

A dark blue vertical bar on the left side of the page, with a blue arrow pointing to the right from its center. The date '07/04/2016' is written inside the arrow.

07/04/2016

DATA SHEET ECO-RICICLI VERITAS

Attached to The Expression of Interest

Several thin, curved lines in shades of blue and grey that originate from the bottom left and curve upwards and to the right, creating a sense of movement and design.

Standard
VERITAS S.P.A.

HISTORY OF THE COMPANY and COMPANY STRUCTURE

Eco-Ricicli Veritas s.r.l. (hereinafter ERV) it is a limited liability company set up on 27 December 2006.

The company, with the corporate name of VETRITAL SERVIZI, with a capital stock of € 100,000, was established by a group of firms operating in the market for the trading and processing of scrap glass, together with other subjects holding proven skills in this sector.

The current core business commenced in 2007 and, in the original phase, was limited exclusively to the collection, transportation and trading of glass material and scrap in general, but later extended to the entire field of the collection and transport of urban waste for recycling.

In the first months of 2008 the current business sector was created following a corporate reorganization. The founding companies sold their entire capital stock in VETRITAL SERVIZI to LA RO.VE.CO. s.r.l. that contemporaneously with the foregoing purchase, sold its business units for the management of selection and processing plants to, respectively to VETRITAL SERVIZI s.r.l. and ECOPIAVE s.r.l.

In particular, from 1 July 2008, with the sale of the foregoing business unit, ERV's current activities commenced: namely the management of plants for the selection and treatment of glass - plastic - cans, collection and the transportation and trading of waste glass, ferrous and non-ferrous waste, paper, rags, rubber, plastic, aggregates and other recoverable or recyclable materials, on in own account and / or in association with third parties.

For various reasons VETRITAL SERVICES s.r.l.'s activities ceased to be profitable, and Veritas SpA became one of the company's stockholders in 2009.

In July 2010 the company changed its name to ECO-RICICLI VERITAS s.r.l., as part of the reorganization process of Veritas S.p.A.'s subsidiaries. The new name is a better indication of the company's real operations: the collection and selection of sorted urban materials / waste, especially VPL (Glass Plastic Cans) and paper, to exploit their value after recycling.

Today ERV, within the Veritas Group, is specialized in the selection and exploitation of urban waste whose collection is performed by the parent company Veritas. ERV's customers include a large number of public and private companies.

The company, therefore, remains strongly committed to the glass selection and transformation production chain, but has also expanded its specialization to include other types of recoverable materials, thanks to the contribution of industrial partners that are currently stockholders of ERV.

The following table summarizes ERV's current stockholders, while pointing out that:

- a) ASVO S.p.A. is a public limited company controlled by Veritas S.p.A. operating in the waste collection sector in the Province of Venice
- b) IDEALSERVICE SOC. COOP. is a cooperative society specialized in collection and reclamation of plastic waste in the supply chain headed by the national consortium CO.RE.PLA.
- c) DEMONT s.r.l. currently in receivership, has expressed the desire to sell its shares in ERV to Veritas S.p.A.

- d) TREVISAN CARTA s.r.l. is specialized in the recovery and exploitation of the market sector of paper and cardboard packaging, within the organization headed by the national consortium CO.MI.ECO. and on the free market
- e) BIOMAN S.p.A. is specialized in the treatment and exploitation of the organic component of urban waste
- f) ECOAMBIENTE ROVIGO S.p.A. is a public company operating in the waste collection sector within the territory of the Province of Rovigo.

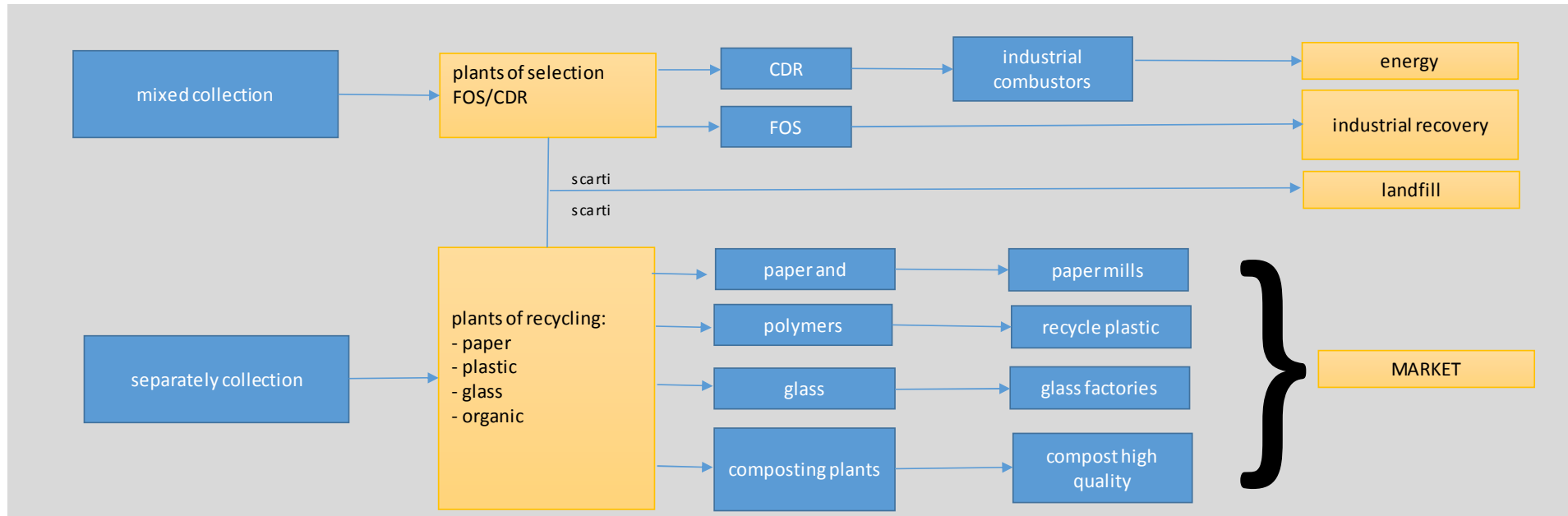
ECO-RICICLI VERITAS SRL		
VERITAS SPA	€ 5,230,000	74.71%
ASVO SPA	€ 420,000	6.00%
IDEALSERVICE SOC. COOP.	€ 420,000	6.00%
DEMONT SRL	€ 300,000	4.29%
TREVISAN CARTA SRL	€ 300,000	4.29%
BIOMAN SPA	€ 280,000	4.00%
ECOAMBIENTE ROVIGO	€ 50,000	0.71%
TOTAL CORPORATE STOCK	€ 7,000,000	

MISSION

ERV'S Mission is to offer services for collecting, sorting, processing and utilizing GPC (glass, plastic, cans) and other materials. ERV pursues process optimization, considering the needs and expectations of its customers and stockholders as well as territorial requirements, and perspective of sustainable development, while respecting and protecting the environment, the promotion of workers' safety and health, through a commitment to continuous improvement and innovation.

The company's rationale is contained in the concepts "LANDFILL ZERO" and " KM-ZERO WASTE ENHANCEMENT ". ERV's management, in line with the guidelines of its parent company Veritas S.p.A., has decided to make its production site, situated within the perimeter of the newly-formed Eco.district of Marghera, an "environmental sustainability" model. The decision requires the definition and implementation of a cultural, organizational, design and technology process in which issues of environmental protection and the limited use of primary resources, along with the economic and financial sustainability of its initiatives, are always primary concerns.

DEFINITION AND ANALYSIS OF THE TARGET MARKET: INTEGRATED WASTE MANAGEMENT



In order to best outline ERV's core business and identify its production chain's possible developments, the following is a brief description of the system of integrated waste management actually in force in Italy.

The industrial development of the integrated waste management sector has always influenced and been related to legislative changes introduced by national and European legislators. Thus a firm wanting to enter this particular sector, must always develop its plans and projects according to the guidelines and constraints of sector regulations.

The cycle of urban waste management is divided into several stages, which differ significantly from each other both technically and economically.

The first stage is represented by collection, where waste is divided into unsorted and sorted fractions.

Unsorted waste collection is not separated out by type of waste by its users. In sorted waste collection, instead, waste is sorted by homogeneous categories.

The two types of collection give rise to two distinct chains of management, synthetically represented in the graph at the beginning of this paragraph.

Unsorted waste is sent to landfills or used for energy recovery in energy plants. In the treatment of mixed waste an intermediate stage of processing is often used, represented by a passage through a mechanical-biological treatment plants (MBT), which reduce the waste's volume. The MBT plants prepare urban waste

for landfills or energy recovery. In the first case, the waste is subjected to bio-stabilization processes that make landfills environmentally safer. In the second case, the TMB mechanically separates out the dry and wet fractions. The wet component is used to produce the stabilized organic fraction (SOF), a low quality compost used for the daily cover of landfills and environmental restoration. The dry fraction, instead, undergoes further processing and is then primarily used to produce secondary solid fuel (CSS), for the production of energy in energy plants (TMV) or for other uses (cement).

The separately collected waste gives rise to a completely distinct waste processing chain. The materials obtained from sorted collection are earmarked for recycling.

The organic fraction of sorted waste is wet, and treated in composting plants, thus generating a product for use as fertilizer.

The remaining part of the sorted waste comprising waste grouped by product fractions is sent away for recycling. The recycling process is an authentic industrial production chain, which after collection continues selection and processing activities (ie. the core business activities of ERV).

The selection consists in separating out different types of materials (for example glass, plastic, cans, etc.), or the separation of different types of the same material.

Treatment, instead, is the activity that processes original waste into secondary raw material (SRM) so that it can be exploited economically.

These activities are conducted at selection and treatment plants, whose location with respect to the waste collection sites is critical, given the high incidence of transportation costs. The recycling of urban-waste fractions is a highly capital intensive activity.

The selection and treatment phases, taken jointly, constitute the recycling process.

The recycling that follows the sorted collection stimulates innovation and the development of new production sectors in which the waste is transformed into productive inputs for the manufacturing industry.

In sorted urban-waste fractions, packaging waste is particularly important, as it constitutes a significant part (about 50%) of sorted waste. Since the mid-90s, the management of this specific type of waste, in all EU member States, is regulated by compliance schemes that extend producers' responsibility for packaging management to the next consumption phase (EPR - Extended Producer Responsibility), to make sure that they finance the cost of pollution caused by the placing of such goods on the market, in accordance with the Polluter Pays Principle.

In Italy the compliance scheme is operated through the National Packaging Consortium (CO.NA.I).

With legislative decree No. 22/1997, CONAI has been given full programming, promotion and communication functions to achieve overall recovery and recycling targets, as well as coordination with sorted collection activities carried out by public administrations. Among the main operational tasks assigned to the CONAI stand out:

- (i) the definition of general pick up conditions, by manufacturers, of waste selected from sorted collection;

- (ii) the definition, in agreement with the regions and governments concerned, of the territorial areas where to operate an integrated system for the collection, sorting and transportation of the sorted materials to collection or sorting centers;
- (iii) sharing the costs (referred to as compensation for the higher costs) of waste collection, recycling and recovery of primary packaging waste including that collected by public waste services between producers and users.

With reference to CONAI's relations with individual packaging production sectors, particular importance is given to the production and updating of a general program for the prevention and management of packaging and packaging waste ("Program"). For the purposes of this program, the Consortium for each type of packaging waste has identified the percentage by weight to be recovered every five years, and the percentage by weight for recycling of single types of packaging, and established a minimum percentage by weight for each material.

As mentioned earlier, CONAI is responsible for allocating the higher costs of sorted collection as between producers and users as well as charges for the recycling and recovery of packaging waste sent to separate collection "in proportion to total quantity, weight and type of packaging material placed on the domestic market". This takes place net of the packaging volumes re-utilized in the preceding year for each type of material as well as of all types of re-utilizable packaging put on the market against the payment of a cautionary deposit. To this end, the Consortium charges its associates the Environmental Contribution CONAI ("CAC") fee, which by law can only be used "on a priority basis for the withdrawal of primary packaging or otherwise assigned to the public service and, incidentally, to the organization of the collection, recovery and recycling of secondary and tertiary packaging waste."

This contribution, as established by CONAI, is levied at the time of packaging disposal throughout the national territory from the last to the first operator of the utilization chain. The sums collected from the contribution payments are collected by CONAI in the name and on behalf of chain consortia, which are then subsequently used to subsidize local governments for higher recycling costs.

In addition to the financing of waste collection activities, the CAC fee is used to cover the operating costs of the CONAI, whose main income remains the membership fees paid by its member.

Given that current legislation encourages cooperation between the consortium system and the competent local authorities in the organization of sorted waste collection of packaging, the most significant organizational tool for such cooperation is the Agreement ANCI-CONAI. In this regard, it is important to emphasize that individual municipalities are free to sign this agreement on a voluntary basis, and are therefore free to refuse financing from the consortium system and find different destinations for their waste. The key aspect of the Agreement is the provision whereby the CONAI makes payments to municipalities, and production-chain consortia, "for the various packaging waste management stages, from collection to delivery to the operating structures indicated in agreements".

The implementation of the ANCI-CONAI Agreement really refers to relations between supply chain consortia and individual municipalities. These relations - through which the waste collection by municipalities is reconciled with the fulfilment of the recovery and recycling obligations imposed on producers - are regulated by specific and distinct technical annexes to the ANCI-CONAI, one for each consortium supply chain. Local authorities enter into these special single agreements for each specific type of packaging waste, prepared on the basis of a standard agreement which, inter alia, fix the actual fees for the material given downstream of sorted collection (fees, as already seen, funded from the CAC paid to CONAI by associate companies).

An important element in the relations between affiliated municipalities and supply chain consortia is the delivery of packaging waste to special sites, called platforms, where different materials are separated out and other accessory operations conducted necessary for making the treated waste available to subjects authorized by the relevant chain consortium. Although the ANCI-CONAI Agreement does not address the question of ownership directly, it is regularly mentioned in the single technical annexes: either private companies or public companies can be owners of the platforms. Some chain consortia, in cooperation with CONAI, have also taken steps since 2000 to create their own autonomous network of platforms.

Supply chain consortia are set up for each type of packaging material by their respective manufacturers in order to organize and carry out the following activities:

- (i) recycling and recovery of packaging waste;
- (ii) recovery of used packaging;
- (iii) collection of secondary and tertiary waste packaging on private land; withdrawal, on the recommendation of the CONAI, of packaging waste conferred by the public service to a downstream recycling platform

While individual producers can undertake the activities referred to in (i) and (ii) through forms of organization alternative to the consortium, those referred to in (iii) cannot be monopolized and, as already said, are carried out on a competitive basis by a plurality of companies.

Given the above, as part of the so-called CONAI system, the following chain consortia are currently in operation:

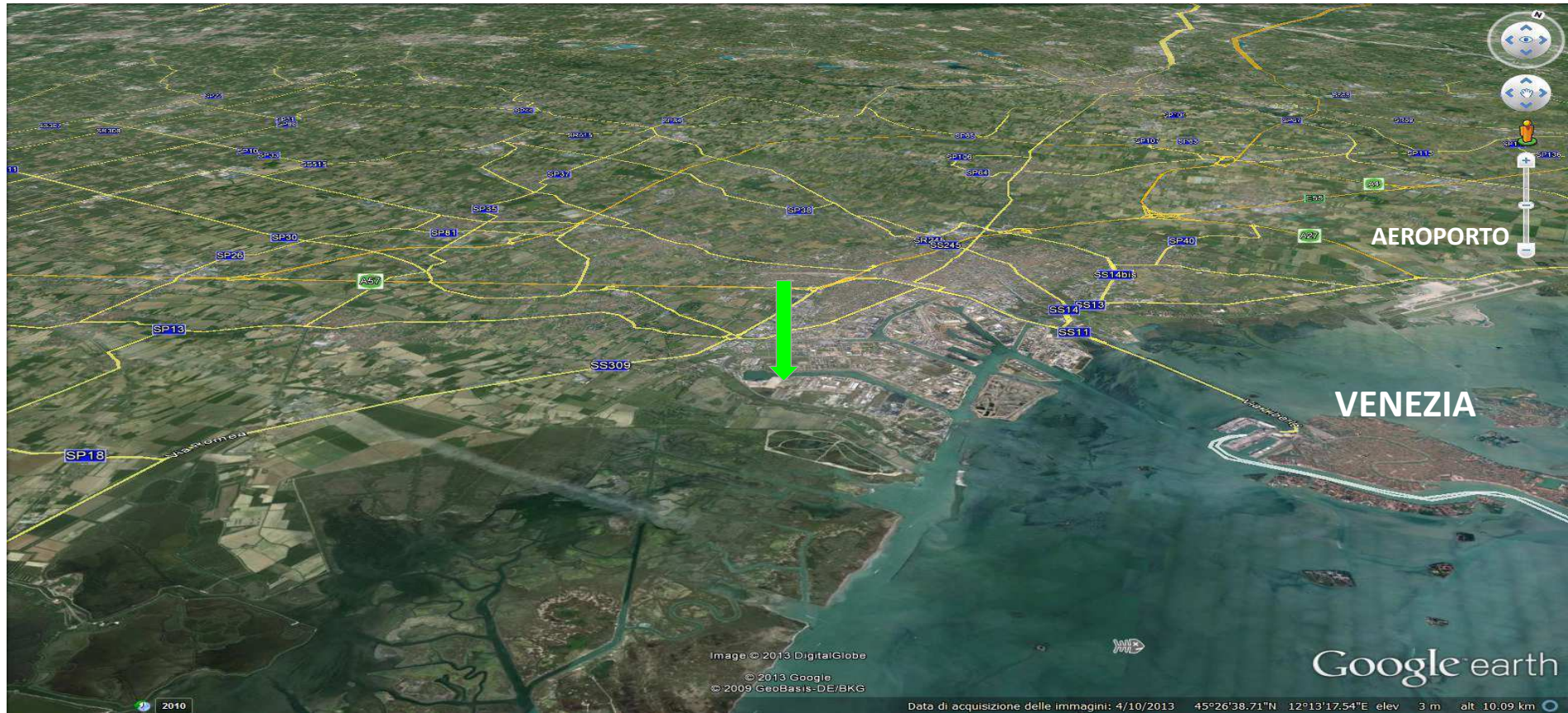
- a) Consorzio nazionale acciaio (“RICREA”);
- b) Consorzio nazionale imballaggi alluminio (“CIAL”);
- c) Consorzio nazionale recupero e riciclo degli imballaggi a base cellulosica (“COMIECO”);
- d) Consorzio per la raccolta, il riciclaggio ed il recupero di rifiuti di imballaggi in legno (“RILEGNO”);
- e) Consorzio nazionale per la raccolta, il riciclaggio ed il recupero dei rifiuti di imballaggi in plastica (“COREPLA”);
- f) Consorzio recupero vetro (“COREVE”).

Operationally, each of these consortia conducts its operations on the basis of a specific document, i.e. the aforementioned technical annex ANCI-CONAI, tailored for each supply chain. These technical annexes in their turn regulate the bilateral agreements reached between single municipalities organizing the separate collection and the consortia concerned, and based upon so-called standard agreements.

COMPANY PROFILE

Within the integrated waste management sector, ERV is mainly concerned with the selection and treatment stage.

The ERV owned plant is located in the industrial zone of Porto Marghera, and is accessed from all the main road, rail and port routes



The optimal location of plant of ERV will facilitate the development and the establishment of new industrial activities downstream of the recycling chain, not only on account of the ease of delivery of any finished products, but also in view of its potential to become a receptive center of materials for sorting and treatments from any territories outside the Province of Venice.

In particular, the Fusina plant employs more than 130 employees and covers a total area of 22,375 square meters, of which 18,091 square meters for the plant itself and 4,284 square meters for offices and services.

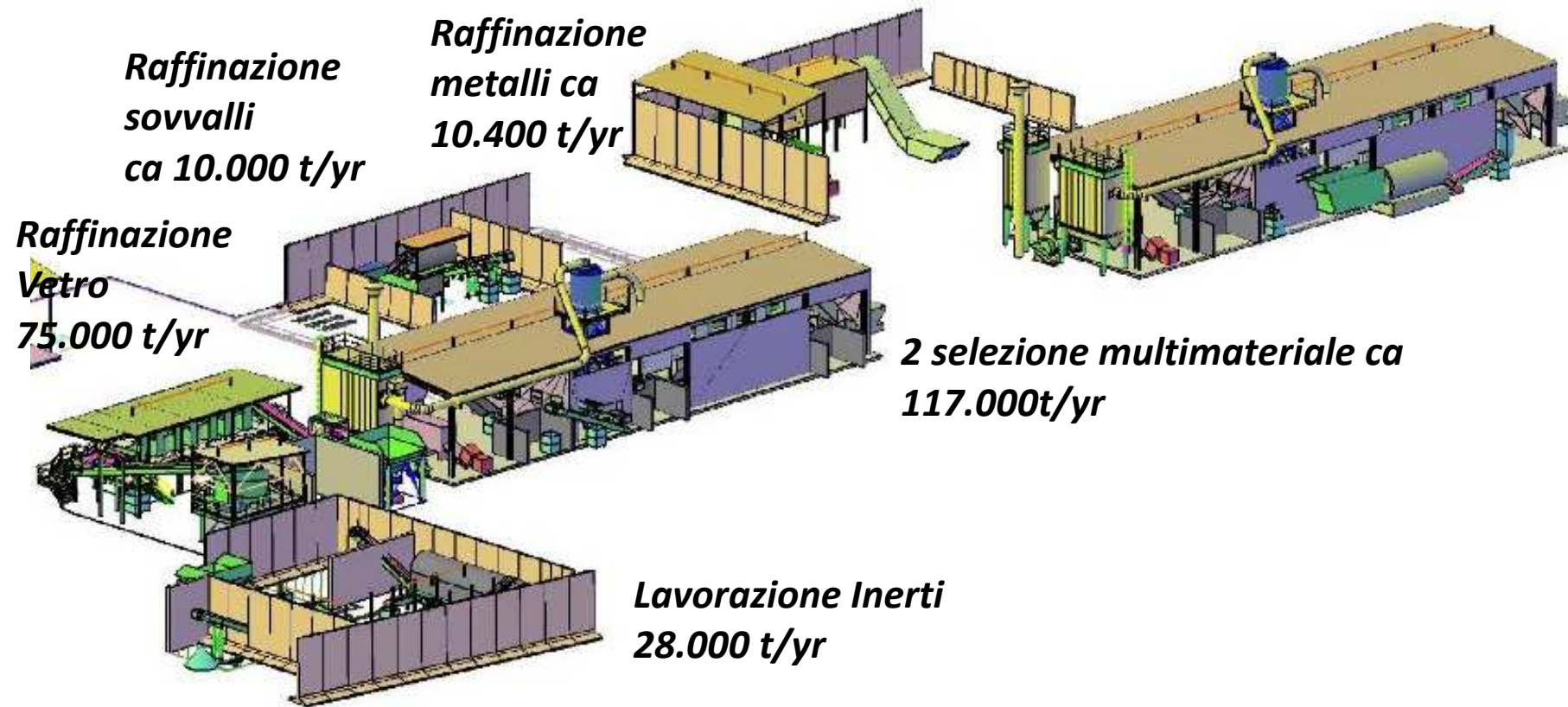
In 2015 ERV has run and targeted for recovery:

- 118,000 tons of packaging waste
- 38,000 ton of inert vitreous matrix
- 175,000 tons of glass scrap
- 28,000 tons of plastic
- 65,000 tons of paper
- 13,000 tons of ferrous and non-ferrous scrap
- 10,000 ton of wood.



The Fusina plant is operating on the basis of the Integrated Environmental Authorization issued by the Province of Venice n. 2026 of 6 July 2012.

The scheme of plant layout is shown in the following figure.



Besides the selection and treatment, ERV also operates in the field of collection and transportation of urban and special waste, as well as in the brokerage and trading of third-party waste. ERV holds the following authorizations and registrations:

- entered on the Register of Commercial Transporters VE2257273T
- entered on the Register of Ecological Operators VE06701:
 - Cat. 1 – urban waste transport – class A – serving up to 500 K inhabitants
 - Cat. 4 – special waste transport – class C – up to 60 K tons/year
 - Cat. 5 – hazardous waste transport – class E – up to 5 K tons/year
 - Cat. 8 – brokerage – class A – quantities above or equal to 200 K tons/year

ERV has initiated, through special purpose vehicles, the downstream industrial initiatives of the recycling chain. In particular:

- ECOPATE' s.r.l.: a company that operates a plant for the processing of glass scrap to Glass Pronto al Forno (VPF) site in Musile di Piave (VE). ERV has a 40% ownership of company, while the remaining 60% belongs to a multinational company. Through this ERV vehicle company the project “VPF delegato” was started in collaboration with CO.RE.VE. and works with the main operators in the sector (glassworks) in the territory.
- METALRECYCLING VENICE s.r.l.: wholly owned by ERV, this operates in the recovery of ferrous and non-ferrous scrap, as well as trading in ferrous scrap and waste in general. This company operates from an industrial site located near the headquarters of ERV, holds a specific and autonomous integrated environmental authorization, and is signatory to two agreements with the consortium RECREA, that identify it as a "platform."

More details on industrial and commercial activities of ERV, as well as on data from the affiliates and / or subsidiaries thereof, will be provided in the data room.

The following is a brief summary of the main economic data of ERV for the last 4 years:

<i>Data in thousands of Euros</i>	2015	2014	2013	2012
Net Asset	€ 12.151	€ 11.902	€ 7.102	€ 5.947
Production Value	€ 38.425	€ 37.768	€ 34.583	€ 27.958
EBIT-DA	€ 2.363	€ 2.561	€ 2.521	€ 2.295
Difference between Production Value and Production Costs	€ 1.126	€ 1.360	€ 1.479	€ 1.329
Operating Profit before tax	€ 490	€ 267	€ 1.321	€ 1.183
Operating Profit	€ 249	€ 100	€ 825	€ 751

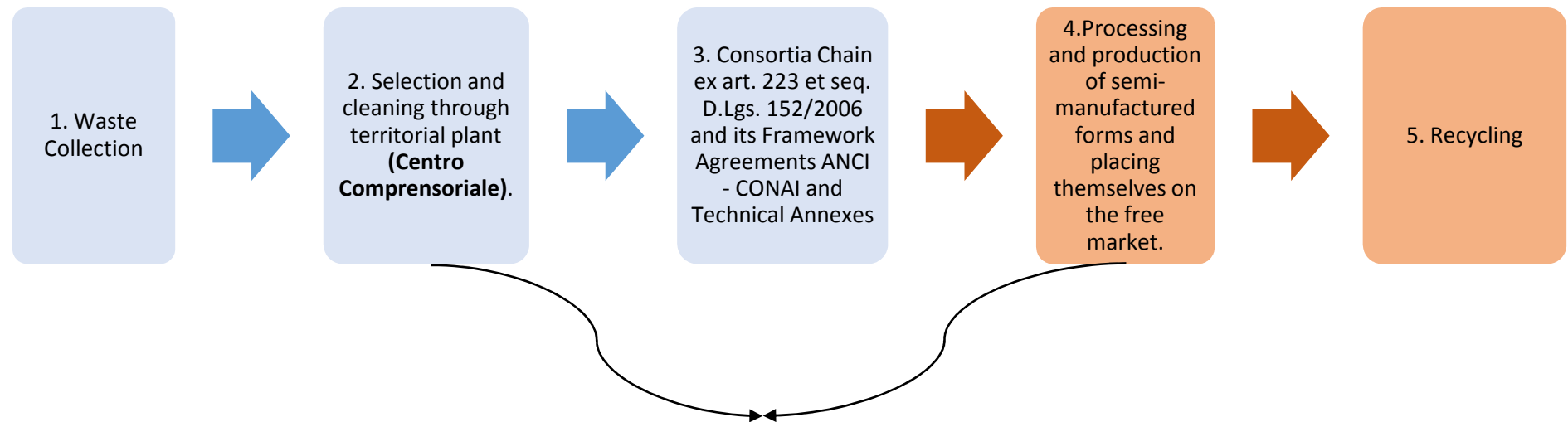
The complete annual financial statements relating to periods 2014/2013/2012, along with other corporate documents relating to quality, organization and environment, are available online at site www.eco-ricicli.it.

BUSINESS PLAN UNDERLYING THE EXPRESSION OF INTEREST

It is assumed that the analytical details of the ERV Business Plan will be provided only in the data room phase, while at this stage only the guidelines have been outlined on whose basis business plan will be developed.

Earlier it was stated that in the management of sorted collections, two main industrial activities can be distinguished, which, however, are closely interconnected, as the organization of the first (collection), really determines the organization of the second (treatment and recycling). ERV operates in the processing and recycling industry.

The recycling chain can be synthesized, at present, in 5 main phases, which however, comprise two main areas, differentiated by the role played by the National Packaging Consortium (CONAI).



In the framework of the recycling processes, the activities that form the core business of ERV, and thus performed directly and autonomously by the company refer to the activities of phases 2 and 3; in other words those regulated on the basis of the ANCI-CONAI Framework Agreement, and correlated technical annexes, between the various supply chain consortia and for which the fees paid by end users refer (citizens and companies coming within the scope of the waste's uptake).

This is operational phase for which an exclusively financial partner is being sought, namely a partner to sustain ERV's growth while limiting the return on its investment to the forecasts as stated under **action 1 and action 2** of the Expression of Interest.

The activities included in phases 4 and 5 see ERV involved in the promotion and control of the industrial chain downstream of waste collection, as an economic operator interested in the development of the European package of Circular Economy contained in the new European Directives on waste and of packaging waste being approved. The income from these types of industrial initiatives does not derive from the waste tariff levied on citizens and, therefore, they enjoy more freedom of action by financial and strategic partners.

The optimal financial partner is a subject that supports the ERV industrial project (action 1 and 2), and has the negotiating and strategic skills to initiate further activities for the recycling industry and the circular economy in general (action 3).

These projects will be analyzed and discussed in depth in the data room. The following table indicates the amount and nature of the investments included in the Business Plan.

	1. PLANT BULKY WASTE		2. REVAMPING VPL		3. METAL PROCESSING LINE		4. PLANT INNOVATIONS		TOTAL ERV	5. DEVELOPMENT IN SUBSIDIARIES
M2 AREA	15.000		20.000		12.500					
LAND	€ 1.200.000	€ 1.500.000			€ 1.000.000	€ 3.700.000				
AREA EQUIPMENT	€ 1.500.000	€ 1.250.000			€ 750.000	€ 3.500.000				
BUILDING	€ 700.000	€ 500.000			€ 1.300.000	€ 2.500.000				
EQUIPMENT AND PLANTS	€ 300.000	€ 2.000.000	€ 450.000	€ 3.300.000	€ 6.050.000					
ACTION IN SUBSIDIARIES										€ 5.000.000
TOTAL INVESTMENT	€ 3.700.000	€ 5.250.000	€ 450.000	€ 6.350.000	€ 15.750.000			€ 5.000.000		