

*Preg.ma Sig.ra Dott.ssa Anna Maria Catta
Director of JMA
Regione Autonoma Sardegna
ENPI CBC Bacino del Mediterraneo
Via Bacaredda n. 184
09127 - Cagliari (CA)*

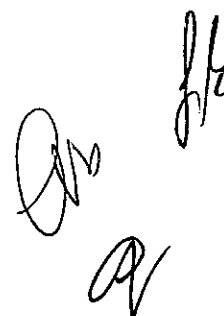
AUDIT Report

Annual Financial Report 2017/2018 and Final Report on the implementation of the Programme for the entire duration of the Programme.

We have reviewed the 2017-2018 Annual Financial Report, related to the ENPI CBC Mediterranean Basin Programme, which includes declarations of expenses and income, bank accounts, EU payments, a summary of the main accounting policies and other explanatory notes as well as the consolidated expenses and income declarations (Managing Authority and BO of Aqaba and Valencia) for the entire duration of the Programme, ie from 14 August 2008 to 15 June 2018.

The responsibility of the JMA regarding the Financial Report

The Joint Managing Authority is responsible for the preparation and correct representation of the Annual and Overall Financial Report, as well as for all the internal controls that the Joint Managing Authority deems necessary for its preparation, so that it is free from errors, due to fraud or inaccuracies, and complies with the rules that apply to the Programme.



The responsibility of the Auditor

Our responsibility is to express an opinion on the 2017/2018 Financial Report and on the Consolidated Report for the entire duration of the Programme, based on the results of our audit activity, carried out in compliance with the IFAC International Standards and on the calculations made by the JMA, included in the financial part of the report concerning the consolidated expenses and income declarations for the entire duration of the Programme.

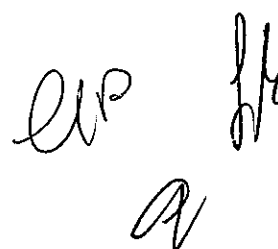
These rules provide for compliance with the ethics rules and to plan and carry out the verification with the aim of obtaining reasonable certainty, in order to be able to state that the Financial Report is free from significant anomalies.

The external audit activity involved the procedures aimed at obtaining evidence on the amount of the sums declared and on the other information contained in the 2017/2018 Financial Report and for a correct ex-post evaluation of the consolidated expenses and income of the entire duration of the Programme.

The choice of the procedures implemented has depended on the Auditor's judgment. This judgment concerned the assessment of the risks of material errors in the Report, caused both by fraud and errors.

As part of this risk assessment, the Auditor examined the internal control procedures, referring to the quantification of the entities included in the 2017/2018 Annual Financial Report and the Overall Final Report for the entire duration of the Programme and their correct representation, aiming at defining audit procedures appropriate to the circumstances, and not at expressing an opinion on the effectiveness of the internal control itself.

The audit also implied the assessment of the congruity of the accounting methods and estimates made by the JMA, as well as an appreciation on the presentation of the 2017/2018 Annual Financial Report and the Final Report as a whole. We believe that the evidence collected is sufficient and appropriate to provide a basis for expressing our opinion.





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Opinion

In our opinion, the 2017/2018 Financial Report and the Financial Report for the entire duration of the Programme represent in a faithful way, in all their significant aspects, the financial situation of the Joint Operational Programme at 15/06/2018, the income, expenses and bank accounts, referring to the financial year closed on that date, in compliance with the relevant International Standards.

On the basis of the activities carried out and the controls carried out both at the JMA and at the BOs of Aqaba and Valencia, we can certify that the expenses declared in the 2017/2018 Financial Report as well as the final and consolidated Report for the entire duration of the Programme are reliable, exact and effectively incurred.

Gianluca Battaglia

Gabriela Napoli

Giuseppe Battaglia

Accountants and Legal Auditors

Napoli, 4 Settembre 2018

Protom Group S.p.A.

Via Foro Buonaparte n. 70 – 20121 Milano – Italia