86
TOTAL	5.362	0	5.362

The item "Contingent assets", amounting to 4,567 thousand euros refers, for 4,373 thousand euros, to the restoration of the value of the Olidata SpA 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 of the Parent Company and, for Euro 64 thousand, to a reimbursement by the Revenue Agency in the context of payments made by the Parent Company in 2017 relating to the facilitated definition of the pending litigation pursuant to Legislative Decree 50/2017 referred to in the Introduction.

The incremental costs of R&D, for 246 thousand euros, refer to the incremental costs for the development of the Software solutions of the subsidiary Italdata S.p.A. and for the expansion of the functionalities of SW Solutions of the same company then classified among the Intangible Assets. In particular, the amount refers to the incremental costs incurred in the period 06.28.2018 - 31.12.2018 and is detailed below:

Project	Costs 06/28/18 – 12/31/18
Kon.it	7
Moliere (E-Learning)	45
PiIGRIM	9
Innodriver	7
Prompt	178
TOTAL	246

Contributions for R&D projects, amounting to 457 thousand euros, refer to grants for research projects financed and referable to the subsidiaries Italdata S.p.A. and Kes S.r.l. and are summarized below:

R&D contributions	Body	Contribution 06/28/18 – 12/31/18
Moliere (Italdata)	Mise	48
CARDITELLO 4.0 (Italdata)	Regione Campania	21
Innodriver (Italdata)	Regione Lombardia	21
Prompt (Italdata)	Miur	277
Haeolus (Kes)	Comunità Europea	90
TOTAL		457

Among the most important are the contributions received relating to the PROMPT Project as part of the MIUR initiative PNR 2015-2020 Intelligent Factory Area in collaboration with other industrial partners and Universities for the development of a software platform for decision support (DSS) for the management of predictive and digital twin maintenance processes.

"Moliere" is instead a Project linked to the E-Learning sector financed by Mise while Carditello 4.0 is a Project financed by the Campania Region in the context of "Technology transfer and first industrialization projects for innovative companies with high potential for combating oncological pathologies".

Paragraph 13.41 provides the information referred to in l. 124/2017, art.1, paragraphs 125 et seq. to which we therefore refer.

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	288	0	288
Transportation	26	0	26
Advertising costs	55	0	55
Consultancy for professional services	861	0	861
Utilities	77	0	77
Insurance and insurance contracts assets	42	0	42
Stationery, printed matter, postal	1	0	1
Other costs (minor)	47	0	47
TOTAL	1.397	0	1.397

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 achieve the acquisition of the subsidiary Italdata SpA, which was disclosed in the Management Report, in the Introduction to these Notes. 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, also 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.

The amount of euro 288 thousand relating to external processing refers mainly to technical services outsourced to E-Learning and IoT Projects.

13.5 LABOR COSTS

The cost of personnel is so detailed:

Euro/000	12/31/2018	12/31/2017	variation
Salary cost	1.401	0	1.401
Social charges	348	0	348
Termination indemnity	78	0	78
Other personnel costs	18	0	18
Total Recurring charges	1.845	0	1.845
Non-recurring charges: employee stock options	220	0	220
TOTAL	2.065	0	2.065

The amount of euro 2,065 thousand refers for euro 984 thousand to the labor cost of Olidata SpA where non-recurring charges of euro 220 thousand also refer to the Stock Option Plan for employees of the Parent Company implemented in 2018 as a result of shareholders' meeting resolution of April 13, 2018 which established the share capital increase of euro 3.5 million also for the aforementioned company incentive plan, implemented pursuant to and for the purposes of art. 2441 last paragraph of the Italian Civil Code. Lastly, the sum of 984 thousand euros also includes 229 thousand euros of fees due to the former Liquidator and the new members of the Board of Directors of the Parent Company in compliance with the shareholders' meeting resolutions that quantified the amounts.

The remaining amount of euro 1,081 thousand (added to the aforementioned euro 984 thousand, the total amount of euro 2,065 of consolidated personnel costs), refers to the personnel costs of the two subsidiaries Italdata - for euro 645 thousand - and Kes - for 436 thousand euros.

It should be noted that the number of Group employees at December 31, 2018, was 55 units and, on average, had the following trend:

Euro/000	12/31/2018	12/31/2017	variation
Executives	0	0	0
Managers	10	0	10
Adm./Sales/Technical Employees	45	0	45
Workers and apprentices	0	0	0
TOTAL	55	0	55

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
Other provisions	10	0	10
TOTAL	22	0	22

This item, for the amount of 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. The remaining provision of euro 10 thousand was prudently carried out by the company Kes Srl for the risk of tax sanctions.

13.7 AMORTIZATION

This item is so detailed:

Euro/000	12/31/2018	12/31/2017	variation
1) Industrial buildings	0	0	0
2) Plant and machinery	1	0	1
3) Ind. and commercial equipment	0	0	0
4) other assets	15	0	15
5) Depreciation of intangible assets	88	0	88
TOTAL	104	0	104

The Parent Company until December 31, 2017 - and therefore also on the date of the Half-Year Financial Report at June 30, 17 - did not proceed with allocating depreciation. In view of 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 functioning 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 Parent Company has instead restored the depreciation, taking into account the occurred revocation of the state of liquidation occurred, it is recalled, on April 13th, 2018 and with effect from June 27th 2018.

For all the items related 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 Report on Operations and in the Notes to the Separate Financial Statements for the year ended December 31, 2017, to which reference is therefore made. It should be remembered that these brands, both those of Olidata and those of Italdata, taking into account the definition in paragraph 88 of IAS 38 have not been amortized but are annually subjected to an impairment test as per IAS 36.

13.8 OTHER OPERATING EXPENSES

This item is so detailed:

Euro/000	12/31/2018	12/31/2017	variation
Passive contingencies	1.451	0	1.451
Costs for listing on Stock Market	43	0	43
Other different charges	50	0	50
TOTAL	1.544	0	1.544

The amount of euro 1,544 thousand includes - for euro 1,366 thousand included in contingent liabilities - the economic effect of the variation note issued by a supplier whose credit was subject to cancellation at the end of 2017 as a result of the agreements underlying the plan ex-art. 67 L.F. (for the details, please refer to the following paragraphs 13.31 and 13.36) of the Parent Company and also includes charges for stock exchange listing, and other sundry management charges including taxes, credit losses, membership contributions, 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 and income from equity investments	47	0	47
Exchange gains	24	0	24
TOTAL	71	0	71

13.10 NET FINANCIAL EXPENSES

The net financial charges are thus detailed:

Euro/000	12/31/2018	12/31/2017	variation
Passive interests	46	0	46
Other financial charges	59	0	59
Foreign exchange losses	5	0	5
TOTAL	110	0	110

The item Other financial charges, amounting to euro 59 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	(8)	0	(8)
Deferred taxes			
ANT./ DEFERRED TAXES	0	0	0
TOTAL	(8)	0	(8)

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 subject to a corresponding upward change. 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”.

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

- the Parent Company had drawn up a Business Plan following the already revoked Liquidation State and which 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 Parent 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, to pay a divisible capital stock increase of 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 Plan hypothesis Industrial 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 Budget, is still in the phase prior to the 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, equal to euro 1,656 thousand, is as follows:

Euro/000	12/31/2017	increases	Depreciation	12/31/2018
Research and development costs	0	150	(31)	119
Industrial and Industrial Usage Patent Rights	0	6	0	6
Concessions and licenses	0	0	0	0
Other Intangible Assets	0	820	(57)	763
Intangible assets in progress and advances	0	768	0	768
Total	0	1.744	(88)	1.656

The item Development costs relate to the costs associated with the development and design of the characteristic products of the business; the increase in the period mainly refers to costs for the construction of new products.

The item Other intangible assets relate mainly to the development of developed technologies.

Investments in assets under construction for 768 thousand euros partly refer to advances and the development of projects to implement new IT platforms and to design and develop new application software. The portion of assets under construction that is expected to be recorded under amortization under development costs is equal to 768 thousand euros.

The entire amount of euro 1,656 thousand refers to the subsidiaries Italdata and Kes.

13.13 TRADEMARKS

The "Trademarks" item amounts to euro 5,546 thousand, of which euro 4,373 thousand is attributable to the Brand Portfolio of Olidata S.p.A. and euro 1,173 thousand are attributable to the Trademark Portfolio of Italdata S.p.A..

As already illustrated in the introductory paragraph of these Explanatory Notes, the Parent Company, following the revocation of the state of liquidation, proceeded - as of 06.30.2018 - to restore the value of the

trademarks for 4,373 thousand euros, corresponding to the value of the trademarks pertaining to 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 following the formal termination of the liquidation, which took place on June 27, 2018, and after the acquisition of the equity investment in Italdata S.p.A. For the sake of the best illustrative clarity, given the relevance of the restored amount, already put in place on the date of the Half-year Report as at 06.30.2018, it is considered not only useful, but essential to highlight what is analytically reported in the Explanatory Notes to the Financial Statements of Olidata SpA closed on 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..

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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.

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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.

Business combinations of entities under common control".

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, on the basis 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 Report 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.

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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.

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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 status of the Parent Company was formally effective on June 27, 2018;
- the Parent Company took steps to carry out a capital increase of 3,500 thousand euros;
- on 28 June 2018, the Parent Company took steps to purchase 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".
- the Parent Company 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 brand portfolio of both Olidata and Italdata with a specific request that, for the purpose of the valuation, should have been, principally, the estimate of the recoverable value of the asset brand portfolio, to be understood as "the greater value between its fair value - fair value, less the sales costs, and its use-value "(IAS 36, par. 6). As a result of this document, the expert considered that there is no reduction in the value of the brand portfolio of both Olidata and the amount of Euro 4,372 thousand expressed in the financial statements, and of Italdata compared to the amount of Euro 1,173 thousand expressed in Balance.

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 Parent Company did not proceed with any depreciation until December 31, 2017. In view of 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 functioning of the company at least until their complete amortization had in fact been lacking.

At the date of this Annual Consolidated Financial Report, in compliance with the indications provided by the aforementioned OIC Guide n. 5, the Parent 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
Consorzio Milano Ricerche	16	-	16
DATABENC Scarl	2	-	2
Smart Power System Scarl	1	-	1

BCC Banca Credito Coop. Milano	3	-	3
TOTAL EQUITY INVESTMENTS	22	-	22

The amount of euro 22 thousand refers to non-significant minority shareholdings held by the subsidiary Italdata SpA.

The item also includes euro 12 thousand, entirely written down as of June 30, 2018, in the separate interim financial report of Olidata SpA, and 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 S.p.A. 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
Receivables from American branch	500	452	48
Allowance for doubtful accounts with US 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	98	0	98
TOTAL	98	0	98

They represent security deposits for utilities and rents for euro 47 thousand and a tax credit for personal income tax advances on employee leaving indemnity for euro 51.

13.18 OTHER ACTIVITIES

In Detail:

Euro/000	12/31/2018	12/31/2017	variation
Different credits	16	0	16
TOTAL	16	0	16

They refer to units of small funds.

13.19 DEFERRED TAX ACTIVITIES

This item amounts to euro 1,334 thousand and mainly refers to receivables for prepaid taxes related to tax losses.

Euro/1000	12/31/2018	12/31/2017	variation
Deferred tax assets: Net Value	1.334	0	1.334
TOTAL	1.334	0	1.334

Prepaid tax assets	12/31/2018	12/31/2017
Euro/1000		
Balance at January 1st	0	0
Increases	1.334	0
Purposes	0	0
TOTAL	1.334	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	1.311	0	23	1.334
Utilization/adjustments	0	0	0	0	0
Balance at 12/31/2018	0	1.311	0	23	1.334

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 Parent 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 acquisition of the target companies covered by the Plan Industrial 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 - as far as the Parent Company is concerned - to the allocation of deferred tax assets related to the tax loss accrued during the 2018 financial year, while no further deferred taxes were allocated, connected to the temporary differences arising in the 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	0	115
<i>Finished products and goods:</i>			
Finished products and goods	341	0	341
Advances to suppliers	12	0	12
On order Works in progress	430	0	430
Stock devaluation fund	(435)	0	(435)
TOTAL	463	0	463

Inventories consist 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.

Inventories are also made up of Euro 430 thousand for Work in Progress on Order on Italdata Client Projects.

13.21 NET TRADE RECEIVABLES

They amount respectively to:

Euro/000	
At 12/31/2017	0
At 12/31/2018	857
Variation	857

The receivables are in line with their presumed realizable value through a provision for doubtful debts of euro 2,259 thousand, 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	0
Increases	3.044
Provisions	72
Purposes	(857)
Write-down fund at 12/31/2018	2.259

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	41	0	41

Other tax credits	209	0	209
Inland Revenue for VAT	21	0	21
TOTAL	271	0	271

As for the item Other tax receivables, of euro 209 thousand, it mainly refers to tax credits on the R&D projects of the Italdata Company.

13.23 OTHER CREDITS

Amount respectively to:

Euro/000	
at 12 31 2017	0
at 12 31 2018	2.869
Variation	2.869

The amount of euro 2,869 thousand refers to euro 2,591 thousand to amounts due to the P.A. for Contributions for R&D projects financed and referable to the subsidiary Italdata S.p.A. and are closely connected. The significant amount of euro 2,591 thousand, as noted in the Report on Operations in the Italdata Financial Statements for the period ended 09.30.2018, is attributable to the continuing delay in the collection of contributions for funded research projects that forced this company to make recourse to loans to support its underlying business also in these projects, despite having this credit still to be collected.

13.24 OTHER ACTIVITIES

They amount respectively to:

Euro/000	
at 12 31 2017	0
at 12 31 2018	61
Variation	61

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	219	0	219
Cash and cash in hand	1	0	1
TOTAL	220	0	220

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

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

On June 19, 2018, the Parent 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 12 31 2017	0
At 12 31 2018	220
variation	220

The amount of euro 220 thousand at December 31, 2018 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 - increase in share capital of euro 3.5 million partly 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 12 31 2017	0

At 12 31 2018	(36)
Variation	(36)

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

I Non-current loans amount to euro 780 thousand. This amount is so detailed:

EURO/000	
Finlombarda Progetto Pilgrim	53
Loan m/l BPER Unsecured loan	155
Loan MCC - Progetto Moliere	242
Loan MCC – Fin. Assistito Prog. R&D	300
Other m/l term Loans	30
TOTAL at 12/31/2018	780

The medium / long-term loans refer to loans contracted by the subsidiaries Italdata and Kes mainly to support the funded R&D projects which were discussed in Paragraphs 13.2 and 13.23, to which reference should, therefore, be made.

It should be noted, in fact, that in order to meet the financial needs, especially those needed for the development of research and development projects, the Italdata and Kes companies avail themselves, where required by the call for the assignment of the Project, of low-rate loans at a medium/long term.

13.29 EMPLOYEE BENEFITS (TFR)

The balance on December 31, 2018, amounted to euro 552 thousand and reflects liabilities to existing employees at the end of the year. It should be noted that as of 31 December 2018 Olidata SpA and Italdata S.p.A. have quantified the capital and economic impact deriving from the application of the criteria established by IAS 19. This impact amounts to euro 36 thousand allocated to an increase in the employee severance indemnity and to the IAS reserve to which reference is made.

13.30 OTHER NON-CURRENT PAYABLES AND LIABILITIES

This item, amounting 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 Recovery Plan certified 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
Provision for disputes with customers	68	0	68
Total non-current quota	107	0	107
Provision for current guarantee risks	66	0	66
Risk fund for PAM penalties	112	0	112
Fiscal sanctions risk fund	20	0	20
Total provisions for risks and charges: current portion	198	0	198

The total of non-current provisions on December 31, 2018, amounted to euro 107 thousand and refer to the provision for risks on disputes with customers for euro 69 thousand. It should be noted that during 2018, following the appointment of the new Board of Directors of the Parent Company made with the shareholders' meeting of April 13, 2018, a sum of euro 39 thousand was set aside for the End of Term Treatment.

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.

The tax risk provision refers to the provision for fines and interest on tax debts of the subsidiary Kes for which the payment deadline had already expired on December 31, 2018.

It is intended here to recall that in the Half-Year Financial Report on June 30, 2018, of Olidata S.p.A. included among the funds for risks and charges of a current nature, the amount of euro 1,366 and referable to the "Fund for Notes 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 Note of Change), the right 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. This amount refers to an interest-bearing loan requested and obtained by the Olidata S.p.A. to meet temporary cash needs.

13.33 PAYABLES TO BANKS

Short-term payables to banks amount respectively to:

Euro/000	
At 12 31 2017	0
al 12 31 2018	1.102
Variation	1.102

The net financial position of the Company at December 31, 2018, is negative for Euro 1,762 thousand and consists mainly of the debt attributable to the subsidiaries Italdata and Kes to deal with R&D Projects as described in Paragraph 13.28 to be coordinated with what was then highlighted in the subsequent Paragraph 13.44.

Values in euro units

CONSOLIDATED NET FINANCIAL POSITION EURO/1000	
	12.31.2018
A. cash desk	1
B. Other liquid availabilities	219
C. Securities held for trading	
D. Liquid assets (A)+(B)+(C)	220
E. Current financial receivables	
F. current financial debts	1.409
G. Current portion of financial debt (in the short term)	0
H. Other current financial payables	100
I. Current financial debt (F)+(G)+(H)	1.509
J. Net current financial debt (I)-(E)-(D)	1.290
K. Non-current bank debts	473
L. Bonds issued	0
M. Other non-current payables	0
N. Non-current financial debt (K)+(L)+(M)	473
O. Net financial debt (J)+(N)	1.762
Consolidated summary PFN	
	12.31.2018
Liquid assets	220
Current financial debt	1.509
Net current financial debt	1.290
Non-current financial debt	473
Net financial debt	1.762

The comparison between the book value and the relative fair value of financial assets and liabilities is not presented as 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 12 31 2017	0
at 12 31 2018	2.004
Variation	2.004

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	1.872
European Suppliers	127
Non-EEC Suppliers	5
TOTAL TRADE PAYABLES	1.437

13.35 OTHER LIABILITIES

They amount respectively to:

Euro/000	
At 12 31 2017	0
at 12 31 2018	147
Variation	147

They are essentially due to revenues recognized in advance.

13.36 TAX PAYABLES

They amount respectively to:

	TOTAL	Within the following year	Beyond next year
Amounts due to tax authorities as withholding agent	373	373	
IRES/IRAP payables	13	13	
Amounts due to tax authorities for VAT	953	953	
Total payables to the tax authorities	1.339	1.339	-

Euro/1000	
balance at December 31, 2017	0
balance at December 31, 2018	1.339
Variation	1.339

The amount of euro 1,339 thousand refers to euro 953 thousand due to VAT. Of this amount, euro 526 thousand is attributable to Olidata SpA and euro 391 thousand refers to the subsidiary Kes S.r.l. With regard to the amount of euro 526 thousand, it is intended here to recall that in the Half-Year Financial Report on June 30, 2018, of Olidata SpA, the amount of euro 1,366 and referable to the "Fund for Variation notes 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 Note of Change), the right 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 of Olidata SpA 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 interpellation by the Parent 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	0
at 12 31 2018	985
Variation	985

The amount, as of December 31, 2018, 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 directors and statutory auditors of euro 156 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 245 thousand, social security debts for euro 181 thousand, debts for R&D contributions to be repaid for euro 88 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 contingent liabilities at the date of approval of this consolidated Annual Financial Report, the commercial debt with the creditor Poste Italiane Sp.A. and included within the remediation plan pursuant to art. 67, C.3, letter D) R.D. n. 267/1942 of the Parent Company as detailed in the paragraph "Liquidity Risks" referred to in the Notes to the Financial Statements at December 31, 2017 of Olidata SpA, which is summarized and updated below: the creditor Poste Italiane 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 5,315 about requested by Poste, including interest, penalties as per the following point and (ii) the percentage of profits to be allocated to Poste in the future, which should not be greater than 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 is also noted that on June 26, 2019 the Parent Company received from the Poste Italiane SpA law firm a formal notice of withdrawal from the original Agreement described above, due to the failure to comply with the terms originally agreed upon for payment of the amount waived by Poste Italiane SpA simultaneously highlighting that Poste Italiane's claim on Olidata SpA cannot be considered withdrawn and amounts to a total of euro 4,385,423.40 (of which euro 4,094,281.89 corresponding to USD 4,213,403.73), plus legal interest and arrears 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.

The Parent Company therefore immediately acted 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:

Euro/1000	total	RELATED PARTIES	
		Ins. value	Value %
Commercial credits	857	0	0,00%
Commercial debts	2.004	1	0,05%
Revenues	1.952	0	0,00%
Purchase costs and services	2.099	2	0,10%

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.

During the year, the subsidiary Italdata SpA received subsidies, contributions, remunerated tasks and in any case economic advantages referred to in l. 124/2017, art.1, paragraphs 125 et seq., Amounting to € 1,116,569.29. The following table shows the data relating to the lenders, the amount or value of the goods received and a brief description of the reasons attached to the benefit.

Italdata SpA (data to the hundredth of a euro)

Number	Issuing subject	Contribution received	Reason
1	MIUR	433.596,00	Contribution to SNIFF research project
2	MIUR	360.070,00	Contribution to eJrm research project
3	MISE	20.000,00	Contribution to Impulso research project

4	MIUR	302.903,29	Contribution to METER research project
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During the year, the subsidiary Kes Srl received subsidies, contributions, paid offices and in any case economic advantages as per Law 124/2017, art.1, paragraphs 125 and subsequent, equal to € 100,082.50. The following table shows the data relating to the lenders, the amount or value of the goods received and a brief description of the reasons attached to the benefit.

Kes Srl (data to the cent of euro)

Number	Issuing subject	Contribution received	Reason
1	European Economic Community - H2020 Program	100.082,50	Contribution to HAEOLUS project cod. EC779469

13.42 EVENTS AND NON-RECURRING SIGNIFICANT OPERATIONS

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	12/31/2018	12/31/2017
Non-recurring income		
Change in positive transactions with Customers / Suppliers	69.165	-
Reimbursement Relief Revenue Agency	64.583	-
Recovery of the write-down of intan.property Olidata Int.(trademarks value restoration)	4.372.930	-
Stock Deprecation Fund Recovery	449.596	-
Total non-recurring income	4.956.274	-
Non-recurring charges		
Extraordinary consultations	206.862	-
Extraordinary Notary Consultations	41.941	-
Provision for credit / equity write-down risk	562.494	-
Losses on loans	340	-
Revenue Agency For Def. Disputes Pending Rest	60.927	-
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	-

13.43 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 corporate assets, protection of minority

shareholders, it is confirmed that there have been no transactions of this kind in addition to those highlighted in the financial statements.

13.44 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 risks committee with Chairman Umberto Rapetto and members Dr. Jean Claude Martinez and Dr. Chiara Renso (resigning from February 28, 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 at December 31, 2018, the trade receivables overdue for over a year amounted to euro 2,281 thousand, individually written down by euro 2,210 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. on 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 those due to expire with respect to 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, the Parent Company on December 28, 2017, 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 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;

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

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 Parent 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 is also noted that on June 26, 2019 the Parent Company received from the Poste Italiane SpA law firm a formal notice of withdrawal from the original Agreement described above, due to the failure to comply with the terms originally agreed upon for payment of the amount waived by Poste Italiane SpA simultaneously highlighting that Poste Italiane's claim on Olidata SpA 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), plus legal interest and arrears 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 for the brief avenues of the Company's law firm:

“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 was a case that changed in 2019 and was not concluded but, on the contrary, completely indicative of its definition in line with what was reported by the law firm of the Parent Company, did not consider the conditions to be present for having to record the economic effects on the consolidated financial statements as at 12.31.2018 consequent to the notification of the PEC received from Poste Italiane.

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 the Group 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 2,976, with a simultaneous reduction in shareholders' equity to euro 1,234 thousand.

It will be the responsibility of the parent company to give an account of the evolution of the aforementioned negotiations starting from the next consolidated half-year financial report.

It should be remembered that the activity of the company Olidata SpA in liquidation and post-liquidation of 2018 was above all aimed at safeguarding the company values in operation and depending on 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 Business Plan: the executive steps" Contained in the Management Report to which reference is made.

The financial risk as described above was therefore addressed with the acknowledgment that it was possible, thanks to these efforts, to reach the meeting of May 2, 2019, which resolved on the increase in share capital up to a maximum of euro 30,000 thousand. 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.

With regard to the liquidity risk of the subsidiaries Italdata and Kes, it should be noted that in order to meet the financial needs, especially those required for the development of research and development projects, the companies make use, where required by the call for project assignment, of soft loans at medium/long-term rates, while for current assets, bank financial instruments are mainly used, such as advances on invoices, customer contracts, and short-term loans. It is intended here to highlight what is also indicated in Paragraph 13.23 to report the credit of euro 2,591 thousand claimed from the P.A. for Contributions for R&D projects financed and referable to the subsidiary Italdata S.p.A. which directly impact on the liquidity risk management of both Italdata and Kes.

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 Group has defined the overall framework for the management of operational risks, defining legislation and organizational processes for their measurement, management, and control. 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.

ENVIRONMENTAL INFORMATION

No environmental damage occurred for which the Companies of the Olidata SpA Group were held responsible in 2018. During the year, the Group continued to consolidate the procedures of its integrated quality and environment system with particular attention to activities relating to waste management.

13.45 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	Compensi Fissi	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 Oldata SpA	Appointed with the Extraordinary Shareholders' Meeting of 05/21/2016	06/27/2018	100.000,00	N/A	N/A	N/A	N/A	-	100.000,00	N/A	-
Riccardo Tassi	Director of Oldata 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 Oldata 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 Oldata 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 Oldata SpA	Appointed by the Board of Directors at the meeting of 04/17/2019	resignation of proxies on 04/17/2019	46.589,03	N/A	N/A	N/A	N/A	-	46.589,03	N/A	-
Chiara Renzo	Director of Oldata 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 Oldata 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 Oldata 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 Oldata 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	-
Tecla Succi	Statutory Auditor of Oldata 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	-
Pullano Domenico	Statutory Auditor of Oldata 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	-
Roberto Rampoldi	Alternate Auditor of Oldata SpA	appointed with the Meeting minutes of 04/30/2015	04/13/2018	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Cristina Antonelli	Alternate Auditor of Oldata SpA	appointed with the Meeting minutes of 04/30/2015	04/13/2018	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Tecla Succi	Chairman of the Board of Statutory Auditors of Oldata 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	-
Samuele Turci	Statutory Auditor of Oldata 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	-
Stefano Bondi	Statutory Auditor of Oldata 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	-
Pier Luigi Mainetti	Alternate Auditor of Oldata 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	-
Cristina Antonelli	Alternate Auditor of Oldata 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	-
Marinella Rossi	Executive in Charge of Oldata 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	-
Andrea Mongillo	Sole Director of Kes Srl	Appointed on 04/19/2018	Approval of the financial statements at 12/31/2019	15.000,00	N/A	N/A	N/A	N/A	-	15.000,00	N/A	-
Marco Fantoni	Chairman of the Board of Directors of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Ripani Ciro	Director of Italdata srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Edmondo Gnerre	Chief Executive Officer of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	49.998,00	N/A	N/A	N/A	N/A	-	49.998,00	N/A	-
Alessandra Todde	Director of Italdata srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Roberto Barberis	Chairman of the Board of Statutory Auditors of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	3.263,00	N/A	N/A	N/A	N/A	-	3.263,00	N/A	-
Marco Gaia	Statutory Auditor of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	2.175,00	N/A	N/A	N/A	N/A	-	2.175,00	N/A	-
Antonio Medici	Statutory Auditor of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	2.175,00	N/A	N/A	N/A	N/A	-	2.175,00	N/A	-
Giovanna Monti	Alternate Auditor of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	-	N/A	N/A	N/A	N/A	-	-	N/A	-
Miriam Immacolata Pirozzolo	Alternate Auditor of Italdata Srl	Appointed by the shareholders' meeting of 01/18/2019	Approval of the financial statements at 12/31/2021	-	N/A	N/A	N/A	N/A	-	-	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.	55
Miscellaneous expenses, Consob rights and other services	Audirevi S.p.A.	23

With regard to the fees for the Audit activity, please note that the Ordinary Shareholders' Meeting of Oldata SpA of May 22, 2017, conferred the task of auditing for the financial years from 2016 (only review of the annual and consolidated financial statements) to 2024, to the auditing company AUDIREVI S.p.A. with registered office in Milan, Via Paolo Da Cannobio, 33.

While for Italdata S.p.A. the resolution of the Shareholders' Meeting of 11/14/2018 formalized the appointment to the same auditing company for the year 2017/18 and report package as of 12/31/2018. For the following three-year period and therefore 2018/19 - 19/20 - 20/21 and related report packages at 12/31/of each year, the Shareholders' Meeting of 01/18/2019 was again assigned to the same Company.

13.46 GUARANTEES

At December 31, 2018, there were sureties issued by banks and insurance companies in favor of the Group for a total amount of euro 8,978 thousand.

14 CERTIFICATION PURSUANT TO ART. 81-TER OF THE CONSOB ISSUERS REGULATION***Certification of the consolidated 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 in charge of preparing 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 consolidated financial statements at 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