

Director's Report on point 1 of the agenda of the Shareholders' Meeting:

Directors' Report on Operations, Report of the Board of Statutory Auditors, Financial Statements as of December 31st, 2017 (15 months); related resolutions

Dear Shareholders,

We submit for your approval the financial statements for the October 1, 2016 - December 31, 2017 financial year, consisting of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Net Assets, the Cash Flow Statement and the Explanatory Notes and additions, as well as the related attachments, and the Report on operations. The financial year ended on December 31, 2017 lasted 15 months, taking into account that on November 18, 2017, you approved to change the closing date of the financial year from September 30 to December 31 of each year.

The Board of Directors proposes to the Shareholders' Meeting to settle the EUR 4,592,489 loss of the year through the use of available reserves.

Milan, March 21, 2018

p. The Board of Directors

The President

(Ing. Rosario Bifulco)