



(Translation from the Italian original which remains the definitive version)

Orsero S.p.A.

**Independent auditors' report on the compilation of pro
forma financial information**

KPMG S.p.A.

28 April 2017



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Independent auditors' report on the compilation of pro forma financial information

To the board of directors of
Orsero S.p.A. (formerly Glenalta Food S.p.A.)

We have examined the accompanying pro forma financial information, comprising the statement of financial position as at 31 December 2016, the income statement for the year then ended and the notes thereto, of Orsero S.p.A. (the "company") (the "pro forma financial information"). The criteria on the basis of which the directors have compiled the pro forma financial information are described in the Basis of presentation section of the notes.

The pro forma financial information has been compiled by the company's directors to illustrate the impact of the merger of GF Group S.p.A. into Orsero S.p.A. (the "merger") on the company's financial position as at 31 December 2016 and its financial performance for the year then ended as if the merger had taken place at 31 December 2016 and 1 January 2016, respectively. As part of this process, the company's directors extracted information about:

- the company's financial position and financial performance from its financial statements as at and for the year ended 31 December 2016, which we audited and on which we issued our audit report dated 27 April 2017, and
- the GF Group's financial position and financial performance from its consolidated financial statements as at and for the year ended 31 December 2016, which other auditors audited and on which they issued their audit report dated 28 April 2017.

Directors' responsibility for the pro forma financial information

The company's directors are responsible for compiling the pro forma financial information on the basis of the criteria described in the Basis of presentation section of the notes.

Our independence and quality control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity,



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objectivity, professional competence and due care, confidentiality and professional behaviour.

Our audit company applies International Standard on Quality Control 1 and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditors' responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the company's directors on the basis of the criteria described in the Basis of presentation section of the notes.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the company's directors have compiled, in all material respects, the pro forma financial information on the basis of the criteria described in the Basis of presentation section of the notes.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the assumed dates would have been as presented.

In order to express our opinion, we performed procedures to assess whether the criteria used by the company's directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the merger and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditors' judgment, having regard to the auditors' understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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



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Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the criteria described in the Basis of presentation section of the notes.

Milan, 28 April 2017

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit

PRO FORMA FINANCIAL INFORMATION OF ORSERO (FORMERLY GRENALTA FOOD S.P.A.)

INTRODUCTION

The pro forma financial information presented below, consisting of the pro forma statement of financial position as at 31 December 2016, the pro forma consolidated income statement for the year 2016 and the related explanatory notes (the "Pro Forma Financial Information"), was drawn up with the aim to represent retroactively the accounting effects of the merger by incorporation (hereinafter also referred to as the "Relevant Transaction" or the "Merger") of GF Group S.p.A. into Orsero S.p.A. (formerly Glenalta Food S.p.A.), as defined under the framework agreement signed on 26 October 2016 (the "Master Agreement"), which was effective from 13 February 2017.

The Pro Forma Financial Information have been prepared by the Board of Directors of Orsero S.p.A.. Effective from 13 February 2017, as a result of the Merger, the company Glenalta Food S.p.A. changed its corporate name to Orsero S.p.A.

In the first half of 2016, following a search for a target company with which to carry out a business combination, the Directors of Orsero S.p.A. (hereinafter also "Orsero" or the "Company") identified GF Group S.p.A. as the target company for carrying out the Relevant Transaction.

Under Article 14.3 of the Articles of Association, the effectiveness of Orsero's Shareholders' Meeting resolution approving the merger was conditional upon the exercise by the shareholders of the right of withdrawal. On 17 December 2016, last date for exercising the right of withdrawal, the right was exercised for 817,005 ordinary shares of the Company, at the liquidation price per share of Euro 10.00.

Additionally, one shareholder exercised the right of withdrawal in accordance with Article 8.5 of the Articles of Association after 30 June 2016 and prior to the Shareholders' resolution to approve the Merger, for 55,000 shares at a total liquidation value of Euro 523,000.

27 January 2017 was the last date to exercise the option concerning 817,005 ordinary shares of the Company in relation to which the right of withdrawal was exercised; as part of the exercise of this option, 228,618 shares were allocated at an offer price per share of Euro 10.00.

As a result of the Merger, starting from the effective date the share capital of the company resulting from the Merger amounts to a nominal value of Euro 64,500,000, divided into 13,590,000 ordinary shares, admitted to trading on "AIM Italia/Mercato Alternativo del Capitale" (the "AIM Italia"), and 150,000 special shares without par value. After the effective date, FIF Holding will hold a stake in the share capital of the company resulting from the Merger of 41.1% of the ordinary share capital (or 40.7% of the total share capital consisting of a total of 13,740,000 shares including special shares).

Following the Merger, the company resulting from the Merger also holds 643,387 ordinary treasury shares.

BASIS OF PREPARATION

The Pro Forma Financial Information was prepared on the basis of the following:

- Orsero S.p.A.: financial statements as at 31 December 2016, drawn up in accordance with the Italian civil code requirements, as interpreted and supplemented by the accounting standards issued by the Italian Accounting Body (the "Italian Accounting Principles"), audited by KPMG S.p.A. which issued its report on 27 April 2017;
- GF Group: consolidated financial statements as at 31 December 2016, prepared in accordance with the International Financial Reporting Standards ("IFRS"), audited by Deloitte & Touche S.p.A., which issued its report on 28 April 2017.

Pro Forma Financial Information has been prepared on the basis of the provisions set out in Consob Communication DEM/1052803 of 5 July 2001, in relation to the Merger, in order to simulate, according to valuation criteria consistent with historical data and compliant with the reference regulations, the effects of the Merger on the consolidated statement of financial position and the consolidated income statement of GF Group as if the Merger had virtually occurred on 31 December 2016 with respect to the effects on financial position only, and on 1 January 2016 with respect to effects on the income statement.

Moreover, in consideration of the different purposes of pro forma data compared to the historical financial statements, and since the effects are calculated differently with respect to pro forma financial position and pro forma consolidated income statement, these should be read and interpreted separately, without attempting to find accounting links between them.

As the Pro Forma Financial Information constitutes, as stated above, a simulation - provided for illustrative purposes only - of the possible effects of the aforementioned Merger on the company's economic and financial situation, and since pro forma data are prepared to reflect retroactively the effects of transactions to be finalized at a later date (even though this was accomplished by following generally accepted practice using reasonable assumptions), there are limitations inherent in the very nature of pro forma data. If the transaction represented in the pro forma data had actually taken place on the assumed dates, the results obtained would not necessarily have been the same as represented in the Pro Forma Financial Information.

The Pro Forma Financial Information has been prepared so as to represent only the most significant, separable and objectively measurable effects of the aforesaid transaction, without taking into account the potential effects due to changes in the management's policies and to operational decisions consequent to the transaction.

Lastly, the Pro Forma Financial Information are in no way intended to represent a forecast of future performance, and should not be used for this purpose.

The Merger will be effective on the date stated in the deed of merger after the reference date used in the preparation of the Pro Forma Financial Information. The accounting effects of the Merger will start from a different date later than the reference date of the Pro Forma Financial Information. Consequently, the values for the assets and liabilities recognized in the financial statements of the acquiring company may differ from those used in preparing the Pro Forma Financial Information.

Finally, the benefits, such as those related to some cost synergies achievable by Orsero, arising from the possibility of leveraging the administrative and financial structure of GF Group, as well as some potential additional costs, particularly those associated with the status of larger company whose shares are admitted to trading on the AIM Italia, were not taken into account as they cannot be reliably quantified.

The Pro Forma Financial Information was prepared in accordance with the IFRS used for the preparation of the GF Group's consolidated financial statements for the year ended 31 December 2016, which should be read in conjunction with the Pro Forma Financial Information.

Orsero's financial statements as at 31 December 2016 were prepared in accordance with Italian accounting standards; therefore, when preparing the Pro Forma Financial Information, the balance sheet and income statement data were reclassified for consistency with the statement of financial position and the income statement used

for preparing the Pro Forma Financial Information. These data were then adjusted to obtain a statement of financial position and an income statement of Orsero compliant with the IFRS. These adjustments are presented as pro forma adjustments, and therefore are not intended to be Orsero's first financial statements prepared in accordance with the IFRS in accordance with IFRS 1 "First-time adoption of International Financial Reporting Standards".

In order to identify the accounting treatment applicable to the Merger, the latter was preliminarily considered as a "Business Combination" under IFRS 3. Based on this, the acquiring company and the substantial acquisition were identified, provided however that from a legal point of view the acquiring entity is GF Group, as after the Merger the current shareholders of GF Group hold a controlling interest of the company resulting from the Merger. On the basis of these considerations, the buyer from a substantive point of view can be identified as GF Group, while the acquired entity (Orsero) does not meet the definition of "business" under IFRS 3. Therefore, the Merger does not qualify as a "business combination", and consequently has to be accounted for as a capital increase of GF Group, amounting to the value of the shares previously held by Orsero shareholders. In fact, in accordance with IFRS 2 "Share-based payment", it is deemed that the best estimate of the goods and services received from GF Group (mainly cash and the status of a company listed on AIM Italia) represents the fair value of the capital previously held by Orsero shareholders, measured on the date of the actual exchange of shares, which coincides with the effective date of the Merger. The difference between the value of the capital increase recognized in GF Group and the value of goods and services received cannot be recorded as goodwill, and given its non-recurring nature this entry is not recorded in the Pro Forma Financial Information.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

The table below presents the pro forma financial position for the year ended 31 December 2016.

	GF Group	Orsero	Transition IFRS	Aggregate	Purchase SFP	Bank repayment	Treasury Share	Non current costs of the Business Combination	Financial expenses	Discontinued operations	Pro-Forma Orsero
Thousands of euro	i.	ii.	iii.	iv.	v.	vi.	vii.	viii.	ix.	x.	xi.
- goodwill	3.834	-		3.834							3.834
- other intangible assets	6.208	777	(777)	6.208							6.208
- tangible assets	85.881	-		85.881							85.881
- financial assets	39.221	-		39.221							39.221
- other fixed assets	668	-		668							668
- deferred tax assets	7.291	-		7.291					128		7.419
Non-Current Assets	143.103	777	(777)	143.103	-	-	-	-	128	-	143.231
- inventories	24.114	-		24.114							24.114
- trade receivables	80.528	-		80.528							80.528
- current tax receivables	13.918	622		14.540							14.540
- other current asset	10.037	39		10.076							10.076
- cash and cash equivalent	37.095	79.733		116.828	(25.000)	(29.000)	(5.884)		(466)		56.478
Current Assets	165.691	80.394	-	246.085	(25.000)	(29.000)	(5.884)	-	(466)	-	185.735
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	308.794	81.171	(777)	389.188	(25.000)	(29.000)	(5.884)	-	(338)	-	328.966
Capital and reserves attributable to Parent Company	67.973	71.612	(777)	138.808	(25.000)	-	2.286	-	(338)	-	115.756
Non-Controlling Interest	741			741							741
TOTAL SHAREHOLDERS' EQUITY	68.714	71.612	(777)	139.549	(25.000)	-	2.286	-	(338)	-	116.497
- non-current financial liabilities	74.706			74.706							74.706
- other non-current liabilities	209			209							209
- deferred tax liabilities	2.771			2.771							2.771
- provisions for risks and charges	4.394			4.394							4.394
- employees benefits liabilities	5.741			5.741							5.741
NON-CURRENT LIABILITIES	87.821	-	-	87.821	-	-	-	-	-	-	87.821
- current financial liabilities	59.863			59.863		(29.000)					30.863
- trade payables	75.841	1.358		77.199							77.199
- current tax and social security liabilities	4.874	29		4.903							4.903
- other current liabilities	11.680	8.171		19.852			(8.170)				11.682
CURRENT LIABILITIES	152.259	9.558	-	161.817	-	(29.000)	(8.170)	-	-	-	124.647
Liabilities held for sale	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	308.794	81.171	(777)	389.187	(25.000)	(29.000)	(5.884)	-	(338)	-	328.966

**PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
31 DECEMBER 2016**

The table below presents the pro forma income statement for the year ended 31 December 2016.

	GF Group	Orsero	Transition IFRS	Aggregate	Purchase SFP	Bank repayment	Treasury Share	Non current costs of the Business Combination	Financial expenses	Discontinued operations	Pro-Forma Orsero
Thousands of euro	i.	ii.	iii.	iv.	v.	vi.	vii.	viii.	ix.	x.	xi.
Net sales	684.970			684.970							684.970
- cost of goods sold	(612.317)			(612.317)							(612.317)
Gross Profit	72.653	-	-	72.653	-	-	-	-	-	-	72.653
- overheads	(49.165)	(680)	390	(49.455)							(49.455)
- other income and expenses	(6.757)	(1.711)	(177)	(8.645)				3.054			(5.591)
Operating Result (Ebit)	16.731	(2.391)	213	14.553	-	-	-	3.054	-	-	17.607
- net financial expenses	(2.144)	1.204		(940)					(466)		(1.407)
- result from investments	4.912	-		4.912							4.912
Profit before tax	19.499	(1.187)	213	18.524	-	-	-	3.054	(466)	-	21.112
- tax expenses	(2.031)	-		(2.031)				(959)	128		(2.862)
Net profit from continuing operations	17.468	(1.187)	213	16.493	-	-	-	2.095	(338)	-	18.250
Net profit of "discontinued operations"	844	-		844				-		(844)	-
Net profit	18.312	(1.187)	213	17.337	-	-	-	2.095	(338)	(844)	18.250
- attributable to non-controlling interests	97	-	-	97	-	-	-	-	-	-	97
- attributable to parent company	18.215	(1.187)	213	17.240				2.095	(338)	(844)	18.153

EXPLANATORY NOTES TO THE PRO FORMA FINANCIAL INFORMATION AS AT 31 DECEMBER 2016

The pro forma entries recorded for the preparation of the Pro Forma Financial Information are briefly described below.

The first column contains the consolidated statement of financial position and the consolidated income statement figures, respectively, of GF Group as at 31 December 2016, extracted from the consolidated financial statements of GF Group as at 31 December 2016.

The second column includes the balance sheet and the income statement, respectively, of Glenalta as at 31 December 2016, extracted from Glenalta's financial statements as at 31 December 2016.

The third column includes pro forma adjustments to the balance sheet and income statement of Glenalta to reflect application of the IFRS to the financial statements. In particular, the adjustment entry refers to the write-off of certain intangible assets (such as start-up costs, charges for listing on the AIM Italia, and the relevant amortization) which are not eligible for capitalization under the IFRS.

The fourth column, named "Aggregate", includes the sum of the figures presented in previous columns i, ii and iii.

The fifth column contains the adjustment to the item "Cash", in order to represent Orsero's commitment to purchase from the banks the equity financial instruments already issued (42,148,942 equity financial instruments) and to be issued (71,007,000 equity financial instruments) by GF Group, for a total fixed price, not subject to any adjustment, of Euro 25,000 thousand on the date of execution of the Merger Deed. As a result of the Merger, all shares representing the entire share capital of GF Group and all the equity financial instruments referred to above are cancelled since, as a result of the Merger, the owner and the issuer are the same.

The sixth column includes adjustments to "Cash" and "Current financial liabilities" figures, in order to represent the post-merger company's commitment undertaken under the Master Agreement to repay in advance a portion of GF Group's debt to banks amounting to Euro 29,000 thousand, after the effective date of the Merger.

The seventh column includes an adjustment to reflect the liquidation of 817,005 shares for which, pursuant to Article 14.3 of the Articles of Association, the right of

withdrawal was exercised, and an adjustment resulting from the allocation of 228,618 shares as part of the option offer of the 817,005 ordinary shares for which the right of withdrawal was exercised. The liquidation value of the shares for which the right of withdrawal was exercised and the value of the shares offered by option is Euro 10.00 per share. Therefore, the adjustment reflects a net cash reduction amounting to Euro 5,884 thousand and an increase by Euro 2,286 thousand of shareholders' equity in relation to the equivalent value of 228,618 shares allocated under the option offer.

The eighth column contains a pro forma adjustment referring to the costs incurred by Orsero and GF Group in connection with the Relevant Transaction and the related tax effect. These costs, amounting to Euro 3,054 thousand, as non-recurring components pertaining exclusively to the year in which the Relevant Transaction takes place, are only recognized in the pro forma statement of financial position, and therefore are written off from the historical data of GF Group and Orsero.

The ninth column includes a pro forma adjustment to "Net financial expenses" of Euro 338 thousand, net of tax effects. The Euro 30,884 thousand cash reduction resulting from the combined effect of (i) purchase from the banks of equity financial instruments for Euro 25,000 thousand, and (ii) the net outlay of Euro 5,884 thousand relating to exercise of the right of withdrawal and the option offer of the shares for which the right of withdrawal was exercised, also generates lower interest income.

The tenth column contains the result of "discontinued operations" adjustment, amounting to Euro 844 thousands, referring to the disposal of the equity investment in Moño Azul S.A. and Business Aviation that took place before the end of the year. These disposals were required under the Master Agreement as a precondition for finalizing the Relevant Transaction.

The last column, named "Pro forma", includes the sum of the figures presented in previous columns iv, v, vi, vii, viii, ix and x.