

**ASJA AMBIENTE ITALIA**  
Report and Financial Statements  
as of and for the Year Ended 2016



**CLEAN AIR  
WANTED**

**asja**

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*Unless otherwise stated, all amounts reported  
in the herein statements are expressed in  
euros.*

**BOARD OF DIRECTORS**

*Chairman*

Agostino Re Rebaudengo

*Chief Executive*

Alessandro Casale

*Directors*

Guido Corbò

Emilio Re Rebaudengo

**BOARD OF STATUTORY AUDITORS**

*Chairman*

Mario Del Sarto

*Auditors*

Enrico Bonicelli

Leonardo Cuttica

**INDEPENDENT AUDITORS**

Ernst & Young spa

Dear Shareholders,

the Financial Statements as at December 31, 2016, here submitted to your approval, report profits of € 6,978,126 net of appropriations at corporate's expense for Amortization, Depreciation and Write-downs for € 8,231,483 as well as of income taxes Ires and Irap for € 277,509. In drawing-up fiscal year's profit (loss) it has been taken into account the total amount of Financial Income and Expenses that contributed positively for € 4,677,185.

The item Difference between Production Value and Costs reached € 2,023,435 against € 7,224,472 over fiscal year 2015. Such gap is mainly attributable to termination of CIP 6 conventions as well as to the outstanding plummet in energy prices (energy price already increased by 10% over the first quarterly period 2017 as compared to the same period in 2016 and is expected to soar furtherly throughout 2017). The amount of € 2,023,435 does not take into account the € 8,505,088 regarding capital gains on the sale of shareholding in Laterza Aria Wind and in Laterza Wind 2 such amounts having been broken down in the item Financial Income. Both fiscal year 2016 and 2015 were reclassified to comply with the updated accounting principles in force as of January 1, 2016, amended by provisions set forth by Law Decree 139/2015.

The herein financial statements have been drawn-up to comply with the legislation set forth in the Articles of Charter 9, Part V, Book V of the Italian Civil Code.

Given that the Notes to the Financial Statements comprise, apart from a foreword on criteria and methods, information pursuant to Article 2427 of the Italian Civil Code, the hereby report provides solely disclosure pursuant to Article 2428 of the Italian Civil Code.

## Scenario



Never has Man impacted so dramatically planet Earth as over 2016 thus passing officially from Holocene to Anthropocene, i.e. an epoch in which Man's footprint on the planet is so relevant it can be visible on rocks therefore setting a new step in the geologic time scale.

Over the whole 12-month period 2016, CO<sub>2</sub> levels in the atmosphere, the main cause for global warming, went past the symbolic threshold of 400 ppm. No surprise therefore that 2016 was the hottest year since 1880, i.e. since temperature fluctuations were first tracked. It had been at least 800,000 years since our Planet recorded such high values and to such concern scientists warn that it will be extremely difficult to get back to "normality", at

least not during our lives nor those of our children's. It is this forecast precisely that raised the alarm within the international community accelerating and strengthening thus unprecedentedly common

efforts to fight against climate change.

November 4, 2016 marked the entry into force of the Paris Agreement, signed the previous year at the COP21. Such agreement, that commits the signatories to set a goal of limiting global warming to less than 2 degrees Celsius (°C), is the main tool we possess in order to forestall the incredibly devastating effects of climate change. As a follow-up to the treaty's entry into force, there was high expectancy from the outcome of COP22, conference in which the strategic guidelines that had been set in Paris were supposed to become tangible measures and precise deadlines.

Nevertheless, the election of a climate change denier as the head of one of the most involved nations in the war against climate change brought discontent and cast a dark shade upon the future. Even so, not even Trump can prevent the economic, technological and social transformation that is leading us toward a low-carbon-emission energy system.

Who would choose to stay out of the greatest economic revolution of the 21st century? Renewables, energy efficiency, sustainable mobility and recycling have now become a question of business not of political ideology. The green economy is bringing job places and innovation: companies operating within this sector boast being amongst the most competitive, innovative, digitalized and productive. This revolution sets though new challenges that may be overcome solely by adopting a different, prejudice-free approach. This applies mainly to the electric power market. It is of utmost importance to work jointly in order to overturn the system so as to comply with regulations set forth by the latest Clean Energy Package published by the European Committee: centrality of prosumers, a more active role within efficiency and renewables as well as decisive steering toward vehicle and consumption electrification. This represents the motivation behind the set up of Elettricità Futura ("Future Electricity"), subsequent to a long sharing process. This is what our cities, always more and more faced with unsustainable levels of pollution, and our Planet, showing increasingly alarming distress, are claiming for.

## Asja Ambiente Italia's Core Business

### *Biogas and Biomasses*



Citizens are increasingly growing fond of waste sorting and this goes hand in hand with initiatives promoted by municipalities and regional institutions. Within a circular economy, waste is not seen as a problem but as a means to create clean energy; to such concern Asja availed itself of the opportunity to join and develop new business related to OFMSW (Organic Fraction of Municipal Solid Waste) thus designing, building and managing plants for energy and biomethane generation into the grid or for powering vehicles.

Asja's R&D team is currently involved in seeking best-case scenarios for the successful implementation of this new business branch; to such concern, consequent to accurate

assessment of the sites with the highest compliance, Asja was able to identify a few interesting initiatives, both in terms of OFMSW flow and of positive context.

Subsequent to a complex authorization process, the Company was authorized to proceed with the construction and operation of an anaerobic digestion plant for OFMSW (40,000 tons yearly) and green waste treatment (13,500 tons yearly) in the city of Foligno (Pg). The project foresees production of biomethane (roughly 4 million cubic meters yearly) to be fed into the natural gas grid and compost/fertilizer (about 10,000 tons yearly), obtained through a process of aerobic stabilization of the digestate produced from the anaerobic section. Plant construction is bound to begin as of January 2017, the plant becoming operational by first half 2018. The authorization process for the construction and operation of an OFMSW anaerobic digestion plant in Pianezza (To) was completed; the plant produces biomethane to be fed into the natural gas grid partnered by Cassagna company.

By first quarter 2017 a special purpose vehicle (SPV) will be set up that will provide for investment and subsequently plant management. Construction is bound to commence first half 2017 with the plant's entry into force foreseen first half 2018. Always within the framework of OFMSW and of biomethane/compost production, various development opportunities have been assessed, in particular exclusive negotiations for the acquisition of projects at advanced authorization phases and/or shovel-ready.

For some of these initiatives we are bound to reach positive outcomes by first half 2017.

With regard to landfill biogas, Asja consolidated its market leadership by widening its biogas exploitation rights on landfills as well as by obtaining the extension of O&M full service contracts with third parties; to such concern on the Bellolampo (Pa) landfill the Company obtained the concession for a new waste disposal tank with a volume of about 1.5 million cubic meters. Asja was awarded

the tender, for which prominent competitors bided, for the full-service maintenance of some tri-generation plants (electric power, heating and cooling) with Telecom Italia's CED.

Asja also took part in a tender call for full-service management of a gas plant on a landfill in Tuscany; outcome of which is expected by first quarter 2017. Design and paperwork related to both tenders was managed by the Group's own staff.

## **Wind**



Fiscal year 2016 featured intense development activities that led to obtaining eight authorizations for projects spread between Sicily and Puglia. Such initiatives were submitted to tender procedure by GSE pursuant to Ministerial Decree of June 23, 2016 that led to obtaining the feed-in-tariff for a 5.15 MW project in Sicily, whose construction is forecasted for 2017. The remaining projects raised investors' interest in acquiring the related assets once operational.

In parallel, development of the wind on-shore foreign market was enacted by an appointed team with particular focus on Scotland and Wales.

## **Photovoltaics**



To this concern Asja has been focusing on the management of its 14 operational plants spread domestically, that reach an overall installed power of roughly 12 MW.

As a follow-up to the drop in dispatch prices of energy and pursuant to Law n.116/2014 ("Spalma Incentivi" decree), decrease was registered in revenues even though partly offset by cost reduction and higher generation.

Asja's internal competences are maintained, thus allowing the Company to provide O&M and Asset Management services within the framework of photovoltaics.

New initiatives of acquiring already operational plants have been taken into account.

## R&D



Throughout 2016, Asja Ambiente Italia's R&D team looked into business opportunities connected to the production of biopolymers and bioplastics deriving from biological processes of waste biomass upgrading and biomethane. Therefore the following projects were submitted over the period: the H2020 Engicojn project (microbial factories for the production of PHA, PHB and lactic acid) having as project leader the Italian Institute of Technology (IIT); the BiFour project, partnered by EnviPark, Moltosenso, Hysytech and IIT, within the Innovation Poles ("Poli d'Innovazione") platform of the Regione Piemonte. The PROMETEO project, aimed at developing a biomethane production plant by means of

physical absorption of CO<sub>2</sub>, the result of collaboration between Asja (project leader) and Research in Energy Systems (RSE), was granted the loan by the Ministry of Economic Development. The project is bound to commence first quarter 2017, subsequent to completion of the administrative procedure.

The Company, aiming to promote compost upgrading that will be produced on the AD plant in Foligno, jointly collaborated with VUS and other farms in Umbria Region, to introduce Smartcompost, a regional project having as target the innovation of the fertilizing compost.

Asja, within the framework of energy efficiency, became promoter of H2020 project that foresees development of solid state technology for heat and electricity production owing to optical systems. In order to maximize power generation from Pianezza 1 and 2 plants, the R&I division is currently in charge of looking into hydroponics and coming up with accurate business plans to such concern.

Asja finally concluded, in collaboration with Aria Engineering, the Study of Feasibility regarding BiomethUP, a project aimed at landfill biogas clean up to biomethane.

As far as microgeneration is concerned, fiscal year 2016 saw the modeling and prototyping of TOTEM Full-Thermal, a microgenerator coupled by a heat pump providing thus higher energy efficiency, that culminated with the presentation of a commercial product by first half 2017.

Furthermore, Asja supported TOTEM Energy in developing a new microgenerator for the US market and, in collaboration with Underwriters Laboratories, in achieving certification required for microgenerators' trading in US and Canada.

The final balance on the project "Production of Microgenerators", Activity 2 of POR FESR 2007-2013 was paid over 2016; its reporting having been thoroughly audited by the consultancy company Ria Grant Thornton.



## Asja Internationally



Fall 2016 featured commencement of construction works on the Sabarà plant, that are bound to be completed early 2017. Negotiations for the acquisition of exploitation rights on the Jaboatão landfill are currently in act.

The future biogas plant, featuring an overall power of 13.5 MW, will become the largest in Asja's history (Genoa plant's installed power currently being the largest amongst those built and managed by the Company with installed power equaling 9.8 MW).

In order to furtherly consolidate our team in Brazil, we are currently recruiting a qualified manager to cover for Administration, Finance & Control, a key role leading to constant management improvements given the forecasted

investments. An expert engineer in biogas joined the AsjaBrasil staff as Engineering Director after having gained experience in the sector with Asja Italia.

The Jaboatão landfill will require purchasing activities amounting to roughly 30 million R\$ (€ 9.7 million) and consequent outsourcing, quality control of suppliers and cost optimization. With regard to growth and furtherly scheduled investment, we are currently recruiting a Purchasing Manager to take over the responsibilities involved. The CERs (Certified Emission Reduction) deriving from the Belo Horizonte project obtained the Gold Standard certification with subsequent added value to the initiative. Estimated CERs produced and assessed by the first Gold Standard certification (June 2013 - December 2015) are about 140,600, to which 50,200 CERs accrued over 2016 are added. Release of the credits on the ConsorcioAsja account and their further sale is forecasted by September 2017.

As far as Uberlandia project is concerned and related CERs, the upgrading process to the Gold Standard system ended successfully. Estimated CERs produced and assessed by the first Gold Standard certification (July 2013 - December 2015) are about 280,000, to which 98,000 CERs accrued over 2016 are added. Release of the credits on the Energias account and their further sale is forecasted by August 2017.

In China, the Shenyang plant brought incremental results due to the drilling of 90 biogas upgrading wells in 2015 thus passing from 15,600 MWh in 2015 to 19,948 net MWh in 2016 (155,000 tons of CO<sub>2</sub> avoided). Due to larger biogas availability it was requested a 1.42-MW connection to the grid.

With concern to consultancy activities within the Carbon framework, the Chinese team hit targets set under 2016 budget, thus reporting turnover equal to RMB 1,646,000 (€ 220,000) against the forecasted RMB 1,400,000 (€ 188,000).

## Certificates

In 2016 Asja, availing itself of a new certification organization namely Rina Services spa, submitted to an auditing procedure aimed at renewing its quality system certification (ISO 9001) and at maintaining its environmental system certification (ISO 14001) and safety and health at the workplace (OHSAS 18001). Audits were performed on the biogas plants in Bellolampo (Pa) and Campobello di Mazara (Tp), on the wind plants in Ciccolocane (Mt) and Fumosa (Tp), on the vegetable oil and photovoltaic plant in Rivoli (To). Audits have also been performed on all operational processes performed at the Company's Headquarters in Rivoli. Asja's commitment toward constant improving led to setting targets in various areas, amongst which quality, environment protection and safety i.e. operational safety, HR management and operational efficiency.

Asja spreads out its environmental, economic and social sustainability by updating yearly its report on sustainability called "Asja Social Responsibility".

## Asja -CO<sub>2</sub>



Asja Market proceeded with its activity of communication and spreading of the Asja -CO<sub>2</sub> project, obtaining good results in terms of visibility and branding.

As far as Asja's commitment toward compensation of climate-changing emissions, the consolidated collaboration with Cinemambiente Film Festival which, for their 5-day event, has been canceling emissions for over ten years, is still in act.

On February 22, on the occasion of Energy Saving Day promoted by Caterpillar (Radio2), Asja canceled 300 kg worth of CO<sub>2</sub>, that compensates for emissions produced by home-work-home journeys of its employees on the Rivoli Headquarters.

Asja took part in the È MOBY project, an innovative service brought up and developed by the start-up company Moby

Health, that provides people with reduced mobility with the possibility of renting mobility scooters powered by electric energy. In line with the social and sustainable aspect of this initiative, Asja canceled the tons of CO<sub>2</sub> produced by the generation of electric power that fuels the mobility scooters.

This year as well the Environmental Museum (MACA) in Turin turned to Asja in order to obtain an estimation of prior year's electric and thermal power consumption that was compensated by Asja -CO<sub>2</sub> through cancellation of 64 tons of corresponding CO<sub>2</sub>. This being a sole example, please check the complete list of cancellations on our website.

## Personnel and Offices

Il 2016 has yet been another year dedicated to strengthening and consolidating efficiency as well as to cost and resources optimization.

As far as training was concerned, roughly 2,000 hours were spent on professional and management training with particular emphasis placed on Health and Safety at the Workplace courses.

The Company has maintained its offices in Rivoli (To), Turin and Palermo.

### Training

	<b>2016</b>	<b>2015</b>
Total number of courses delivered	111	102
Total number of hours training delivered	1,924	962
Hours training per capita	4.60	3.5

## Fixed Assets: Investments and Divestments

Throughout the period there have been investments in Intangible Assets amounting to € 401,985, that concern mostly Software Programs and Trademarks for € 151,455, Building Leases for € 1,000, Extraordinary Maintenance on Third-party Assets for € 58,393 as well as Extraordinary Maintenance on Third-party Assets-Rivoli (on which the Company currently operates) for € 191,137.

New investments in Tangible Assets over the period amount to € 2,016,978 net of investments over the period and their subsequent disposal.

As far as Financial Assets are concerned, the following variations in net values recorded in Investment occurred over the period:

- increase totaling € 395,768 owing to acquisition of CGDB Enrico srl for € 10,000, of 100% stakeholding in CGDB Laerte srl for € 371,768, of 100% stakeholding in Wind Park Laterza srl of € 10,000, as well as to provision for common stock increase in Aria Wind Plants srl for € 4,000;
- decrease totaling € 3,800,857 owing to the sale of the subsidiaries Laterza Aria Wind srl and Laterza Wind 2 srl as well as of 20% stakeholding in ETR Oleos SA.

Throughout 2016 the subsidiary Puglia Solar 3 srl was incorporated, via merger, to the subsidiary Puglia Solar 1 srl.

## Personal Data Protection

With regard to personal data protection, the Security Planning Document (SPD) has been drawn-up to comply with regulations set forth in Law Decree no. 196/2003 Article 34.

## Financial and Economic Reclassification and Related Indices

In order to allow for a better understanding of the operating performance, a reclassification of both Balance Sheet and Income Statement is provided hereafter, as well as a chart featuring indices based on the financial method.

### Balance Sheet

		2016	2015
<i>Non-current Assets</i>			
Intangible assets	I	13,947,669	14,932,509
Tangible assets	I	56,469,969	61,332,810
Financial assets	I	82,380,538	93,669,303
<i>Working Capital</i>			
Inventories	C	1,997,454	622,893
Deferred cash	C/LD	41,448,262	39,515,696
Available cash	C/LI	3,931,951	3,022,753
<b>Capital invested</b>	<b>K</b>	<b>200,175,843</b>	<b>213,095,964</b>
Shareholders' equity	N	78,205,601	71,483,552
Consolidated liabilities	T	65,946,383	64,976,099
Current liabilities	T/PC	56,023,859	76,636,313
<b>Capital raised</b>	<b>K</b>	<b>200,175,843</b>	<b>213,095,964</b>

Over fiscal year 2016 Financial Assets and Payables due to current liabilities underwent decrease as a follow-up to write-offs of payables and of receivables deriving from the sale of the two "Laterza" subsidiaries.

## Income Statement

	<b>2016</b>	<b>2015</b>
Revenues from sales and services	48,498,362	60,967,957
Changes in finished goods' inventories	1,374,561	-
Changes in commissioned work-in-progress	-	11,868
<b>Value of Production</b>	<b>49,872,923</b>	<b>60,979,825</b>
Purchase of raw, ancillary and consumption materials	(3,503,308)	(5,946,883)
Changes in raw, ancillary and consumption materials' inventories	-	(988,087)
Cost of services	(16,803,518)	(17,692,646)
Cost of use of leasehold properties	(8,956,285)	(9,372,874)
<b>Added Value</b>	<b>20,609,812</b>	<b>26,979,335</b>
Labor cost	(7,386,095)	(7,385,617)
<b>Gross Trading Margin</b>	<b>13,223,717</b>	<b>19,593,718</b>
Amortization, Depreciation and Write-downs	(8,231,483)	(8,657,040)
<b>Operating Income</b>	<b>4,992,234</b>	<b>10,936,678</b>
Other revenues and income	3,549,174	3,833,014
Other operating expenses	(6,517,973)	(7,545,220)
Other financial income	10,464,426	2,564,318
Interest and other financial expenses	(5,786,389)	(5,429,066)
Exchange gains and losses	(852)	8,079
<b>Current Income</b>	<b>6,700,620</b>	<b>4,367,803</b>
Adjustments in net income for the year due to rounding-off	(3)	-
<b>Income before Tax</b>	<b>6,700,617</b>	<b>4,367,803</b>
Income tax – current, deferred, anticipated and Irap	277,509	(1,175,484)
<b>Net Profit</b>	<b>6,978,126</b>	<b>3,192,319</b>

## Ratios

		<b>2016</b>	<b>2015</b>
Burden of fixed assets	I/K	76.33%	79.75%
Burden of current assets	C/K	23.67%	20.25%
Burden of equity	N/K	39.07%	33.55%
Burden of minority equity	T/K	60.93%	66.45%
Availability index	C/PC	84.57%	56.32%
Cash index	(LI+LD)/PC	81.00%	55.51%
Self-hedging assets index	N/I	51.18%	42.07%
ROE	RN/N	8.92%	4.47%
ROI	EBIT/K	2.49%	5.13%
ROS	EBIT/SALES	10.29%	17.94%

## Description of Risks and Uncertainties

Asja is a utility that generates and trades green energy mainly characterized by:

- large investment in medium-term subsidized plants (from 5 to 12 years);
- absence of "unsold" risk as renewable energy holds a "dispatch priority" i.e. selling the entire amount of generated power under 15/20-year contracts;
- limited payment risk since the energy is sold primarily to: GSE (Gestore dei Servizi Energetici), Electrade, Edelweiss, Green Trade, Duferco Energia; GSE is a limited company wholly owned by

the Ministry of Economy and Finance, that also guarantees on potential risks, as well as eligibility of all incentives: Feed-in Tariff, Conto Energia, Aste Fer and Inclusive Tariffs.

## Performance of Subsidiaries

Particular attention has been paid to the following subsidiaries:

- Asja Market srl, apart from managing the Asja-CO<sub>2</sub> system, is authorized to trade electric power on the free market guaranteed by the Asja.biz Clean Energy trademark which can be purchased by public or private end-users that share a common concern toward the environment;
- Helios Energy Landolina srl, owned by Asja with a 99.60% stake, is proprietor of a photovoltaic plant that became operational on December 1, 2011. 2016 recorded negative results;
- Meltemi Energia, 100% proprietorship of Asja, reached positive and satisfactory results over the current period;
- Puglia Solar 1 srl, 100% proprietorship of Asja, merged with Puglia Solar 3 and generated electric power from three photovoltaic plants recording thus positive results at fiscal year-end;
- Puglia Solar 2 srl, 100% held by Asja, generated electric power from two photovoltaic plants recording thus positive results at fiscal year-end;
- Rabbici Solar srl, 100% subsidiary of Asja, generated electric power from a photovoltaic plant recording thus positive results at fiscal year-end;
- Specchia Solar srl, 100% subsidiary of Asja, generated electric power from a photovoltaic plant recording thus positive results at fiscal year-end.
- The newly acquired companies are at a start-up phase, for which a sole authorization for the construction of new wind plants was obtained.

Asja's business activities abroad are proceeding via Asja Brasil Serviços para o Meio Ambiente Ltda., Asja Renewables Shenyang Co. Ltd..

In terms of foreign subsidiaries, please see description in the Asja Internationally paragraph.

## Relations with Subsidiaries and Associates

Since late 2012 Asja has held 10% stake in Poligrow Inversiones SL, an international group operating in African palm crops used for the production and selling of sustainable palm oil.

The main movements regarding subsidiaries are set forth below:

- on June 17 the sale of the subsidiaries Laterza Aria Wind srl and Laterza Wind 2 srl took place;
- on November 7, 20% stake in the subsidiary ETR Oleos SA was disposed of.

Fiscal year 2016 saw the merger of Puglia Solar 3 srl with the subsidiary Puglia Solar 1 srl.

## ***Subsidiaries***

### ***Asja Market srl***

- provided services to Asja totaling € 695,000;
- received services totaling € 60,000.

### ***Helios Energy Landolina srl***

- ongoing non-interest-bearing loans totaling € 717,030;
- received services for € 30,000.

### ***Asja Renewables Shenyang Co. Ltd***

- ongoing interest-bearing loans totaling € 610,000 and accrued interest for € 206,356.

### ***Asja Brasil Serviços para o Meio Ambiente Ltda. e Consorcio Horizonte***

- ongoing interest-bearing loans totaling € 4,564,973 and accrued interest for € 1,325,238 toward AsjaBrasil as well as interest-bearing loans for € 9,064,932 and related interest for € 3,478,424 toward Consorcio Horizonte Asja.

### ***Meltemi Energia srl***

- ongoing interest-bearing loans totaling € 14,642,000 and accrued interest for € 1,459,603;
- received services amounting to € 40,000.

### ***Puglia Solar 1 srl***

- ongoing interest-bearing liabilities totaling € 320,000 and accrued interest amounting to € 16,044;
- received services for € 154,000.

### ***Puglia Solar 2 srl***

- received services amounting to € 125,000.

### ***Rabbici Solar srl***

- ongoing interest-bearing liabilities totaling € 110,000 and accrued interest of € 5,515;
- received services amounting to € 61,100.

### ***Specchia Solar srl***

- ongoing interest-bearing liabilities totaling € 100,000 and accrued interest for € 5,014;
- received services totaling € 61,100.

### ***Asja Sabarà Servicos para o Meio Ambiente Ltda.***

- ongoing interest-bearing loans totaling € 350,000 and accrued interest amounting to € 20,933.

### ***CGDB Laete srl***

- ongoing non-interest-bearing loans totaling € 92,932.

***CGDB Enrico srl***

- ongoing non-interest-bearing loans amounting to € 35,184.

***Wind Park Laterza srl***

- ongoing non-interest-bearing loans amounting to € 17,485.

***Associates******Elea Utilities Società Consortile S.c.a.r.l.***

- received services amounting to € 152,508.

***Etr Oleos SA***

- ongoing interest-bearing loans amounting to € 165,681 and accrued interest for € 454,252.

***Poligrow Inversiones SL***

- ongoing interest-bearing loans amounting to € 16,825,205 and accrued interest for € 3,041,784.

All charges for the operations have been established on the basis of normally charged prices within the free competition system taking into account the different weight of the parties involved at contractual stage.

## **Organization Model and Code of Conduct pursuant to Legislative Decree 231/01**

As required by Legislative Decree 231/01, during current fiscal year, the Company adopted its own Organization Model and Code of Conduct in order to implement principles, policies, procedures and behavioral practices which integrate internal control. It was therefore appointed a Supervisory Board (OdV) endowed with autonomous power of initiative and control aimed at the correct application of the Organization Model. The Board was included in the staff and collocated on the higher hierarchical position possible.

## **Disclosure Required under Art. 2428 of the Italian Civil Code**

1. R&D costs linked to work design and planning have been paid during current fiscal year except for those considered multi-annual. Regardless of its competitors, Asja keeps maintaining highly innovative and dynamic characteristics.
2. Asja does not hold and has not held over the current fiscal year, neither directly or indirectly, through a trust corporation or third party, its own shares or shares in the holding company.
3. Asja Ambiente Italia spa has neither purchased nor sold its own shares or shares in the holding



company, neither through a trust corporation nor third party.

4. As far as the financial instruments are concerned, the Company during its routine operations, is exposed to market risks, mainly regarding interest rate variation.
5. As at December 31, 2016 the number of shares issued and out standing amounted to 14,156,000, all subscribed and paid up, bearing the value of 4 euros per unit.

The total number of shares issued are ordinary. It is particularly emphasized that throughout the fiscal year the Company has not issued any dividend-bearing shares nor convertible bonds and has not owned, acquired or disposed of shares or stakeholding in any of its subsidiaries neither through a trust nor third party.

## Relations with Related Parties

Asja availed itself of Ago Renewables spa for the plant construction and maintenance.

Ago Renewables spa benefited from Asja's services. All services have been billed at market value.

Asja's technical and administrative offices in Rivoli are proprietorship of the aforementioned company to whom Asja pays a market-value rent. The Guarene office, used for commercial and technical meetings, is owned by Apee company to whom Asja pays a rent at market value.

Asja supports the activity of the Sandretto Re Rebaudengo Foundation by endowing an annual contribution. The Company collaborates, mostly regarding R&D, with Totem Energy; the latter supplying maintenance services.

## Events Occurring since Fiscal Year End and Business Outlook

Over the first three-month period 2017 revenues have been in line with prior year's same period. Consequent to investment made and pursuant to Law 388 Article 8, during the current year Asja Ambiente Italia will compensate for taxes and charges of roughly 1 million euros.

Negotiations concerning two operations of refinancing that regard four wind plants (i.e. Baglio Nasco, Monte Mola, Guarine and Fumosa) totaling € 34,000,000 are currently in act. Such operation will allow decrease in the average cost of money raising by about 0.50%.

We would also like to point out that on May 16, 2017 a "Share Purchase Agreement" (SPA) was signed with Renvico Bidco srl, a company that is part of a prominent International financial group, aimed at the sale of 100% stakeholding in the company Meltemi Energia srl.

The closing of such operation is foreseen to occur by the end of June and is bound to bring a plummet in consolidated NFP equal to € 75,500,000.00 (€ 43,000,000.00 concerning purchase payment and roughly € 32,500,000.00 regarding debt burden of the subsidiary). Construction of the Sabarà plant in the Minas Gerais State in Brazil will be completed first semester 2017 thus boosting biogas revenues and consolidating our presence in Brazil.

## Destination of Earnings

Dear Shareholders,

You are kindly invited to approve the herein Financial Statements as at December 31, 2016 and to allocate fiscal year's earnings amounting to € 6,978,126.31 as follows:

Legal reserve	€ 348,909.00
Prior years' earnings	€ 6,629,217.31
	<b>€ 6,978,126.31</b>

*Rivoli, May 16, 2017*

On behalf of the Board of Directors  
The Chairman  
*Agostino Re Rebaudengo*



<b>Assets</b>	<b>2016</b>	<b>2015</b>
<b>a) Credits to shareholders owed from deposits not yet due</b>	-	-
<b>b) Intangible, Tangible and Long-term Financial Assets</b>		
<i>Intangible assets</i>		
Research, development and publicity costs	-	18,373
Industrial patent and intellectual property	1,794,253	1,867,771
Concessions, licenses and similar rights	11,642,338	12,644,817
Other intangible assets	511,078	401,548
<b>Total</b>	<b>13,947,669</b>	<b>14,932,509</b>
<i>Tangible assets</i>		
Land and building	153,423	153,423
Plant and machinery	54,866,534	60,044,944
Industrial and commercial equipment	174,995	234,522
Other tangible assets	521,035	556,385
Tangible assets under construction and advances	753,982	343,536
<b>Total</b>	<b>56,469,969</b>	<b>61,332,810</b>
<i>Long-term financial assets</i>		
<i>Investment in</i>		
Subsidiaries	19,690,543	22,361,094
Associates	5,570,454	6,304,991
Other companies	5,000	5,000
<b>Total investment</b>	<b>25,265,997</b>	<b>28,671,085</b>
<i>Receivables</i>		
<i>Subsidiaries</i>		
Due within subsequent fiscal year	1,865,262	15,156,435
Due after subsequent fiscal year	34,737,356	29,245,006
<i>Associates</i>		
Due within subsequent fiscal year	15,000	15,000
Due after subsequent fiscal year	20,496,923	20,581,777
<b>Total receivables</b>	<b>57,114,541</b>	<b>64,998,218</b>
<b>Total</b>	<b>82,380,538</b>	<b>93,669,303</b>
<b>Total Intangible, Tangible and Long-term Financial Assets</b>	<b>152,798,176</b>	<b>169,934,622</b>
<b>c) Current Assets</b>		
<i>Inventories</i>		
Commissioned work-in-progress	622,893	622,893
Finished products and goods	1,374,561	-
<b>Total</b>	<b>1,997,454</b>	<b>622,893</b>
<i>Receivables</i>		
<i>Trade receivables</i>		
Due within subsequent fiscal year	15,144,952	11,587,159
<i>Due to subsidiaries</i>		
Due within subsequent fiscal year	1,684,340	1,887,501
<i>Due to associates</i>		
Due within subsequent fiscal year	910,671	1,042,902
<i>Tax receivables</i>		
Due within subsequent fiscal year	6,414,645	7,033,757
Due after subsequent fiscal year	3,740,749	4,969,509
<i>Prepaid tax</i>		
Due within subsequent fiscal year	1,039,867	215,194
<i>Due to other</i>		
Due within subsequent fiscal year	1,015,459	772,633
Due after subsequent fiscal year	586,361	569,697
<b>Total</b>	<b>30,537,044</b>	<b>28,078,352</b>
<i>Short-term investment</i>		
Derivative financial instruments recorded in assets	3,008	-
Other securities	250	250
<b>Total</b>	<b>3,258</b>	<b>250</b>
<i>Cash and cash equivalents</i>		
Bank and postal deposits	3,920,605	3,012,059
Cash	11,346	10,694
<b>Total</b>	<b>3,931,951</b>	<b>3,022,753</b>
<b>Total Current Assets</b>	<b>36,469,707</b>	<b>31,724,248</b>
<b>d) Accrued income and Prepaid expenses</b>		
Accrued income	26	663
Prepaid expenses	10,907,934	11,436,431
<b>Total Accrued Income and Prepaid Expenses</b>	<b>10,907,960</b>	<b>11,437,094</b>
<b>Total Assets</b>	<b>200,175,843</b>	<b>213,095,964</b>

<b>Liabilities</b>	<b>2016</b>	<b>2015</b>
<b>a) Shareholders' Equity</b>		
Common stock	56,624,000	56,624,000
Legal reserve	1,845,836	1,686,220
Other reserves	287,530	287,530
Reserve to hedge for expected cash flows	(256,081)	-
Earnings (Loss) carried forward	12,726,187	9,693,484
Earnings (Loss) for the period	6,978,126	3,192,319
Equity adjustments due to rounding-off	2	(1)
<b>Total Shareholders' Equity</b>	<b>78,205,600</b>	<b>71,483,552</b>
<b>b) Provision for Risks and Charges</b>		
Provision for taxes including deferred	11	4,930
Derivative financial instruments (liabilities)	340,907	-
<b>Total Provision for Risks and Charges</b>	<b>340,918</b>	<b>4,930</b>
<b>c) Severance Indemnity Payment</b>	<b>198,059</b>	<b>191,792</b>
<b>d) Payables</b>		
<i>Debentures</i>		
Due after subsequent fiscal year	12,000,000	12,000,000
<i>Payables to banks</i>		
Due within subsequent fiscal year	26,008,732	28,749,675
Due after subsequent fiscal year	41,547,049	46,369,288
Due after 5 years or more	6,322,220	2,571,428
<b>Total Payables to Banks</b>	<b>73,878,001</b>	<b>77,690,391</b>
<i>Payables to other lenders</i>		
Due after subsequent fiscal year	515,470	515,470
<i>Trade payables</i>		
Due within subsequent fiscal year	13,450,233	19,834,278
Due after subsequent fiscal year	675,000	675,000
<i>Payables to subsidiaries</i>		
Due within subsequent fiscal year	970,760	7,299,396
Due after subsequent fiscal year	2,619,940	1,096,180
<i>Payables to associates</i>		
Due within subsequent fiscal year	586,768	348,004
<i>Tax payables</i>		
Due within subsequent fiscal year	760,129	3,220,085
<i>Payables to provident and social security institutions</i>		
Due within subsequent fiscal year	290,366	266,243
<i>Other payables</i>		
Due within subsequent fiscal year	2,069,832	2,001,223
Due after subsequent fiscal year	1,140,959	1,204,007
<b>Total Other Payables</b>	<b>3,210,791</b>	<b>3,205,230</b>
<b>Total Payables</b>	<b>108,957,458</b>	<b>126,150,277</b>
<b>e) Accrued Expenses and Deferred Income</b>		
Accrued expenses	1,233,765	1,292,859
Deferred income	11,240,043	13,972,554
<b>Total Accrued Expenses and Deferred Income</b>	<b>12,473,808</b>	<b>15,265,413</b>
<b>Total Liabilities</b>	<b>200,175,843</b>	<b>213,095,964</b>

<b>Income Statement</b>	<b>2016</b>	<b>2015</b>
<b>a) Value of Production</b>		
Revenues from sales and services	48,498,362	60,967,957
Changes in finished goods' inventories	1,374,561	11,868
Other revenues and income	3,549,174	3,833,014
<b>Total Value of Production</b>	<b>53,422,097</b>	<b>64,812,839</b>
<b>b) Operating Costs</b>		
Costs of raw, ancillary and consumption materials	(3,503,308)	(5,946,883)
Costs of services	(16,803,518)	(17,692,646)
Costs of use of leasehold properties	(8,956,285)	(9,372,874)
<i>Personnel Costs</i>		
Salaries and wages	(5,388,043)	(5,352,952)
Social security contributions	(1,641,893)	(1,685,729)
Severance payment	(355,621)	(346,936)
Other costs	(538)	-
<b>Total Personnel Costs</b>	<b>(7,386,095)</b>	<b>(7,385,617)</b>
<i>Amortization, Depreciation and Write-downs</i>		
Amortization of intangible assets	(1,386,825)	(1,899,222)
Depreciation of tangible assets	(6,727,614)	(6,685,433)
Other write-downs of tangible and intangible assets	(71,050)	-
Write-downs of receivables and cash included in current assets	(45,994)	(72,385)
<b>Total Amortization, Depreciation and Write-downs</b>	<b>(8,231,483)</b>	<b>(8,657,040)</b>
Changes in raw materials, ancillary materials, consumables and goods	-	(988,087)
Other operating expenses	(6,517,973)	(7,545,220)
<b>Total Operating Costs</b>	<b>(51,398,662)</b>	<b>(57,588,367)</b>
<b>(a-b) Difference between Value of Production and Operating Costs</b>	<b>2,023,435</b>	<b>7,224,472</b>
<b>c) Financial Income and Expenses</b>		
<i>Income from Shareholding</i>		
in subsidiaries	8,505,088	-
<b>Total Income from Shareholding</b>	<b>8,505,088</b>	<b>-</b>
<i>Income from receivables recorded in assets</i>		
From subsidiaries	1,176,491	1,886,599
From associates	778,160	652,885
<b>Total Income from Receivables Recorded in Assets</b>	<b>1,954,651</b>	<b>2,539,484</b>
<i>Income other than that listed above</i>		
From other	4,687	24,834
<b>Total Income Other Than That Listed Above</b>	<b>4,687</b>	<b>24,834</b>
<b>Total Income</b>	<b>10,464,426</b>	<b>2,564,318</b>
<i>Interest and other financial charges</i>		
From others	(5,786,389)	(5,429,066)
<b>Total Interest and Other Financial Charges</b>	<b>(5,786,389)</b>	<b>(5,429,066)</b>
<i>Exchange gains and losses</i>		
Exchange gains	4,917	27,108
Exchange losses	(5,769)	(19,029)
<b>Total Exchange Gains and Losses</b>	<b>(852)</b>	<b>8,079</b>
<b>Total Financial Income and Expenses</b>	<b>4,677,185</b>	<b>(2,856,669)</b>
Adjustments in fiscal year's earnings due to rounding-off	(3)	-
<b>Earnings (Loss) Before Tax</b>	<b>6,700,617</b>	<b>4,367,803</b>
	(470,265)	(1,203,668)
Deferred/prepaid tax	747,774	28,184
<b>Earnings (Loss) for the Period</b>	<b>6,978,126</b>	<b>3,192,319</b>

<b>Cash Flow Statement</b>	<b>2016</b>	<b>2015</b>
<b>A) Cash Flow from Operating Activities (indirect method)</b>		
Earnings (Loss) for the period	6,978,126	3,192,319
Income tax	470,265	1,050,239
Interest payable/(interest receivable)	2,980,050	2,863,715
(Gains)/Losses from divestments	(7,952,416)	1,328,603
<b>1. Earnings (Loss) for the period before income taxes, interests, dividends and gains/losses from divestments</b>	<b>2,476,025</b>	<b>8,434,876</b>
<i>Adjustments to non-monetary items not included in the working capital</i>		
Provisions/ (reversals)	365,145	351,866
Depreciation of fixed assets	8,114,440	8,584,653
Devaluation/(revaluation)impairment losses	1,346,050	-
Other adjustments to non-monetary items	(824,673)	(27,861)
<b>Total adjustments to non-monetary items</b>	<b>9,000,962</b>	<b>8,908,658</b>
<b>2. Cash Flow Before ccn variations</b>	<b>11,476,987</b>	<b>17,343,534</b>
<i>Changes in working capital</i>		
Decrease/ (increase) in net inventories and related advances	(1,374,561)	976,219
Decrease/(increase)in trade receivables to net third party clients and intra-group	(3,262,547)	4,600,734
Increase/(decrease) in trade payables third party and intra-group	(6,684,311)	(7,640,146)
Decrease/(increase) accrued income and prepaid expenses	529,134	35,650
Increase/(decrease) accruals and deferred charges	(2,791,605)	(3,319,550)
Other changes in net working capital	(1,825,967)	(2,191,622)
<b>Total adjustments changes in net working capital</b>	<b>(15,409,857)</b>	<b>(7,538,715)</b>
<b>3. Cash Flow After ccn variation</b>	<b>(3,932,870)</b>	<b>9,804,819</b>
<i>Other adjustments</i>		
Interest received/(paid)	(2,654,533)	(3,056,359)
Income taxes (paid)/received	(374,353)	(1,235,826)
(Use of provisions)	(363,797)	(360,891)
<b>Total cash flow adjustments</b>	<b>(3,392,683)</b>	<b>(4,653,076)</b>
<b>Cash Flow Generated by Business Operations (A)</b>	<b>(7,325,553)</b>	<b>5,151,743</b>
<b>B) Cash Flows Generated by Investment</b>		
<i>Tangible assets</i>		
(Investment)	(2,016,978)	(1,516,044)
Disposals	150,277	67,483
<i>Intangible assets</i>		
(Investment)	(401,985)	(398,849)
Disposals	-	3,300
<i>Long-term financial assets</i>		
(Investment)	(4,986,230)	(23,812,456)
Disposals or redemptions	22,883,290	9,305,742
<i>Short-term financial assets</i>		
Disposals or redemptions	-	2,299,931
<b>Cash Flow Generated by Investment (B)</b>	<b>15,628,374</b>	<b>(14,050,893)</b>
<b>C) Cash Flow Generated by Borrowings</b>		
<i>Third-party funds</i>		
Increase (decrease)in short-term payables to banks and other lenders	(6,878,752)	(3,160,408)
Borrowings/(Repayments)	(514,874)	9,785,211
<i>Own funds</i>		
Other stock increase (decrease)	4	-
<b>Cash Flow Generated by Borrowings (C)</b>	<b>(7,393,622)</b>	<b>6,624,803</b>
<b>Increase (decrease) in Cash and Cash Equivalents (A ± B ± C)</b>	<b>909,199</b>	<b>(2,274,347)</b>
<b>Cash as at January 1</b>		
Bank and postal deposits	3,022,753	5,297,100
Cash	3,012,059	5,277,300
	10,694	19,800
<b>Cash as at December 31</b>		
Bank and postal deposits	3,931,951	3,022,753
Cash	3,920,605	3,012,059
	11,346	10,694

## Structure and Content of the Financial Statements

The herein Financial Statements that comprise the Balance Sheet, the Income Statement, the Cash Flow Statement as well as the Notes to the Financial Statements were drawn up pursuant to regulations set forth by Legislative Decree 127 of April 9, 1991 integrated by amendments introduced by Legislative Decree no. 6 of January 17, 2003 and by Legislative Decree no. 139 of August 18, 2015 and reflect truthfully and accurately the Company's financial position as well as its fiscal year's profit. Furthermore the herein statements include the aforementioned Report on Operations. Pursuant to Article 25 of the aforementioned decree the Company drew up the Consolidated Financial Statements.

Evaluation criteria used in the preparation of the financial statements comply with regulations envisaged by Article 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter of the Italian Civil Code. All figures are expressed in euros.

The Notes to the Financial Statements disclose information pursuant to Articles 2427 and 2427 bis of the Italian Civil Code. Figures are expressed in euros if not otherwise stated in the comments of such items. The items that are not expressly reported in the formats are to be intended at zero balance, both at current fiscal year-end and at previous fiscal year-end.

### ***Accounting Principles in Force as of January 1, 2016***

Subsequent to the publication of the Legislative Decree 139 dated August 18, 2015 on the Official Journal of September 4, 2015, the transposition deadline of Directive 34/2013/EU was met. Such decree upgraded provisions in the Italian Civil Code regarding financial statements as well as Legislative Decree 127/1991 regarding consolidated statements.

Provisions set forth in the aforementioned decree entered into force January 1, 2016 and are applicable to fiscal years as of that date. Legislative Decree 139/2015 sets forth, in general terms, that the new provisions are to be applied retrospectively pursuant to OIC 29 ("Changes in Accounting Principles, Changes in Accounting Estimates, Error Correction, Events Occurring after Fiscal Year End") except in those cases for which it is possible a prospective application pursuant to Article 12 comma 2 of Legislative Decree 139/2015.

The Italian Accounting Board ("OIC") concluded thru 2016 the process of auditing, upgrading and integration of domestic accounting policies in order to ensure compliance with provisions set forth in Legislative Decree 139/2015.

The main impacts derive from the following changes:

- Introduction of the Cash Flow Statement as compulsory part of the statements set forth by OIC 10.
- Introduction of the amortized cost criterion as well as of discounting in evaluating certain receivables, payables and medium- and long-term financial securities. The Company availed itself of the prospective application method set forth by Article 12, comma 2 of Legislative Decree 139/2015, without changing the evaluation criteria related to receivables, payables and securities recorded in the statements prior to January 1, 2016.

- Introduction of an accounting principle (OIC 32) aimed at setting criteria of recognition, classification and measurement of financial derivatives as well as of fair value estimating techniques and disclosure to be included in the Notes to the Financial Statements; such principle wholly replaced provisions set forth by OIC 3 - "Disclosure on Financial Instruments to be Included in Notes to the Financial Statements as well as in Report on Operations".
- Changes in the method of estimating the goodwill amortization period. Goodwill is amortized according to its useful life over a period of up to 20 years and, in those cases in which it is not reliably possible to estimate its useful life, amortization is applied over maximum 10 years. The Company availed itself of the possibility set by Article 12, comma 2 of Legislative Decree 139/2015 to apply prospectively such change without adjusting the useful life of goodwill recorded in the statements prior to January 1, 2016.
- Elimination of the extraordinary section in the Income Statement (items E21/E22) and consequent reallocation, by type, of the extraordinary charges and income to the ordinary part. The amount and nature of individual items of income or expenditure which are of exceptional size or incidence, if relevant, must be kept in Notes to the Financial Statements.
- Introduction of items in Balance Sheet and Income Statement related to classification of balance towards the so-called sister companies (companies controlled by parent companies).

### ***Basis of Accounting***

The herein Financial Statements as at December 31, 2016 have been prepared in accordance with the legislative provisions set forth in the Italian Civil Code, interpreted and integrated by accounting principles stated by the National Board of Accountants and Bookkeepers (OIC) and, where missing and not in contrast, by those issued by the International Accounting Standards Board (IASB).

As established by Art. 2423 and 2423-bis of the Italian Civil Code, evaluation criteria used in the preparation of the financial statements comply with the matching principle and the general concepts of prudence and going concern, taking into account as well the prevailing substance of the transaction or contract. Criteria applied to evaluate the items in the statements as well as the value adjustments comply with provisions set forth by the Italian Civil Code, mostly comprised in Article 2426.

The most significant evaluation criteria utilized in drawing-up the Financial Statements as at December 31, 2016 are illustrated hereafter.

### ***Intangible Assets***

Intangible assets are recorded at acquisition or production cost, including directly-attributable accessory expenses less amortization and write-offs. Cost of production comprises charges directly-attributable to the product.



### ***Costs of Start-up and Widening***

Such costs, if recorded in Assets and with the Statutory Board's approval, are amortized over a period of no longer than 5 years.

### ***Costs of Development***

Such costs are charged to the Income Statement the year in which they incurred, except for those regarding projects under regulations that require capitalization.

Costs of development, if recorded in Assets and with the Statutory Board's approval, are amortized according to their useful life; except those to which a reliable estimation regarding their useful life cannot apply; those are amortized over a period no longer than 5 years.

### ***Industrial Patent and Intellectual Property Rights***

Patents are recorded in Assets at acquisition or internal production cost including any accessory costs that may incur related to administrative and concession procedures and are amortized according to their useful life within legal and contractual limits.

### ***Concessions, Licenses, Trademarks and Similar Rights***

Concessions, licenses and similar rights, if acquired for consideration, are shown in Assets stated at the same amounts paid by the Company when purchasing them; they are amortized over their estimated useful life and in any event not exceeding the limit pursuant to legislation in force or to purchase agreements. Trademarks' useful life must not exceed 20 years.

### ***Other Intangible Assets***

The item mainly comprises costs incurred for leasehold improvements and incremental expenses on third-party assets, if not separable from the related assets for which amortization is calculated based on the future useful life of the costs incurred or the residual lease period, whichever being the shorter, taking into account the potential period of renewal, if charterer-dependent.

### ***Amortization of Intangible Assets***

Cost of intangibles is systematically amortized every fiscal year with due regard to the asset's residual useful life; such amortization is determined on a straight-line basis applying the following rates  
(see next page):

	<b>Amortization Rate</b>
<b>Cost of development</b>	
Plant research and development	20%
Research and development Sansenergy	20%
<b>Industrial patent and intellectual property rights</b>	
Property software rights	20%
Patent rights	1/20
<b>Concessions, licenses, trademarks and similar rights</b>	
Concessions and royalties	1/8 1/29 1/30
Trademarks	1/18
Know-how	1/18
Building leases	1/19 1/21 1/23 1/26 1/28 1/30
<b>Other intangible assets</b>	
Extraordinary maintenance on third-party assets	20%
Extraordinary maintenance on third-party assets - Rivoli	13.48% 15.58% 18.19%

## **Tangible Assets**

Tangible assets are stated at their purchase or construction cost, revalued, if appropriate, to comply with the currency revaluations legislation in force.

With regard to assets acquired from third parties, the purchase cost is given by the price paid plus accessory charges incurred up to the date on which the asset may be utilized.

Concerning assets acquired by means of transfer or incorporation, the asset is stated in the balance sheet at the contribution value established by the acts based on the expert's report.

As far as self-constructed assets are concerned, production cost comprises all directly-attributable charges, including overall costs of production, allocated to the reasonably chargeable rate, over the construction period until the asset is ready to be used.

Costs related to ordinary maintenance are chargeable in the income statements of the fiscal year in which they were incurred.

Costs of improvements and incremental expenditure comprised in Extraordinary Maintenance as well as improvements on third-party assets separable from such assets, that generate significant and measurable increase in capacity, productivity and safety of assets i.e. prolong their useful life, are capitalized, thus boosting the value of the related assets within the limits of recoverability.

## **Depreciation of Tangible Assets**

Tangible assets are systematically depreciated each fiscal year on the basis of the potential residual useful life of the assets, including those temporarily unemployed. Depreciation becomes effective when the asset is available for use and is proportioned, for the first fiscal year, to the actual utilization period. Land is not subject to depreciation.

Due to their rapid renewal, assets of little value are depreciated over the year of their acquisition.

Depreciation rates, calculated on a straight-line basis, are broken down as follows (*see next page*):

**Depreciation Rates**

<i>Plant and machinery</i>	
Generic plants	8%
Specific plants	8%
Radiomobile plants	20%
Biogas plants	9%
Wind plants	4%
Photovoltaic plants	4%
Vegetable oil plants	9%
<i>Industrial and commercial equipment</i>	
Equipment	10%
Wind sector equipment	10%
Eco-Food project equipment	10%
<i>Other tangible assets</i>	
Furniture	12%
Furniture and ordinary office machines	12%
Electronic office machines	20%
Motor vehicles	25%
Cellular phones	20%

**Capital Grants to Tangible and Intangible Assets**

Capital grants are recognized when there is reasonable certainty that conditions for the recognition of the contribution are met and that contribution will be granted.

Grants are accounted for using the indirect method according to which they are indirectly deducted from the cost of related assets as they are recognized in the income statement under the item A5 (Other Revenues and Income) and thus carried forward to subsequent fiscal years under Deferred Income. Assets' amortization and depreciation is therefore calculated before the contribution is granted.

**Impairment Losses in Tangible and Intangible Assets**

At each reporting date the Company assesses whether tangible or intangible assets (including goodwill) may have undergone impairment loss. If backed by evidence, assets' book value is reduced to its related recoverable value, i.e. amortization/depreciation cycle. Amortization/depreciation capability is given by the financial margin (i.e. the difference between revenues and not discounted costs deriving from the use of the asset) that the management allocates to hedge for amortization/depreciation. Impairment loss, if any, is reinstated should the grounds cease to exist.

Reversal cannot exceed the value that would have been determined in case impairment losses had not been recognized. Reversals do not affect multi-year costs.

## ***Financial Leases***

Financial leases are accounted for using the equity method compliant to civil laws in force in Italy that provide for such leases to be included in their relevant income statement. The financial leasing method would have implied accounting for, instead of fees, interest on the principal as well as depreciation rates of assets acquired under leasing agreements but also recording of goods under Assets and of payables under Liabilities in the balance sheet

Pursuant to Article 2427, co. 1, n. 22 of the Italian Civil Code, the herein Notes comprise disclosure on the impact of the adoption of the financial leasing method:

- the total amount at which leased assets would have been recorded at fiscal year-end if they had been regarded as fixed assets;
- fiscal year's amortization, depreciation, adjustments and revaluations;
- current value of instalments not overdue determined on the basis of the leasing contract's effective interest rate;
- financial burden of the period, taking into account the effective interest rate.

## ***Financial Assets and Non-current Financial Assets***

### ***Investment***

The item refers to stakeholding in other companies and comprises investment in subsidiaries and associates pursuant to Article 2359 of the Italian Civil Code as well as investment in other undertakings. Such investment, evaluated using the cost method, is made up by the acquisition cost, the amounts paid for the subscription or by the value attributed to the transferred assets including accessory charges. Investment, if held over a long period amongst the Company's assets is recorded under Financial Assets. Investments undergo audits in order to assess the economic and financial conditions of subsidiaries. Such analysis is performed based on the subsidiaries' shareholders' equity inferable from the latest statements drawn-up in compliance with the Italian Accounting Standards. In case such financial statements are not available, as for Asja Group's investment in subsidiaries and associates, the shareholders' equity in the Consolidated Financial Statements must be taken into account pursuant to the International Accounting Standards (IAS) issued by the International Accounting Standard Board (IASB), adequately adjusted, where deemed necessary, to comply with Italian Accounting Standards. If the comparison between costs and corresponding share of shareholders' equity results in an impairment loss, a write-down is performed; normally costs are reduced when subsidiaries have incurred losses or else have undergone impairment losses and are not expected to feature earnings in the near future or other favorable prospects that could absorb losses. Historical value is reinstated over subsequent fiscal years should the reasons for the write-down cease to exist.

### ***Financial Receivables***

With regard to updated regulations on the amortized cost evaluation method as well as on discounting of receivables set forth by Legislative Decree 139/2015, the Company, aiming to provide truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Reflected by such, Financial Receivables are recorded at their nominal value, adjusted in case of impairment losses. If over subsequent fiscal years the reasons which gave rise to the write-down cease to exist, the value is reinstated to the extent of that originally booked.

### ***Other Securities***

With regard to updated regulations on the amortized cost evaluation method as well as on discounting of receivables set forth by Legislative Decree 139/2015, the Company, aiming to provide truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Securities recorded under non-current financial assets that regard investments not of a long-term nature, are accounted for at the lesser value between acquisition cost, including any accessory charges, and market-value cost.

### ***Derivative Financial Instruments***

Derivative financial instruments are hedging in order to offset exchange and interest rate risks as well as market prices fluctuations. Pursuant to OIC 32 ("Derivative Financial Instruments") all derivative financial instruments undergo fair value evaluations.

Those operations which, compliant with the Company's risk management policies implemented, are able to meet requirements set forth by the hedge accounting principle may qualify as hedging, mainly regarding Cash flow hedge operations; others instead, despite having been implemented to manage risk, were classified as "negotiation" operations.

Derivative financial instruments may be accounted for pursuant to the methods established by the hedge accounting solely when there is a designation and formal documentation at the beginning of the hedging relationship as well as when it is assumed that hedging is highly effective; such effectiveness can be reliably assessed and hedging is highly effective for the entire period of designation.

When derivative financial instruments comply with hedge accounting standards they may be accounted for by applying the following: Cash flow hedge: if a derivative financial instrument is designated to hedge for the exposure to the variability of future cash flows that could affect assets, liabilities or highly probable operations that may have an impact on the Income Statements, the effective portion of earnings (loss) on the derivative financial instrument is recorded directly in the Shareholders' Equity under the item A) VII Provision for hedging expected cash flows.

Accrued earnings (loss) are accounted for over the same period of the related economic impact of the hedging and are recorded subsequent to adjustment in the hedged item. Earnings (loss) of a hedge

(or part of a hedge) which has become ineffective are immediately recorded in the income statements under the item D) 18 d) revaluations of derivative financial instruments and under D) 19 d) write-down of derivative financial instruments. In case a hedging instrument or relationship should be discontinued, despite the operation not having been carried out by that time, accrued earnings (loss) as at that date recorded under a dedicated Shareholders' Equity reserve, are accounted for in the income statements as of the date on which the related operation is carried out, pursuant to the economic impact of the hedged operation. Should the hedged operation be deemed improbable, accrued earnings (loss) not yet realized, recognized in the Shareholders' Equity, are immediately recorded under D18 d) or D19 d). Derivative financial instruments that bear positive fair value are classified under Current Assets (item C.III.5 Derivative financial instrument assets) otherwise under Provision for Risks if they bear negative fair value (item B3 Provision for derivative financial instruments liabilities).

Whenever hedge accounting cannot be applied, earnings (loss) attributable to the evaluation of a derivative instrument are immediately recorded in the income statement under items D18 d) or D19 d). As set forth by Legislative Decree 139/2015 and pursuant to OIC 29 ("Changes in Accounting Standards, Changes in Accounting Estimates, Error Corrections, Events Occurring Subsequent to Fiscal Year-end") amendments with regard to derivative financial instruments were applied retrospectively.

## ***Inventories***

Inventories are carried at the lower of their purchase cost and their presumed realizable value calculated from the market trend regarding them.

Cost of Acquisition comprises accessory charges as well as other charges directly attributable to purchased goods net of discounts and rebates.

Inventories regarding contract work-in-progress refer to costs incurred for intra-year workorders.

## ***Receivables***

With regard to updated regulations on the amortized cost evaluation method as well as on discounting of receivables set forth by Legislative Decree 139/2015, the Company, committed to providing truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Therefore Receivables are recorded at their presumable realizable value that corresponds to the difference between the nominal value of receivables and adjustments recorded in the provision for write-downs of receivables, as a direct reduction of the items they refer to.

Receivables are accounted for net of the provision for receivables' write-down. The amounts in the provision for write-downs are proportioned to both the risks related to non-performing receivables and to the general risk of not collecting the receivables, prudently estimated taking into account historical experience.

## ***Cash and Cash Equivalents***

Cash and cash equivalents are assessed according to the following criteria:

- bank and postal deposits, checks (current accounts, bank drafts and the like) being considered receivables are estimated according to the general principle of presumable realizable value. Such value normally coincides with the nominal value whilst in highly doubtful cases the net estimated realizable value is shown;
- cash and cash equivalents are stated at their nominal value;
- foreign currency availability is stated at the exchange rate as at fiscal year-end.

## ***Accruals and Deferred Income***

Accruals and Deferred Income are stated in order to provide a truthful share of pertaining charges and revenues they refer to. Accruals offset the recognized costs and revenues for the period for which no related changes in cash nor in receivables and payables have occurred yet.

Deferred Income comprises portions of costs and revenues not attributable to fiscal year's earnings (loss) over which the related changes in cash or in receivables and payables occurred.

Criteria adopted for measuring reflect the general principle of matching costs and revenues for the period. Multi-annual accrued income is recorded based on the presumed realizable value. Any impairment losses are featured in the income statement under the item B.10.d "Write-downs of receivables comprised in current assets and of cash equivalents".

As far as multi-annual prepaid expenses are concerned the Company assesses the future economic benefit related to deferred costs. If such benefit is inferior to the deferred expense the difference is carried in the income statement under the item B.10.d "Write-downs of receivables comprised in current assets and of cash equivalents".

## ***Provisions for Risks and Charges***

The item refers mainly to provisions for the purpose of hedging for losses or liabilities, of a determinate nature, that are certain or likely, the amount of which or due date could not be determined at year-end. Provisions represent the best possible estimate based on commitments undertaken as well as on elements at disposal.

Risks related to potential liabilities are carried in the Notes to the Financial Statements, without proceeding to allocation of a provision of risks and charges.

## ***Provision for Taxes, Including Deferred***

The item comprises liabilities due to potential taxes uncertain as to amount or as to the date on which they will arise, due to audits or litigation underway with revenue authorities.

Provision for Deferred Taxes comprises deferred tax charges deriving from temporary differences between taxable and reported profits, when not offset, as per nature or due date, by prepaid taxes.

### ***Provision for Derivative Financial Instruments Liabilities***

With concern to this item please refer to the derivative financial instruments paragraph.

### ***Employee Severance Indemnity***

Such indemnity is determined pursuant to legislation in force as well as to collective and company-level agreements. Law 296 issued December 27, 2006 (the 2007 Finance Act) set forth regulations with regard to employee severance indemnity accrued as of January 1, 2007. The supplementary pension reform impacted on the following:

- the employee severance benefits accrued as at December 31, 2006 remained with the Company;
- the employee severance benefits accrued as of January 1, 2007, in accordance with the employee's explicit or tacit agreement, were:
  - allocated to complementary pension funds;
  - kept with the company, which transferred the benefits to the treasury fund managed by Inps (the Italian National Social Security Institution).

Benefits accrued as of January 1, 2007 are still being recorded under item B9 c) Employee Severance Indemnity. In the balance sheet item C Employee Severance Indemnity refers to the residual provision as at December 31, 2006 subject to revaluations set forth by regulations in force. The item D13 ("Payables to social security institutions") carries the accrued debt at fiscal year-end with concern to the share of severance indemnity due to pension funds or social security institutions.

### ***Payables***

With regard to updated regulations on the amortized cost evaluation method as well as on discounting of receivables, set forth by Legislative Decree 139/2015, the Company, committed to providing truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Therefore Payables are recorded at their nominal value.

Trade payables from acquisitions are recorded when risks, charges and significant benefits related to the asset have been transferred. Payables regarding services are stated when such services have been rendered or else when service has been performed.

Financial payables from loans as well as miscellaneous payables from other than asset acquisition and services, are instated when they feature company's obligation toward a counterpart.

Generally, as far as financial payables are concerned, such moment coincides with the delivery of funding.



### ***Translation Criteria***

Foreign currency assets and liabilities are recorded at the exchange rate ruling at fiscal year-end.

Foreign currency non-monetary assets and liabilities (assets, inventories, accrued income and prepaid expenses...) are recorded at the exchange rate ruling at purchasing date or, if lower, at fiscal year-end's in case of reduction deemed lasting.

### ***Revenues***

Revenues from sales and services are recognized on an accrual basis and accounted for net of adjustments such as returns, discounts, allowances, bonuses as well as of directly-attributable sales taxes or of any estimation variations.

### ***Grants***

Grants are accounted for at the time in which the right to receive them arises. Operating grants are recorded on an accrual basis. Capital grants are recognized in the income statement on an accrual basis related to the asset's useful life.

### ***Costs***

Costs and charges are recognized on an accrual basis and accounted for net of adjustments such as returns, discounts, allowances, bonuses as well as of any estimation variations.

### ***Accrued Expenses and Deferred Income***

All fiscal year's revenues and expenses related to the Company's financial operations are recognized on an accrual basis. Accrued expenses and deferred income deriving from foreign currency translation are credited and charged to the income statement under the item C.17 bis ("Exchange gains and losses"). Mostly if, subsequent to adjustments in foreign currency exchange rate at fiscal year-end, any net gains arise, they shall be put aside in a specific non-distributable reserve until they are realized.

### ***Taxes***

#### ***Income Taxes***

Income taxes for the period are set based on tax regulations in force.

Income tax payables comprise liabilities related to taxes which are certain and of determined amount; prepayments on future tax due, paid pursuant to legislation in force, was recognized under Tax Receivables together with the withholding tax.

### ***Prepaid and Deferred Taxes***

Prepaid and deferred taxes are calculated on the temporary differences between the carrying amount of assets and liabilities in the balance sheet and their related tax values in accordance with the tax rates in force when such differences will reverse, pursuant to current period's tax regulations in force. Prepaid and deferred taxes are recognized by separate calculations for IRES and IRAP (Italian corporate taxes). Pursuant to OIC 25, deferred tax assets are recorded as well in order to benefit from tax relief related to losses carried forward, in case specific requirements of recoverability have been met. Deferred taxes liabilities are not recorded as it is unlikely such liability shall arise. Deferred tax assets are recognized solely if there is reasonable certainty of their future recoverability. Prepaid tax assets comprise deferred tax assets when they cannot be offset, as per nature or due date, by deferred tax liabilities.

## **Composition of the Balance Sheet**

Composition of the main items in the Balance Sheet and in the Income Statement is outlined below. Amounts are expressed in euros.

### ***Balance Sheet***

#### ***Members' Loans***

There have not been any.

#### ***Intangible Assets***

Movements of Intangible assets over the period are broken down hereafter (*see next page*):

	As at 01/01/2016	Acquisition	(Disposal)	(Amort.)	Change in the scope of consol.	As at 12/31/2016
<i>Costs of development</i>						
Gross value	994,664	-	-	-	-	994,664
(Provision for amortization)	(976,291)	-	-	(18,373)	-	(994,664)
<b>Net value</b>	<b>18,373</b>	<b>-</b>	<b>-</b>	<b>(18,373)</b>	<b>-</b>	<b>-</b>
<i>Patent and intellectual property rights</i>						
Gross value	3,268,913	151,455	-	-	-	3,420,368
(Provision for amortization)	(1,401,142)	-	-	(224,973)	-	(1,626,115)
<b>Net value</b>	<b>1,867,771</b>	<b>151,455</b>	<b>-</b>	<b>(224,973)</b>	<b>-</b>	<b>1,794,253</b>
<i>Concess., licenses, trademarks and similar</i>						
Gross value	20,439,426	1,000	-	-	(1,500,000)	18,940,426
(Provision for amortization)	(7,794,609)	-	-	(1,003,479)	1,500,000	(7,298,088)
<b>Net value</b>	<b>12,644,817</b>	<b>1,000</b>	<b>-</b>	<b>(1,003,479)</b>	<b>-</b>	<b>11,642,338</b>
<i>Other intangible assets</i>						
Gross value	4,821,085	249,530	-	-	(4,264,419)	806,196
(Provision for amortization)	(4,419,537)	-	-	(140,000)	4,264,419	(295,118)
<b>Net value</b>	<b>401,548</b>	<b>249,530</b>	<b>-</b>	<b>(140,000)</b>	<b>-</b>	<b>511,078</b>
<i>Total intangible assets</i>						
Gross value	29,524,088	401,985	-	-	(5,764,419)	24,161,654
(Provision for amortization)	(14,591,579)	-	-	(1,386,825)	5,764,419	(10,213,985)
<b>Net Value</b>	<b>14,932,509</b>	<b>401,985</b>	<b>-</b>	<b>(1,386,825)</b>	<b>-</b>	<b>13,947,669</b>

With concern to variations in gross recorded values and in adjustments of intangible assets, the following is set forth:

- gross values boosted to € 401,985 related to Patents for € 1,580, to Software for € 149,875, to Building Leases for € 1,000, to Extraordinary Maintenance Third-party Assets for € 58,393 as well as to Extraordinary Maintenance Third-party Assets Rivoli, where the Company is currently located, for € 191,137; decrease in values is attributable to the reversal of completely written-off expenses for € 5,764,419;
- changes in adjustments are due to increases in Amortization totaling € 1,386,825 before Amortization transfers for € 5,764,419 worth of cancelations and disposals.

The item Concessions, licenses, trademarks and similar rights amounting to € 11,642,338 is broken down as follows:

- Concessions, rights of use and and covenants: € 64,541;
- Know-how: € 596,625;
- Trademarks: € 9,371,365;
- Building leases: € 1,609,807.

Recorded gross values of Intangible Assets currently in equity comprise mainly directly attributable costs.

## Tangible Assets

Movements of Tangible Assets over the fiscal year are illustrated herein:

	As at 01/01/2016	Acquisitions	(Transfer)	(Depreciation)	Change in the scope of consol.	As at 12/31/2016
<i>Land</i>						
Gross value	153,423	-	-	-	-	153,423
(Provision for depreciation)	-	-	-	-	-	-
<b>Net value</b>	<b>153,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,423</b>
<i>Plant and machinery</i>						
Gross value	127,989,071	1,407,613	(282,000)	-	-	129,114,684
(Provision for depreciation)	(67,944,127)	-	205,537	(6,509,560)	-	(74,248,150)
<b>Net value</b>	<b>60,044,944</b>	<b>1,407,613</b>	<b>(76,463)</b>	<b>(6,509,560)</b>	<b>-</b>	<b>54,866,534</b>
<i>Industrial and commercial equipment</i>						
Gross value	922,422	-	-	-	-	922,422
(Provision for depreciation)	(687,900)	-	-	(59,527)	-	(747,427)
<b>Net value</b>	<b>234,522</b>	<b>-</b>	<b>-</b>	<b>(59,527)</b>	<b>-</b>	<b>174,995</b>
<i>Other assets</i>						
Gross value	1,891,113	127,869	(19,741)	-	-	1,999,241
(Provision for depreciation)	(1,334,728)	-	15,049	(158,527)	-	(1,478,206)
<b>Net value</b>	<b>556,385</b>	<b>127,869</b>	<b>(4,692)</b>	<b>(158,527)</b>	<b>-</b>	<b>521,035</b>
<i>Assets under construction, advances</i>						
Gross value	343,536	481,496	(71,050)	-	-	753,982
<b>Net value</b>	<b>343,536</b>	<b>481,496</b>	<b>(71,050)</b>	<b>-</b>	<b>-</b>	<b>753,982</b>
<i>Total tangible assets</i>						
Gross value	131,299,565	2,016,978	(372,791)	-	-	132,943,752
(Provision for depreciation)	(69,966,755)	-	220,586	(6,727,614)	-	(76,473,783)
<b>Net Value</b>	<b>61,332,810</b>	<b>2,016,978</b>	<b>(152,205)</b>	<b>(6,727,614)</b>	<b>-</b>	<b>56,469,969</b>

Tangible Assets as at December 31, 2016 and as at December 31, 2015 are broken down analytically in the table above.

Tangible Assets as at December 31, 2016 amount to € 56,469,969 against € 61,332,810 as at December 31, 2015 and are broken down as follows:

- Land: € 153,423;
- Plant and machinery: € 54,866,534 of which
  - Biogas plants: € 16,454,418;
  - Wind plants: € 34,303,289;
  - Photovoltaic plants: € 3,338,762;
  - Vegetable oil plants: € 762,903;
  - Generic, specific and other plants: € 7,162;
- Industrial equipment: € 174,995;
- Other tangible assets: € 521,035;
- Tangible assets under construction and advances € 753,982 of which
  - Wind plants under construction: € 332,981;
  - OFMSW plants under construction: € 421,001.

Concerning changes in gross values and in adjustments of Tangible Assets, the following is set forth:

- gross values increased to € 2,016,978, of which the most relevant are those witnessed by the biogas plants amounting to € 1,360,993 as well as by assets under construction and advances totaling € 481,496 before divestments or disposals that equaled € 372,791;
- changes in adjusting items are due (amongst others) to a boost in Depreciation for € 6,727,614 before decreases of € 220,586 deriving from disposals/divestments and transfers/reversals.

As required by Article 10 of Law No. 72/83, we hereby state that gross values still recorded in Tangible assets comprise directly incurred costs and that such assets have never undergone economic or currency revaluations.

## ***Financial Assets***

### ***Investments***

The item "Company's Shareholding" is broken down as follows (*see next page*):

	Legal Office (Co.)	Currency	Common Stock Foreign Currency	Shareholders' Equity foreign currency	Profit (loss) prior fiscal year	Shareholders' Equity (in euro)	Ownership %	Pro-quota Shareholders' Equity	Book Value
<b>Investment in subsidiaries</b>									
Asja Market srl	Italia	Euro	197,600	-	9,283	395,853	98.00%	387,936	607,353
Helios Energy Landolina srl	Italia	Euro	50,000	-	(61,003)	131,890	99.60%	131,362	247,800
Asja Renewables Shenyang Co., Ltd.	Cina	Rembimbi	23,794,715	12,299,133	2,488,731	1,680,164	100.00%	1,680,164	2,300,000
Ajsa Brasil Servicos para o Meio Ambiente Ltda	Brasile	Real	1,564,000	(40,996,669)	8,307,692	(11,950,640)	99.94%	(11,943,469)	556,103
Asja Sabarà Servicos para o Meio Ambiente Ltda	Brasile	Real	100,000	(3,286)	(103,286)	(958)	10.00%	(96)	2,341
Specchia Solar srl	Italia	Euro	50,000	-	72,380	755,038	100.00%	755,038	1,600,000
Rabbici Solar srl	Italia	Euro	50,000	-	86,634	798,694	100.00%	798,694	1,500,000
Puglia Solar 1 srl	Italia	Euro	50,000	-	119,089	2,468,624	100.00%	2,468,624	5,100,000
Puglia Solar 2 srl	Italia	Euro	50,000	-	102,548	1,847,826	100.00%	1,847,826	3,800,000
Aria Wind Plants srl	Italia	Euro	10,000	-	(3,579)	10,289	100.00%	10,289	29,000
Consorzio Horizonte Asja	Brasile	Real	-	-	8,654,822	-	5.00%	-	200,000
Meltemi Energia srl	Italia	Euro	50,000	-	1,654,833	1,772,437	100.00%	1,772,437	3,356,178
Cgdb Laerta srl	Italia	Euro	10,000	-	(2,435)	124,532	100.00%	124,532	371,768
Cgdb Enrico srl	Italia	Euro	10,000	-	(2,411)	11,175	100.00%	11,175	10,000
Wind Park Laterza srl	Italia	Euro	10,000	-	4,092	14,092	100.00%	14,092	10,000
<b>Total</b>						<b>(1,940,984)</b>			<b>19,690,543</b>
<b>Investment in associates</b>									
Elea Utilities	Italia	Euro	10,000	-	(226,107)	(57,107)	50.00%	(28,554)	84,500
ETR Oleos SA	Brasile	Real	3,700,000	(5,731,365)	(2,667,702)	(1,329,259)	10%	(132,926)	485,954
Poligrow Inversiones SL	Spagna	Euro	1,111,111	-	(114,198)	5,300,421	10%	530,042	5,000,000
<b>Total</b>						<b>3,914,055</b>			<b>5,570,454</b>
<b>Investment in other companies</b>									
Consorzio DTNE			-	-	-	-	-	-	5,000
<b>Total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>

The table above illustrates the list of Investments in Subsidiaries and Associates accompanied by disclosure pursuant to Article 2427 point 5 of the Italian Civil Code integrated by the last approved balance sheet.

Negative difference, deriving from the carrying value of investment and the pro-quota shareholding's equity, is not due to impairment losses but to the greater between the value of authorizations to operate, by means of Italian special-purpose companies, the wind and photovoltaic plants and future profitability on a year-by-year basis forecasted in the multi-annual business plans.

Value of registration of the Investment in Foreign Subsidiaries has been kept unchanged due to the fact that the companies are currently fully operational and loss registered over prior fiscal years is not to be considered long-term and will be reabsorbed in future gains.

As far as financial assets are concerned, changes in net values of recorded investment against prior year's statements are to be attributed to:

- increase totaling € 395,768 subsequent to 100% stakeholding acquisition in CGDB Enrico srl for € 10,000, 100% stakeholding in CGDB Laerte srl for € 371,768, 100% in Wind Park Laterza srl for € 10,000;
- decrease totaling € 3,800,857 cosequent to the sale of all investment in Laterza Aria Wind srl and in Laterza Wind 2 srl as well as transfer of 20% stakeholding in ETR Oleos SA.

Over 2016 subsidiary Puglia Solar 3 srl was merged by incorporation in subsidiary Puglia Solar 1 srl.

The following chart illustrates movements of investments in subsidiaries:

	As at 01/01/2016	Increase for the year Acquisitions / Transfers	Other increase	Total increase	(Decrease for the period) (Divestments)	(Other decrease)	(Total decrease)	As at 12/31/2016
<b>Investment in subsidiaries</b>								
Asja Market srl	607,353	-	-	-	-	-	-	607,353
Helios Energy Landolina srl	247,800	-	-	-	-	-	-	247,800
Asja Renewables Shenyang	2,300,000	-	-	-	-	-	-	2,300,000
Ajsa Brasil Servicos para o Meio Ambiente Ltda	556,103	-	-	-	-	-	-	556,103
Asja Sabará	2,341	-	-	-	-	-	-	2,341
Specchia Solar srl	1,600,000	-	-	-	-	-	-	1,600,000
Rabbici Solar srl	1,500,000	-	-	-	-	-	-	1,500,000
Puglia Solar 1 srl	4,700,000	-	400,000	400,000	-	-	-	5,100,000
Puglia Solar 2 srl	3,800,000	-	-	-	-	-	-	3,800,000
Puglia Solar 3 srl	400,000	-	-	-	-	(400,000)	(400,000)	-
Laterza Aria Wind srl	2,920,000	-	-	-	(2,920,000)	-	(2,920,000)	-
Laterza Wind 2 srl	146,320	-	-	-	(146,320)	-	(146,320)	-
Aria Wind Plants srl	25,000	4,000	-	4,000	-	-	-	29,000
Consorzio Horizonte Asja	200,000	-	-	-	-	-	-	200,000
Meltemi Energia srl	3,356,178	-	-	-	-	-	-	3,356,178
Cgdb Laerte srl	-	371,768	-	371,768	-	-	-	371,768
Cgdb Enrico srl	-	10,000	-	10,000	-	-	-	10,000
Wind Park Laterza srl	-	10,000	-	10,000	-	-	-	10,000
<b>Total</b>	<b>22,361,095</b>	<b>395,768</b>	<b>400,000</b>	<b>795,768</b>	<b>(3,066,320)</b>	<b>(400,000)</b>	<b>(3,466,320)</b>	<b>19,690,543</b>

Movements regarding investments in associated companies throughout the period are broken down herein (see next page):

	As at 01/01/2016	Increase for the year Acquisitions / Transfers	Other increase	Total increase	(Decrease for the period) (Divestments)	(Other decrease)	(Total decrease)	As at 12/31/2016
<b>Investment in associates</b>								
Elea Utilities	84,500	-	-	-	-	-	-	84,500
ETR Oleos SA	1,220,491	-	-	-	-	(734,537)	(734,537)	485,954
Poligrow Inversiones SL	5,000,000	-	-	-	-	-	-	5,000,000
<b>Total</b>	<b>6,304,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(734,537)</b>	<b>(734,537)</b>	<b>5,570,454</b>

Movements regarding investments in other companies throughout the period are broken down herein:

	As at 01/01/2016	Increase for the year Acquisitions / Transfers	Other increase	Total increase	(Decrease for the period) (Divestments)	(Other decrease)	(Total decrease)	As at 12/31/2016
<b>Investment in other companies</b>								
Consorzio Ditne	5,000	-	-	-	-	-	-	5,000
<b>Total</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>

### *Financial Receivables*

The table herein illustrates movements over the period of financial receivables not recorded in current assets (see next page):



	Amounts collectible within next fiscal year	Amounts collectible beyond subsequent f.y. residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent f.y. residual maturity more than 5 yrs	As at 12/31/2016	As at 12/31/2015	Difference
<b>Receivables from subsidiaries</b>						
Asja Brasil	1,625,516	4,264,695	-	5,890,211	4,448,041	1,442,170
Consorzio Horizonte		12,543,356	-	12,543,356	12,088,867	454,489
Asja Sabarà	31,108	112,317	227,508	370,933	-	370,933
Asja Renewables Shenyang	208,638	607,718	-	816,356	1,241,568	(425,212)
Helios Energy Landolina	-	-	717,029	717,029	717,030	(1)
Meltemi Energia	-	-	16,101,603	16,101,603	15,367,497	734,106
Cgdb Enrico	-	35,184	-	35,184	-	35,184
Cgdb Laerte	-	92,932	-	92,932	-	92,932
Wind Park Laterza	-	17,489	-	17,489	-	17,489
Deposito cauzionale Asja Market	-	17,524	-	17,524	17,489	35
Laterza Wind 2 srl	-	-	-	-	6,917,657	(6,917,657)
Laterza Aria Wind srl	-	-	-	-	3,603,292	(3,603,292)
<b>Total</b>	<b>1,865,262</b>	<b>17,691,215</b>	<b>17,046,141</b>	<b>36,602,618</b>	<b>44,401,441</b>	<b>(7,798,824)</b>
<b>Receivables from associates</b>						
RTI						
Asja Ambiente spa	15,000	-	-	15,000	15,000	-
ETR Oleos	-	629,934	-	629,934	2,129,934	(1,500,000)
Poligorw Inversiones	-	14,135,298	5,731,692	19,866,990	18,451,843	1,415,147
<b>Total</b>	<b>15,000</b>	<b>14,765,231</b>	<b>5,731,692</b>	<b>20,511,924</b>	<b>20,596,777</b>	<b>(84,853)</b>
<b>Total Long-term Financial Receivables</b>	<b>1,880,262</b>	<b>31,808,988</b>	<b>23,425,291</b>	<b>57,114,541</b>	<b>64,998,218</b>	<b>(7,883,677)</b>

Particular emphasis is placed on the fact that the item Receivables from Subsidiaries and Associates regards interest-bearing loans at market rates, amongst which: € 12,543,356 related to interest-bearing from Consorzio Horizonte Asja (95% AsjaBrasil and 5% Asja Ambiente Italia), € 5,890,211 related to interest-bearing from AsjaBrasil, € 19,866,989 related to interest-bearing from Poligorw Inversiones, € 16,101,603 related to interest-bearing from Meltemi Energia, € 629,934 related to interest-bearing from Etr Oleos as well as € 816,356 related to interest-bearing from Asja Renewables Shenyang.

## Inventories

The item is broken down as follows:

	Stock net value as at 12/31/2016	Stock net value as at 12/31/2015
Commissioned work-in-progress	622,893	622,893
Total commissioned work-in-progress	622,893	622,893
Finished products	1,374,561	-
Total finished products and goods	1,374,561	-
<b>Total</b>	<b>1,997,454</b>	<b>622,893</b>

Inventories regarding finished products amount to € 1,374,561 and are related to the goods held by the Company with their warehouses; commissioned work-in-progress impacts for € 622,893.

## Receivables

The table herein illustrates composition and collectability of receivables recorded in the balance sheet:

	Amounts collectible within next fiscal year	Amounts collectible beyond subsequent f.y. residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent f.y. residual maturity more than 5 yrs	As at 12/31/2016	As at 12/31/2015	Difference
Trade receivables	15,144,952	-	-	15,144,952	11,587,159	3,557,793
Receivables from subsidiaries	1,684,340	-	-	1,684,340	1,887,501	(203,161)
Receivables from associates	910,671	-	-	910,671	1,042,902	(132,231)
Tax receivables	6,414,645	3,247,690	493,058	10,155,394	12,003,266	(1,847,872)
Prepaid tax receivables	1,039,867	-	-	1,039,867	215,194	824,673
Receivables from other	1,015,459	586,361	-	1,601,820	1,342,330	259,490
<b>Total</b>	<b>26,209,934</b>	<b>3,834,051</b>	<b>493,058</b>	<b>30,537,044</b>	<b>28,078,352</b>	<b>2,458,692</b>

The item Trade Receivables features short-term trade receivables from third parties. Fiscal year difference is mainly attributable to year-end contingent factors. Trade receivables from third parties are recorded at nominal value net of the allowance for doubtful accounts equal to € 209,006, that led to the allocation, over the period, of the provision amounting to € 45,994.

The tables herein outline the nature and movements of receivables.

Receivables recorded in Current Assets are broken down as follows:

	2016	2015	Difference
<i>Trade receivables</i>			
Trade receivables - gross value	17,913,536	14,478,643	3,434,893
(Provision for write-downs of trade receivables)	(209,006)	(163,011)	(45,994)
Total – net value	17,704,530	14,315,632	3,388,899
<i>Other receivables</i>			
Other receivables - gross value	12,832,514	13,762,720	(930,206)
Total – net value	12,832,514	13,762,720	(930,206)
<b>Total receivables - gross value</b>	<b>30,746,050</b>	<b>28,241,363</b>	<b>2,504,687</b>
(Total provision for write-downs of receivables)	(209,006)	(163,011)	(45,994)
<b>Total receivables recorded in Current Assets - net value</b>	<b>30,537,044</b>	<b>28,078,352</b>	<b>2,458,693</b>

The item Provision for Write-downs of Receivables Recorded in Current Assets comprises:

	2015	Advances	2016	Difference
Provision for write-downs of trade receivables	163,011	45,994	209,006	(45,994)
<b>Total</b>	<b>163,011</b>	<b>45,994</b>	<b>209,006</b>	<b>(45,994)</b>

*Intragroup Receivables*

The item Receivables Recorded in Current Assets, related to the Group's operations, is broken down as follows:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
<i>Receivables from subsidiaries</i>			
Trade receivables from subsidiaries	1,522,762	1,685,571	(162,809)
Other receivables from subsidiaries	161,578	201,930	(40,352)
<b>Total</b>	<b>1,684,340</b>	<b>1,887,501</b>	<b>(203,161)</b>
<i>Receivables from associates</i>			
Trade receivables from associates	910,465	1,042,902	(132,437)
Other receivables from associates	206	-	206
<b>Total</b>	<b>910,671</b>	<b>1,042,902</b>	<b>(132,231)</b>

The item Receivables from Subsidiaries regards trade activities or related to such, performed over the period: € 2,385,237 for invoices issued, € 39,450 for invoices to be issued and € 161,784 for non-trade activities.

*Tax Receivables*

The item is broken down as follows:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Irap on account	460,170	545,987	(85,817)
Ires on account	529,792	865,406	(335,614)
VAT on account	3,663,928	4,247,209	(583,281)
Contributions Art. 8 Law 388	4,969,509	6,198,269	(1,228,760)
Other tax receivables	531,994	146,395	385,599
<b>Total</b>	<b>10,155,394</b>	<b>12,003,266</b>	<b>(1,847,872)</b>

The amount of tax receivables is a direct consequence of the numerous and large investments in tangible assets, primarily in those areas in which tax incentives can be used to offset income tax, local taxes and social security payments. The VAT receivables are to be attributed to the extension (pursuant to the 2015 Stability Law) in application of the Reverse Charge mechanism to energy sale and green certificates. There is no doubt tax receivables will be recovered, mainly and foremost because they bear no expiring date.

*Other Receivables*

The item comprises the following:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Receivables from insurance companies	73,026	170,339	-
Receivables from employees	19,940	14,150	5,790
Receivables from social security institutions	8,706	-	8,706
Advances	702,725	244,475	458,251
Security deposits	526,361	509,697	16,664
Other receivables	271,063	403,670	(132,607)
<b>Total</b>	<b>1,601,820</b>	<b>1,342,330</b>	<b>259,490</b>

The difference is mostly attributable to increases in Advances.

### Short-term Investment

The item Financial Receivables comprises the following:

	2016	2015	Difference
Other securities	250	250	-
<b>Total</b>	<b>250</b>	<b>250</b>	<b>-</b>

The item Other Securities comprises exclusively investment that the Company has held for various years in Eurofidi.

### Derivative Financial Instruments Assets and Liabilities

In order to provide optimal parameters to some medium-/long-term liabilities, no. 1 agreements are in force at December 31, 2016, namely a derivative contract called Interest Rates Swap (IRS) taken out from Intesa SanPaolo, that, being amortizing, is considered loan hedging.

Having chosen to provide intercompany financing to the subsidiary Asja Sabarà totaling BRL (Brazilian Real) 15,975,000 to hedge for the construction of a biogas plant on the landfill in Sabarà (Minas Gerais) in Brazil, and having obtained a 3.5-million-euro partially-hedging loan with Deutsche Bank, it has been decided, in order to hedge for the exchange rate risk related to overall investment over the next 3 years, to benefit from the derivative Cross Currency Swap (CCS).

The following chart comprises the fair value of derivative financial instruments:

Financial risk	Financial instrument	Notional	Positive fair value	Negative fair value
<i>Hedging financial instruments</i>				
CCS - Deutsche Bank 31.12.2016 / 31.12.2019	Exchange rate (*)	4,500,000	-	(340,907)
IRS - Intesa Sanpaolo 31.12.2016 / 31.12.2023	Interest rate (-0,05%)	20,944,322	3,008	-
<b>Total 31/12/2016</b>		<b>25,444,322</b>	<b>3,008</b>	<b>(340,907)</b>

(\*) Asja pays 6.10% rate on BRL 15,975,000 and collects 1.50% on € 4,500,000.

### Cash and Cash Equivalents

The item is broken down as follows:

	2016	2015	Difference
Bank and postal deposit accounts	3,920,605	3,012,059	908,546
Cash and cash equivalents	11,346	10,694	652
<b>Total</b>	<b>3,931,951</b>	<b>3,022,753</b>	<b>909,198</b>

This entry includes cash and cash equivalents deposited with banks and securities at fiscal year-end.

Changes in the item are consequent to year-end contingencies.

## Accrued Income and Prepaid Expenses

The item is broken down as follows:

	2016	2015	Difference
Accrued income	26	663	(637)
Prepaid expenses	10,907,934	11,436,431	(528,498)
<b>Total</b>	<b>10,907,960</b>	<b>11,437,094</b>	<b>(529,135)</b>

Accrued Income features the share of pertaining financial items.

Prepaid Expenses comprise, amongst others: the share of the leasing agreement regarding the Matera plant amounting to € 4,894,255, the share of the substitute tax equal to € 1,685,580 owed for the tax recognition of Asja's trademarks recorded in Assets, accrued contributions regarding multi-year commercial agreements amounting to € 543,366 as well as leasehold on multi-year agreements amounting to € 53,845.

## Equity

Changes in Equity are illustrated hereafter:

	Common stock	Share premium reserve	Legal reserve	Hedging operations for expected cash flows	Other reserves	Profit (loss) carried forward	Profit (loss) for the period	Total
<b>Changes in equity over the period 12/31/2015</b>								
As at 01/01/2015	14,156,000	20,394,000	1,619,225	-	287,530	30,494,594	1,339,885	68,291,233
Allocation of profit prior period	-	-	66,995	-	-	1,272,890	(1,339,885)	-
Other changes	42,468,000	(20,394,000)	-	-	-	(22,074,000)	-	-
Profit (loss)	-	-	-	-	-	-	3,192,319	3,192,319
Adjustments to equity due to balance sheet rounding-off								(1)
<b>As at 12/31/15</b>	<b>56,624,000</b>	<b>-</b>	<b>1,686,220</b>	<b>-</b>	<b>287,529</b>	<b>9,693,484</b>	<b>3,192,319</b>	<b>71,483,552</b>
As at 01/01/2016 recalculated	56,624,000	-	1,686,220	-	287,529	9,693,484	3,192,319	71,483,552
Destination of prior period's earnings	-	-	159,616	-	-	3,032,703	(3,192,319)	-
Other changes	-	-	-	(256,081)	4	-	-	(256,077)
Earnings (loss) for the period	-	-	-	-	-	-	6,978,126	6,978,126
Adjustments to equity due to balance sheet rounding-off								2
<b>As at 12/31/2016</b>	<b>56,624,000</b>	<b>-</b>	<b>1,845,836</b>	<b>(256,081)</b>	<b>287,533</b>	<b>12,726,187</b>	<b>6,978,126</b>	<b>78,205,600</b>

It is herein stated that there are no common stock reserves and that over the past three years none of the reserves has been used, except for those used to hedge for the common stock increment amounting to € 42,468,000, as approved by the extraordinary board meeting on December 10, 2015.

Increase in Shareholders' Equity is to be attributed to allocation of fiscal year 2015 earnings, as approved by the Board. The item Shareholders' Equity is broken down by origin and potential use as follows:

	Amount	Origin	Potential use	Available share
AI - Common stock	56,624,000	Capital reserves	-	
AII - Share premium reserve		Capital reserves	A, B, C	
AIII - Revaluation reserves		Revaluation reserves	A, B	
AIV - Legal reserve	1,845,836	Undistrib. earnings	B	
AV - Statutory reserves		Undistrib. earnings	D	
<i>AVI - Other reserves</i>				
AVI.1 - Extraordinary reserve			A, B, C	
AVI.2 - Reserve for members' payments received		Capital reserves	A, B, C	
AVI.3 - Reserve exemptions under ex art. 2423 of Civil Code		Other reserves	A, B	
AVI.4 - Reserve for shares (quotas) of the parent		Capital reserves	-	
AVI.5 - Reserve for investment revaluation		Revaluation reserves	A, B	
AVI.6 - Reserve for unrealized exchange gains		Other reserves	A, B	
AVI.7 - Merger surplus reserve Asja Engineering	34,429	Other reserves	A, B, C	34,429
AVI.8 - Merger surplus reserve Asja Agricole	3,101	Other reserves	A, B, C	3,101
AVI.9 - Unavailable reserve Banco P.O. 2007-2016	250,000	Undistrib. earnings	B	
AVII - Reserve for hedging expected cash flows	(256,081)	Other reserves	-	
AVIII - Earnings (loss) carried forward	12,726,187	Undistrib. earnings	A, B, C	12,726,187
AIX - Earnings (loss) for the period	6,978,126	Undistrib. earnings	-	
AX - Negative reserve for treasury shares in portfolio			-	
Equity adjustments due to balance sheet rounding off	2			
<b>Total Shareholders' Equity as at 12/31/2016</b>	<b>78,205,600</b>			<b>12,763,717</b>
Non distributable amount				
Residual distributable amount				12,763,717

Key:

A - For capital increase

B - For loss hedging

C - For distribution to shareholders

D - For other statutory restrictions

### Other Reserves

The item, featured in the balance sheet, is broken down as follows:

	2016	2015
Merger surplus reserve Asja Engineering	34,429	34,429
Merger surplus reserve Asja Agricole	3,101	3,101
Unavailable reserve Banco P.O. 2007-2016	250,000	250,000
<b>Total</b>	<b>287,530</b>	<b>287,530</b>

### *Reserve for Hedging Expected Cash Flows*

The item is broken down as follows:

<b>As at 01/01/2016</b>	<b>Positive / (negative) fair value variation</b>	<b>Released to the income statement</b>	<b>Other movements</b>	<b>Deferred tax effect</b>	<b>As at 12/31/2016</b>
-	(256,081)	-	-	-	(256,081)

It is herein outlined that the aforementioned item was accounted for as a result of hedging derivative financial instruments.

### *Provisions for Risks and Charges*

#### *Provisions for Taxes, Including Defferred*

The item comprises the following:

	<b>2015</b>	<b>Provisions</b>	<b>Uses/ Reversals</b>	<b>2016</b>
Provision for deferred taxes(*)	4,930	11	(4,930)	11
<b>Total</b>	<b>4,930</b>	<b>11</b>	<b>(4,930)</b>	<b>11</b>

(\*) include insourcing / outsourcing operations

Variation in the item is attributable to future taxes assessment as a follow-up to changes in taxation. Variation of Derivative Financial Instruments Liabilities derives from hedging derivative financial instruments, broken down in the previous paragraph "Derivative Instruments Assets and Liabilities".

### *Employee Severance Indemnity*

The following chart illustrates the provision for employee severance indemnity and related movements:

	<b>2015</b>	<b>Increase</b>	<b>(Use)</b>	<b>2016</b>
Provision for employee severance indemnity	191,792	365,134	(358,867)	198,059
<b>Total</b>	<b>191,792</b>	<b>365,134</b>	<b>(358,867)</b>	<b>198,059</b>

This item refers to employee severance indemnity of the existing personnel. As provided for by the law in force and by collective labor agreements, in prior fiscal years a specific amount of money was accrued annually for employee severance indemnity that will be paid to employees upon resignation or retirement. This amount is calculated based on the requirements of the Italian Civil and Labor laws as well as on the number of years each employee has worked for in the company, on their employment status, the kind of labor contract and the employee's gross salary. This provision is adjusted every year to compensate for increases in the cost of living. Pursuant to the amendments to applicable laws, since 2008 employee severance indemnities have been transferred to INPS (National Social Security) or to supplementary pension funds.

## Payables

The item comprises the following:

	Amounts collectible within next fiscal year	Amounts collectible beyond subsequent f.y. residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent f.y. residual maturity more than 5 yrs	As at 12/31/2016	As at 12/31/2015	Difference
Debentures	-	6,960,000	5,040,000	12,000,000	12,000,000	-
Payables to banks	26,008,732	41,547,049	6,322,220	73,878,001	77,690,391	(3,812,390)
Payables to other lenders	-	515,470	-	515,470	515,470	-
Trade payables	13,450,233	675,000	-	14,125,233	20,509,278	(6,384,045)
Payables to subsidiaries	970,760	2,619,940	-	3,590,700	8,395,576	(4,804,876)
Payables to associates	-	586,768	-	586,768	348,004	238,764
Tax payables	760,129	-	-	760,129	3,220,085	(2,459,956)
Payables to providence and social security institutions	290,366	-	-	290,366	266,243	24,123
Other payables	2,069,832	202,194	938,765	3,210,791	3,205,230	5,561
<b>Total</b>	<b>43,550,052</b>	<b>53,106,421</b>	<b>12,300,985</b>	<b>108,957,458</b>	<b>126,150,277</b>	<b>(17,192,819)</b>

Payables due after December 31, 2017 by December 31, 2021 amount to € 53,106,421 and are broken down as follows: payables to debenture holders equal to € 6,960,000, to banks for € 41,547,049 and other payables amounting to € 4,599,372.

Since there are no special-purpose vehicles, medium- and long-term loans from banks were granted as partial Project Financing. All loans for the construction of biogas and wind plants were granted specifically so as to cover entirely for the project and construction costs and are guaranteed by the transfer of receivables from the sale of generated electric power. Medium-/long-term payables to banks went down by € 1,071,447 owing to reimbursements over the period for € 29,471,447, offset by new loans amounting to € 28,400,000

The following charts provide further explanations with regard to payables' nature and movements.

### Payables to banks

The item is broken down as follows:

	2016	Of which secured by collateral	2015	Difference
Due to current accounts	8,460,638	1,411,448	8,173,485	287,152
Due to loans	65,417,363	53,766,599	69,516,906	(4,099,543)
<b>Total</b>	<b>73,878,001</b>	<b>55,178,047</b>	<b>77,690,391</b>	<b>(3,812,391)</b>



### Payables to Other Lenders

The item comprises the following:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Other lenders	515,470	515,470	-
<b>Total</b>	<b>515,470</b>	<b>515,470</b>	<b>-</b>

### Trade Payables

The item comprises:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Trade payables	14,125,233	20,509,278	(6,384,045)
<b>Total</b>	<b>14,125,233</b>	<b>20,509,278</b>	<b>(6,384,045)</b>

### Intragroup Payables

The item breaks down as follows:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
<i>Payables to subsidiaries</i>			
Trade payables to subsidiaries	1,870,765	958,475	919,290
Financial payables to subsidiaries	556,573	4,137,809	(3,581,236)
Miscellaneous payables to subsidiaries	1,163,363	3,299,292	(2,135,929)
<b>Total</b>	<b>3,590,700</b>	<b>8,395,576</b>	<b>(4,804,876)</b>
<i>Payables to associated companies</i>			
Trade payables to associated companies	586,768	348,004	238,764
<b>Total</b>	<b>586,768</b>	<b>348,004</b>	<b>238,764</b>
<b>Total payables to Group's companies</b>	<b>4,177,468</b>	<b>8,743,580</b>	<b>(4,566,112)</b>

### Tax Payables

The item comprises:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Due to Irap	167,108	-	167,108
Due to withholdings to be paid	411,725	226,404	185,321
Due to taxes to be paid	181,296	2,993,681	(2,812,385)
<b>Total</b>	<b>760,129</b>	<b>3,220,085</b>	<b>(2,459,956)</b>

### Other Payables

The item is broken down as follows:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Payables to staff	10,852	13,703	(2,851)
Other payables	3,199,939	3,191,527	8,412
<b>Total</b>	<b>3,210,791</b>	<b>3,205,230</b>	<b>5,561</b>

## Accrued Expenses and Deferred Income

La tabella seguente riporta la composizione dei Ratei e Risconti passivi:

	2016	2015	Difference
<i>Accrued expenses</i>			
Financial	246,628	317,746	(71,118)
Other	987,137	975,113	12,024
Total accrued expenses	1,233,765	1,292,859	(59,094)
<i>Deferred income</i>			
Operating grants	10,749,059	13,481,570	(2,732,511)
Other deferred income	490,984	490,984	-
Total deferred income	11,240,043	13,972,554	(2,732,511)
<b>Total Accrued Expenses and Deferred Income</b>	<b>12,473,808</b>	<b>15,265,413</b>	<b>(2,791,605)</b>

Accrued expenses refer mainly to interest paid on loans and bank charges amounting to € 246,628 as well as to deferred remuneration and related contribution equal to € 987,137. Deferred Income features mostly plant grants amounting to € 10,749,059.

## Income Statement

### Revenues

The hereafter chart illustrates the composition of Revenues from Sales and Services:

	2016	2015	Difference
<i>Revenues from sales</i>			
Electric power and services sold to other companies	47,688,002	51,928,728	(4,240,726)
Total revenues from sales	47,688,002	51,928,728	(4,240,726)
<i>Revenues from services</i>			
Other services	810,361	9,039,229	(8,228,869)
Total revenues from services	810,361	9,039,229	(8,228,869)
<b>Total Revenues and Services</b>	<b>48,498,362</b>	<b>60,967,957</b>	<b>(12,469,595)</b>

The drop in revenues from power is mostly attributable to a plummet in power generated by biogas plants and related lesser price. It is also worth mentioning that the item Revenues from Sales and Services comprises revenues deriving from incentives for power generation from renewables, including those that replaced the Green Certificates, totaling € 18,778,052 (against prior year's € 18,803,448). Difference in revenues from services is mostly due to the fact that 2016 did not involve Green Certificates trading activities.

### Other Revenues and Income

The item features the following (see next page):

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Operating grants	2,743,608	2,758,877	(15,269)
Capital gains	69,122	20,484	48,638
Compensation for damage	134,615	330,594	(195,978)
Other revenues and income	601,829	723,059	(121,231)
<b>Total Other Revenues and Income</b>	<b>3,549,174</b>	<b>3,833,014</b>	<b>(283,840)</b>

Changes in other revenues are not significant; the item comprises mostly plant contributions granted also by third parties.

### ***Costs of Raw, Ancillary and Consumption Materials and Goods***

The item is broken down as follows:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Raw, ancillary and consumption materials and goods	1,970,686	5,788,341	(3,817,655)
Other purchases	1,532,622	158,542	(4,255,719)
<b>Total</b>	<b>3,503,308</b>	<b>5,946,883</b>	<b>(8,073,374)</b>

Raw materials and goods are mainly connected to plant operation but also to the purchase of raw materials for the vegetable oils plant, of machinery for subsequent resale. The difference is attributable to the fact that 2016 did not feature any purchases of Green Certificates since, as aforementioned, the trading of such ceased.

### ***Costs of Services***

The item comprises:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Costs of services	16,803,518	17,692,646	(889,128)
<b>Total</b>	<b>16,803,518</b>	<b>17,692,646</b>	<b>(889,128)</b>

The main items comprised in Costs of Services refer to expenses for plant and motor management and to their related costs; they underwent decrease given the Company's policy of cost reduction and revaluation being still in act.

### ***Leases and Rentals***

The item comprises the following:

	<b>2016</b>	<b>2015</b>	<b>Difference</b>
Leases and rentals	2,950,082	2,084,429	865,652
Miscellaneous rentals	160,201	142,904	17,297
Royalties liability	5,846,002	7,145,540	(1,299,539)
<b>Total</b>	<b>8,956,285</b>	<b>9,372,874</b>	<b>(416,589)</b>

The item Leases and Rentals comprises, amongst others, leasing instalments, exploitation rights granted back to landfill owners as well as purchasing costs for CIP 6 exploitation concessions.

## Personnel Costs

The item is broken down as follows:

	2016	2015	Difference
Salaries and wages	5,388,043	5,352,952	35,091
Social security	1,641,893	1,685,729	(43,836)
Severance payment	355,621	346,936	8,685
Retirement benefits and similar	-	-	-
Other costs	538	-	538
<b>Total</b>	<b>7,386,095</b>	<b>7,385,617</b>	<b>478</b>

Changes in the item Personnel Costs are not significant, as compared to prior year's, and reflect improvements in HR management.

## Amortization, Depreciation and Write-downs

The item is broken down as follows:

	2016	2015	Difference
<i>Amortization and depreciation</i>			
Amortization of intangible assets	1,386,825	1,899,222	(512,397)
Depreciation of tangible assets	6,727,614	6,685,433	42,181
<b>Total</b>	<b>8,114,439</b>	<b>8,584,655</b>	<b>(470,216)</b>
<i>Write-downs</i>			
Write-downs of intangible assets	-	-	-
Write-downs of tangible assets	71,050	-	71,050
Write-downs of receivables in current assets	45,994	72,385	(26,391)
<b>Total</b>	<b>117,044</b>	<b>72,385</b>	<b>44,659</b>
<b>Total</b>	<b>8,231,483</b>	<b>8,657,040</b>	<b>(425,557)</b>

Decrease was recorded in the total number of Amortization, Depreciation and Write-downs mostly due to the completion of the amortization cycle of intangible assets.

Write-down of receivables illustrates the estimated amount allocated for the period.

## Other Operating Costs

The item comprises the following:

	2016	2015	Difference
Collaboration/membership fees	2,471,879	3,020,004	(548,125)
Other costs	4,046,094	4,525,216	(479,122)
<b>Total</b>	<b>6,517,973</b>	<b>7,545,220</b>	<b>(1,027,247)</b>

The main item in Other Operating Costs is made up by membership investment fees and by collaboration expenses that the Company recedes to its own partners or collaborators under contractual terms.

## Financial Income and Expenses

The item features the following:

	2016	2015	Difference
Investment income	8,505,088	-	8,505,088
Financial and non-financial income	1,959,338	2,564,318	(604,980)
Interest and financial expenses	(5,786,389)	(5,429,066)	(357,323)
Exchange gains and losses	(852)	8,079	(8,931)
<b>Total</b>	<b>4,677,185</b>	<b>(2,856,669)</b>	<b>7,533,854</b>

It is herein outlined that Investment Income comprises surplus gains owing to the third-party disposal of subsidiaries Laterza Aria Wind srl and Laterza Wind 2 srl.

Other Financial Income features loan interest receivables from subsidiaries and associated companies for € 1,954,651, current account interest receivables for € 2,549 as well as interest receivables from others for € 2,138.

Financial Expenses consist mainly of Company's liabilities toward banks amounting to € 4,755,798, of negative differences for € 345,943 found or realized on derivative contracts, of financial losses equaling € 621,794 as well as of miscellaneous charges totaling € 62,854.

Balance on Exchange Gains and Losses regards current trading/financial positions in foreign currency at fiscal year-end; variation is not to be considered significant taking into account the Company's turnover. As previously stated, over the fiscal year Asja recorded gains owing to the disposal of shareholding in two limited liability companies accounted for under Other Income and Expenses (as illustrated under the related item).

## Income Taxes for the Period

The item comprises the following:

	2016	2015	Difference
<b>Current taxes</b>			
Ires – current year	-	(570,239)	570,239
Ires – prior years	(157,030)	(153,429)	(3,601)
Irap – current year	(160,000)	(480,000)	320,000
Tax credits on investments – prior years	(153,235)	-	(153,235)
<b>Total</b>	<b>(470,265)</b>	<b>(1,203,668)</b>	<b>733,403</b>
<b>Prepaid and deferred taxes</b>			
Ires	738,531	20,669	717,862
Irap	9,243	7,515	1,728
<b>Total</b>	<b>747,774</b>	<b>28,184</b>	<b>719,590</b>
<b>Total</b>	<b>277,509</b>	<b>(1,175,484)</b>	<b>1,452,993</b>

The drop in tax burden is attributable to negative taxable income and consequent recognition of a receivable from prepaid taxes.

Prepaid and Deferred Taxes are broken down as follows (see next page):

	Rate	F.y. movements (Income Statement)	
		Temporary difference	Tax effect
<i>Prepaid taxes on</i>			
ACE 2016	24.00%	718,851	172,525
Contributions assessed	24.00%	559,800	134,352
Excess amortization/depreciation tax purposes	24.00%	149,207	35,810
Contributions assessed	3.90%	559,800	21,832
Excess amortization/depreciation tax purposes	3.90%	149,207	5,819
Exchange losses on valuation	24.00%	853	205
Contributions paid over the period	24.00%	(472,000)	(113,280)
Contributions paid over the period	3.90%	(472,000)	(18,408)
<b>Total prepaid taxes</b>			<b>238,855</b>
<i>Deferred taxes due to:</i>			
Exchange gains on valuation		20,542	4,930
Exchange gains on valuation		(47)	(11)
<b>Total deferred taxes</b>			<b>4,919</b>
<b>Prepaid taxes on tax losses carryforward</b>	<b>24.00%</b>	<b>2,100,000</b>	<b>504,000</b>
<b>Total net prepaid and deferred taxes</b>			<b>747,774</b>

When calculating the aforementioned taxes it has been taken into account, prudentially, the drop in the Ires rate going from 27.5% to 24%, as set forth by the the Stability Law 2016 applicable as of fiscal year 2017.

The following chart features the use of tax losses:

	2016		2015	
	Tax losses	Tax effect (rate X%)	Tax losses	Tax effect (rate X%)
<b>Prepaid taxes on tax losses at fiscal year-start</b>	-	-	-	-
Allocation of prepaid taxes on tax losses	2,100,000	676,525	-	-
<b>Prepaid taxes on tax losses at fiscal year-end</b>	<b>2,100,000</b>	<b>676,525</b>	-	-

Reconciliation between actual and theoretical tax burden is set forth below:

	2016	2015
Earnings before tax	6,700,617	4,367,803
Theoretical tax rate	27.50%	27.50%
Theoretical tax burden	1,842,670	1,201,146
<i>Tax effect on</i>		
Prior years' taxes	310,265	153,429
Other difference	(2,420,170)	(449,453)
<b>Total tax expense (income) excluding Irap</b>	<b>(267,235)</b>	<b>905,122</b>
<b>Effective tax rate</b>	<b>(3.99%)</b>	<b>20.72%</b>
Current and deferred Irap	490,757	472,485
<b>Total</b>	<b>223,522</b>	<b>1,377,607</b>

## Further Disclosure

### Related Parties Transactions

Such transactions have been of ordinary character and have been charged at market value within the free competition regime. Asja availed itself of Ago Renewables spa or the plant construction and maintenance. Ago Renewables spa benefited from Asja's services as well.

Asja's technical and administrative offices in Rivoli are proprietorship of the aforementioned company to whom Asja pays market-value rent. The Guarene office, used for commercial and technical meetings, is owned by the Semplice Apee company to whom Asja pays rent.

Asja supports the activity of the Sandretto Re Rebaudengo Foundation by endowing an annual contribution. Asja collaborates, mostly as far as R&D is concerned, with Totem Energy; the latter supplies Asja with maintenance services.

### Average Payroll

The average number of employees per category concerning the current fiscal year is illustrated in the following chart:

	<b>2016</b>	<b>2015</b>
Executives	6	6
Managers, white collars and equivalent	98	97
Blue collars	3	3
Project workers	2	1
<b>Total</b>	<b>109</b>	<b>107</b>

At fiscal year-end staff totaled 111 people, of whom 6 executives, 5 managers, 95 white collars, 3 blue collars and 2 project workers.

### Auditors' Compensations

Compensations regarding auditing services are illustrated herein:

	<b>Entity providing the service</b>	<b>Compensations fiscal year 2016</b>
Legal audit	Ernst & Young spa	75,000
Other certification services	Ernst & Young spa	6,000
<b>Total</b>		<b>81,000</b>

### Guarantees, Commitments and Contingent Liabilities

The following chart comprises guarantees granted by the Company to insurance and non-insurance companies related to third-party sureties and guarantees granted to subsidiaries (see next page).

	2016	2015	Difference
<b>Guarantees</b>			
<i>Personal guarantees granted</i>			
Guarantees to various companies for loan or mortgage granting to subsidiaries	51,115,523	73,856,409	(22,740,886)
<b>Total guarantees granted</b>	<b>51,115,523</b>	<b>73,856,409</b>	<b>(22,740,886)</b>

The following charts shows the Company's commitments:

	2016	2015	Difference
<b>Commitments</b>			
Lease commitments on buildings/plants/equipment	23,937,389	25,266,639	(1,329,250)
<b>Total commitments</b>	<b>23,937,389</b>	<b>25,266,639</b>	<b>(1,329,250)</b>

Company's commitments solely comprise lease commitments.

### **Leasing Agreements**

The Company uses assets acquired through financial leasing agreements accounted for in accordance with the equity method which involves charging leasing instalments to fiscal year costs i.e. Leasehold Assets. Adoption of the financial method in accounting for the aforementioned agreements would have involved recording of interest on the financed capital as well as of amortization/depreciation rates in the income statement, but also of the leased assets under Assets and the residual portion of debt under Liabilities in the balance sheet.

The chart below breaks down the financial method effects on leased assets treatment:

	2016
<b>A) Asset value</b>	
Leased assets net of depreciation/amortization at prior fiscal year-end	33,635,793
+ Leased assets over the period	-
- Leased assets redeemed over the period	-
- Amortization/depreciation rates for the period	(2,626,211)
+/- Adjustments/reversals on leased assets	
<b>Leased Assets at Fiscal Year-end Net of Overall Amortization/Depreciation</b>	<b>31,009,583</b>
<b>B) Current value of instalments not yet due</b>	
<b>Current Value of Instalments not yet Due Based on the Effective Interest Rate of the Finance Leasing Contract</b>	<b>23,937,389</b>
<b>C) Financial burden for the period</b>	
<b>Financial Burden for the Period Based on the Effective Interest Rate</b>	<b>(1,205,695)</b>



***Motion for Allocation of Earnings (loss) for the Period***

The herein statements, submitted to the Board's approval, report profit recorded in the balance sheet amounting to € 6.978.126, as well as in the book records for € 6.978.126,31; it is proposed, pursuant to Article 2427, comma 1 number 22-septies of the Italian Civil Code, to allocate fiscal year's earnings to the Legal Reserve for € 348.909,00 and to Earnings Carried Forward for € 6.629.217,31.

*Rivoli, May 16 2017*

On behalf of the Board  
The Chairman  
***Agostino Re Rebaudengo***



## Relazione della società di revisione indipendente ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della  
Asja Ambiente Italia S.p.A.

### Relazione sul bilancio d'esercizio

Abbiamo svolto la revisione contabile dell'allegato bilancio d'esercizio della Asja Ambiente Italia S.p.A., costituito dallo stato patrimoniale al 31 dicembre 2016, dal conto economico e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

### Responsabilità degli amministratori per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione.

### Responsabilità della società di revisione

È nostra la responsabilità di esprimere un giudizio sul bilancio d'esercizio sulla base della revisione contabile. Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia) elaborati ai sensi dell'art. 11 del D.Lgs. 27 gennaio 2010, n. 39. Tali principi richiedono il rispetto di principi etici, nonché la pianificazione e lo svolgimento della revisione contabile al fine di acquisire una ragionevole sicurezza che il bilancio d'esercizio non contenga errori significativi.

La revisione contabile comporta lo svolgimento di procedure volte ad acquisire elementi probativi a supporto degli importi e delle informazioni contenuti nel bilancio d'esercizio. Le procedure scelte dipendono dal giudizio professionale del revisore, inclusa la valutazione dei rischi di errori significativi nel bilancio d'esercizio dovuti a frodi o a comportamenti o eventi non intenzionali. Nell'effettuare tali valutazioni del rischio, il revisore considera il controllo interno relativo alla redazione del bilancio d'esercizio dell'impresa che fornisca una rappresentazione veritiera e corretta al fine di definire procedure di revisione appropriate alle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno dell'impresa. La revisione contabile comprende altresì la valutazione dell'appropriatezza dei principi contabili adottati, della ragionevolezza delle stime contabili effettuate dagli amministratori, nonché la valutazione della presentazione del bilancio d'esercizio nel suo complesso.

Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

### Giudizio

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Asja Ambiente Italia S.p.A. al 31 dicembre 2016, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità alle norme italiane che ne disciplinano i criteri di redazione.

## Relazione su altre disposizioni di legge e regolamentari

### Giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere, come richiesto dalle norme di legge, un giudizio sulla coerenza della relazione sulla gestione, la cui responsabilità compete agli amministratori della Asja Ambiente S.p.A., con il bilancio d'esercizio della Asja Ambiente S.p.A. al 31 dicembre 2016. A nostro giudizio la relazione sulla gestione è coerente con il bilancio d'esercizio della Asja Ambiente Italia S.p.A. al 31 dicembre 2016.

Torino, 17 maggio 2017

EY S.p.A.



Stefania Boschetti  
(Socio)

**ASJA AMBIENTE ITALIA S.p.A.**

**Sede legale in Torino, Corso Vinzaglio n. 24**

**Capitale sociale Euro 56.624.000,00 - versato**

**Registro Imprese di Torino e codice fiscale n. 06824320011**

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**BILANCIO AL 31 DICEMBRE 2016**  
**RELAZIONE DEL COLLEGIO SINDACALE**  
**AI SENSI DELL'ART. 2429 DEL CODICE CIVILE**

**\* \* \***

All'assemblea degli azionisti della Asja Ambiente Italia S.p.A..

Nel corso dell'esercizio chiuso al 31 dicembre 2016 abbiamo svolto l'attività di controllo di cui all'articolo 2403 Codice Civile.

L'attività di revisione legale dei conti, di cui all'articolo 14 del D.Lgs. 39/2010, è demandata, nel rispetto della norma, alla società di revisione EY S.p.A. (già Reconta Ernst & Young S.p.A.).

La presente relazione, pertanto, viene redatta per ottemperare agli obblighi disposti dalla legge, con riferimento alla predetta funzione.

(1) In ottemperanza ai doveri di cui all'articolo 2403 Codice Civile, in particolare:

- abbiamo vigilato sull'osservanza della legge e dello statuto e sul rispetto dei principi di corretta amministrazione;
- abbiamo partecipato alle assemblee degli azionisti e alle riunioni del Consiglio di amministrazione, che si sono svolte nel rispetto delle norme statutarie, legislative e regolamentari che ne disciplinano il funzionamento; le deliberazioni assunte in tali sedi sono risultate conformi alla legge e allo statuto sociale e non sono risultate imprudenti, azzardate, in potenziale conflitto d'interesse o tali da



- compromettere l'integrità del patrimonio sociale;
- sulla base delle informazioni disponibili non abbiamo rilevato violazioni della legge e dello statuto sociale, né operazioni manifestamente imprudenti, azzardate, o nelle quali sia emerso un interesse proprio di qualche amministratore, o comunque tali da compromettere l'integrità del patrimonio sociale;
  - abbiamo acquisito conoscenza e vigilato, anche tramite la raccolta di informazioni dai responsabili delle funzioni, sull'adeguatezza dell'assetto organizzativo della società e a tale riguardo non abbiamo osservazioni particolari da riferire;
  - abbiamo valutato e vigilato sull'adeguatezza del sistema amministrativo e contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'esame dei documenti aziendali, senza rilevare criticità meritevoli di segnalazione;
  - per quanto riguarda il controllo analitico sul contenuto del bilancio, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire.
- (2) Durante le riunioni degli organi sociali e nel corso di incontri informali, abbiamo ottenuto dagli amministratori informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione nonché sulle operazioni di maggior rilievo, per le loro dimensioni o caratteristiche, effettuate dalla società e dalle sue controllate.
- (3) Non sono pervenute, nel corso dell'esercizio, né denunce ai sensi dell'articolo 2408 Codice Civile, né esposti.
- (4) Non abbiamo rilasciato pareri previsti dalla legge



- (5) Abbiamo collaborato con il soggetto incaricato della revisione legale, scambiandoci tempestivamente le informazioni rilevanti per l'espletamento dei rispettivi mandati; in esito a tale scambio di informazioni non sono emersi dati ed informazioni rilevanti che debbano essere segnalati nella presente relazione.

#### OSSERVAZIONI E PROPOSTE SUL BILANCIO (articolo 2429, c. 2, C.C.)

- (6) L'organo amministrativo, nella redazione del progetto di bilancio, trasmessoci nei termini di legge, non ha derogato alle norme di legge ai sensi dell'articolo 2423, comma 4, Codice Civile.
- (7) Abbiamo ricevuto conferma dai responsabili delle attività di revisione contabile in merito alla corretta applicazione, nella redazione del bilancio, dei principi di cui all'articolo 2423-bis del codice civile.
- (8) Dall'attività di vigilanza e di controllo non sono emersi fatti significativi suscettibili di segnalazione o menzione nella presente relazione.

\* \* \*

Alla luce di quanto sopra e considerate le risultanze dell'attività svolta dal soggetto incaricato della revisione legale, così come contenute nell'apposita relazione accompagnatoria al bilancio medesimo, rilasciata da EY S.p.A. in data 17 maggio 2017 senza alcuna eccezione, esprimiamo parere favorevole in merito all'approvazione del progetto di bilancio, così come predisposto dall'organo amministrativo e alla proposta di destinazione dell'utile di esercizio.

#### OSSERVAZIONI E PROPOSTE SUL BILANCIO CONSOLIDATO

- (9) Gli amministratori hanno predisposto il bilancio consolidato di gruppo, ricorrendo i presupposti di cui agli articoli 25 e seguenti del D. Lgs. 127/1991; per quanto riguarda il controllo analitico sul contenuto del bilancio consolidato, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda

Three handwritten signatures in black ink are located on the right side of the page. The top signature is a stylized 'F' or 'P'. The middle signature is a cursive 'M'. The bottom signature is a cursive 'A'.

la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire.

(10) L'organo amministrativo nella redazione del bilancio consolidato non ha derogato alle norme di legge ai sensi dell'articolo 2423, comma 4, Codice Civile.

(11) Dall'attività di vigilanza e di controllo svolta con riferimento al bilancio consolidato non sono emersi fatti significativi suscettibili di segnalazione o menzione nella presente relazione.

Segnaliamo infine che EY S.p.A., quale soggetto incaricato della revisione legale, ha emesso in data 17 maggio 2017 una relazione accompagnatoria al predetto bilancio consolidato senza alcuna eccezione.

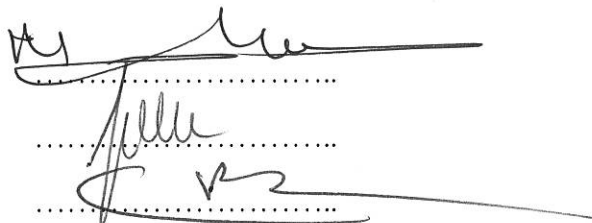
Torino, 17 maggio 2017

I SINDACI

(dott. Mario DEL SARTO)

(dott. Leonardo CUTTICA)

(dott. Enrico BONICELLI)



## Minutes of the Approval Meeting

Minutes of the Meeting of May 18, 2017 set forth, at point no. 1 the following:

- Financial Statements approval as at December 31, 2016

The Meeting, after in-depth discussions, approves the Financial Statements as at December 31, 2016, presented as well in the format required for filing to the Register of Enterprises, the Report on Operations and allocate Earnings (loss) for the year as shown in the Report on Operations:

Legal reserve	€	348,909.00
Earnings (loss) prior years	€	6,629,217.31
	€	<b>6,978,126.31</b>

On behalf of the board of Directors  
The Chairman  
*Agostino Re Rebaudengo*





