

ASJA AMBIENTE ITALIA  
2017 Report on Operations and  
Consolidated Financial Statements

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*Unless otherwise stated, all amounts reported in the hereby statements have been expressed in euros.*

**BOARD OF DIRECTORS**

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*Directors*

Emilio Re Rebaudengo

Guido Corbò

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Tommaso Cassata

**BOARD OF STATUTORY AUDITORS**

*Chairman*

Mario Del Sarto

*Auditors*

Enrico Bonicelli

Leonardo Cuttica

**INDEPENDENT AUDITORS**

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Dear Stakeholders,

the Financial Statements of Asja Ambiente Italia SpA (Parent Company) as at December 31, 2017, here submitted to your approval, report profits of € 17,965,850 net of appropriations at corporate's expense for Amortization, Depreciation and Write-downs of € 13,001,574 as well as for Income Taxes Ires and Irap totaling € (1,681,407). Subsidiaries listed in Annex A have all been consolidated on a line-by-line method. Prior year's Financial Statements closed with a net profit of € 6,501,892, after allocation for Depreciation, Amortization and Write-downs for € 15,803,868 and Taxes for € 334,591. These Financial Statements have been drawn-up to comply with the legislation set forth in the Articles of Charter 9, Part V, Book 5 of the Italian Civil Procedure Code.

It is herein reported that, pursuant to Article 2364 of the Italian Civil Code, as well as to Article 8 of the Articles of Association, and also taking into consideration the definitive data gathered from all subsidiaries, the Company availed itself of the extension of the financial statements' approval to a maximum of 180 days from fiscal year-end.

## Asja Group



Asja is a worldwide group operating within the sector of renewables, energy efficiency as well as of greenhouse-effect gases responsible for climate change.

For over twenty years Asja has been engineering, building and managing power-generating plants from renewables. Established in 1995, its first projects involved landfill biogas upgrading plants, subsequently followed up by wind parks and photovoltaic power plants. Production of biomethane is the new frontier and the natural evolution of landfill biogas.

Availing itself of the latest technologies, Asja develops innovative plants that utilize OFMSW (Organic Fraction of Municipal Solid Waste), pruning residues of public green areas and waste/by-products deriving from the agricultural and agro-industrial chain to produce high-quality biomethane and compost. Numerous plants are currently under development and construction. 2013 marks Asja's debut into the energy efficiency and distributed generation sector by setting up TOTEM Energy, company that engineers, produces and commercializes a high-efficiency line of microgenerators. An evolution of the world's first microgenerator ever, created by Fiat Research Center in 1977, the TOTEM holds a prominent position within its category, with efficiency class A++ and emissions of nitrogen oxides 9 times as less as the least polluting boilers (class 5) and up to 25 times less than the most stringent national regulations in force.

Internationally, Asja operates in Brazil and China on electric power generation plants and provides consultancy within the Carbon Market framework.

Proceeding coherently with its mission, Asja is involved in projects aiming to mitigate voluntary emissions as well. The Asja -CO<sub>2</sub> project enables corporates to cancel harmful emissions related to their activities by purchasing carbon credits generated by renewable energy from Asja's plants.

Asja truly believes in environmental education and awareness, being fully committed to its spreading. To such concern it supports the Contemporary Arts Foundation Sandretto Re Rebaudengo, the Cinemambiente International Film Festival as well as the Environmental Museum (MAcA) in Turin, the first European museum dedicated entirely to environmental issues.

Asja's choice of investing in research and development of new technologies for renewable energy generation and energy efficiency is a strategic one. To such concern the Company, since 2008, has been steadily collaborating with the Turin Polytechnic as well as with other prominent research institutes. The Chairman of Asja Group, Agostino Re Rebaudengo, also covers the charge of vice-president with Elettrocità Futura, the main association within the Italian electric community that gathers producers of electric energy from both renewable and conventional sources, is Chairman of the Environmental Museum, board member of Confindustria as well as of Governing Council of Unione Industriale di Torino (Turin Industrial Union).

## **The Chinese Scenario**

In China, the Shenyang plant hit the targets forecasted by the 2017 budget, both in terms of production and of unit cost of production. The technical/administrative procedure for the plant's upgrading was completed; its overall power is equal to 4.4 MW.

With concern to consultancy activities within the carbon framework, there has been a temporary stall owing to national regulations in force that are defining the new local system of reduced-emission certification. Activity is forecasted to resume throughout 2018.

Business contacts with a prominent Italian leader in the landfill management sector in the Republic of Macedonia were taken over 2017. To such concern a due diligence procedure, with exclusive rights, was initiated so as to assess the feasibility of a 2-MW plant on the landfill of the capital city Skopje.

The feed-in tariff of electric power sale proves to be particularly appealing. Due diligence is bound to be completed by first quarter 2018 and, in case of a positive outcome, negotiation for biogas exploitation rights will cease.

## **The Brazilian Scenario**

June 2017 saw the completion of construction works of the biogas electric power generation plant located in Sabarà (Minas Gerais). The plant became fully operational in September 2017.

Given the excess biogas production compared to the estimated one, upgrading of the plant was deemed appropriate. Consequent to such decision, all technical/administrative procedures were set

in motion and the order for the purchase of a new engine was signed. Upgrading is bound to be completed by first quarter 2018 and will bring the overall plant capacity to 7 MW, thus coinciding with the maximum collection capacity of the local grid.

September 2017 featured the completion of negotiations (with a positive outcome) aimed at acquiring biogas exploitation rights on landfills in Jaboatão (Pernambuco) and João Pessoa (Paraíba) north-east of Brazil. The Jaboatão plant with 12.6 MW installed power will be the largest in Asja's history. Over the last quarter 2017 all technical/administrative procedures were set in motion to obtain authorization for the plant's construction and operation and the contract for the purchase of engines was signed. Construction is bound to commence first quarter 2018, whilst it is expected to become fully operational by first quarter 2019. The João Pessoa plant will feature installed power equal to 4.2 MW. Over 2017, all technical/administrative procedures were set in motion to obtain authorization for the plant's construction and operation and the contract for the purchase of engines was signed. Construction is bound to commence first quarter 2018 whilst it is expected to become fully operational by first quarter 2019.

For both plants a Power Purchase Agreement (PPA) was signed with a leading operator in the sector in Brazil, that covers for the sale of electric power generated over the first four operational years, translated into 60% of the installed power at a higher sale price compared to the estimated one based on the evaluation of both initiatives in the Business Plan. As a means to further consolidate its presence in Brazil as well as to ensure business growth, Asja is enhancing the local Administration, Finance & Control and Technical Departments as well as the O&M expert staff.

Various agreements are underway with local authorities and companies targeted at the development of new and further business opportunities by late 2018. Particular emphasis is placed on two opportunities of 1.5 MW each, within the sector of wood-based biomasses from the potential use of pruning residues of public green areas.

## Asja Ambiente Italia's Core Business

### Biogas and Biomasses



In terms of separate waste collection, targets set forth by Article 205 of Legislative Decree 152/06 and by the European Directive 2008/98/CE, implemented under National law by Legislative Decree 205/2010 (Article 181 of Legislative Decree 152/06), impose substantial improvements at national level concerning the quality of waste collection and treatment processes.

Reports of entities in charge of such issues such as the National Environmental Protection Agency ("ISPRA") and the Italian Consortium of Composters ("CIC") or observers' assessments of regional and provincial waste highlight the fact that currently the number of OFMSW plants (either anaerobic or composting) is

definitely inferior to production, with marked deficit in Central-South regions. Within such scenario Asja has long been concentrating part of its sales and marketing resources to developing a new business model targeted at OFMSW recovery through designing, building and managing plants for energy and biomethane generation into the grid or for powering vehicles.

This trend is particularly enhanced by the suspension of the ban on landfill biogas upgrading to biomethane production as well as by the enactment of the decree "Promotion of use of biomethane and other advanced biofuels in the transport sector" of March 2018.

Such development results in higher usage of biomethane from biomasses since producers may now count on a non-discriminatory access to the natural gas distribution system in compliance with applicable safety and technical regulations as well as on an incentive scheme. Owing to our sales and marketing staff's careful assessment, new potentially attractive initiatives have been identified throughout Italy in terms of both high quantities and quality of disposable OFSMW and of positive scenario. Realization of the aforementioned projects has proven tangible, partly owing to a gradual municipalities' and regional authorities' growing awareness of the importance of recycling thus accepting the presence of waste treatment plants on the territory.

The first site under construction, situated in the town of Foligno (Pg), received authorization for the construction and operation of a OFSMW anaerobic digestion plant in 2016. On January 23, 2017 construction works began, perfectly in line with prior scheduling. The project foresees production of biomethane (roughly 4 million cubic meters yearly) to be fed into the natural gas grid.

Completion of works, transitional goodwill and commencement of waste disposal are expected by first quarter 2018. By second quarter 2018 works related to the biomethane section are bound



to be completed followed by subsequent start of production.

Summer 2017 saw the takeover of Anziobiowaste, a Special Purpose Vehicle company (SPV) that owns authorization to operate the biomethane plant (producing about 3,500,000 cubic meters yearly) situated in the municipality of Anzio (Rm). Works commenced on September 2, 2017 and are bound to be completed by first quarter 2019.

Another important target was hit in September 2017 with the awarding of the tender organized by the Municipality of Legnano (Mi) for the construction of a biomethane production plant from OFMSW. The project was submitted to authorizations whilst construction will presumably begin late second quarter 2018. Over 2017, partnered by Cassagnasrl, Asja set up Pianobiosrl, a company that will build in the town of Pianezza (To) a 40,000-ton OFMSW plant for the production of biomethane, already authorized by the Municipality of Turin, whose construction is bound to initiate in January 2018.

Remaining in the sector of OFMSW and biomethane production, it is outlined that the takeover agreement for an already existing plant in Lazio is currently under way and will enter into force in the summer 2018. Besides being involved in the management of the aforementioned projects, Asja is incessantly pursuing new initiatives, with particular focus being placed on the following regions: Sicily, Apulia, Liguria and Lombardy.

As far as landfill biogas is concerned, Asja consolidated its market leadership by being awarded the tender, for which prominent competitors bided, for the full-service maintenance of power generation groups fueled by waste water treatment biogas, proprietorship of Società Metropolitana Acque Torino (SMAT). Furthermore, Asja provided consultancy services on landfills and plants for electric power generation aimed at plant performance optimization and management.

## Wind



Fiscal year 2017 featured commencement of construction works for a new plant in Sicily, submitted to GSE's tender procedure pursuant to Ministry Decree of 23/06/2016 thus benefiting from the feed-in-tariff.

The new plant is part of the widening project of the existing wind farm built in 2016 named Alia Sclafani.

Widening works are bound to be completed by first quarter 2018. Alongside with the construction activities, Asja carried on with its development projects both internationally and domestically. In particular, a list of projects has been assessed, currently undergoing due diligence, with the aim of acquiring new projects for future implementations.



## Photovoltaics



Fiscal year 2017 witnessed due diligence procedures targeted at assessment of already operational initiatives to be acquired by the Group. Over the period, Asja also looked into different opportunities of providing O&M and Asset Management services within the photovoltaics sector. Moreover, Asja employed its own internal competences in managing the existing 14 operating plants spread on the national territory with installed power totaling 12 MW.

Foreseeing future development, Asja initiated research into large electricity consumers thus aiming to build photovoltaic plants for their businesses. Currently the Company is also performing technical evaluations so as

to build new photovoltaic plants to cover for power consumption of its own OFMSW plants.

## La Ricerca



Throughout 2017, Asja Ambiente Italia's R&D proceeded with and consolidated its business interest in biopolymers and bioplastics deriving from biological processes of waste biomass upgrading and biomethane.

Projects submitted in 2006 were granted the loan requested. The H2020 Engicoin project (micro-bialfactories for the production of PHA, PHB and lactic acid), having the Italian Institute of Technology (IIT) as project leader, was approved. 2017 was intensively dedicated to the upcoming official entry into force of operations forecasted by January 2018. The BiFour project, partnered by EnviPark, Moltosenso, Hysytech and IIT, financed by Poli d'Innovazione della Regione

Piemonte (Innovation Poles of Piedmont Region) grant, officially started in October.

The PROMETEO project, aimed at development of a biomethane production plant through CO<sub>2</sub> physical adsorption, the result of the collaboration between Asja (project leader) and the Research in Energy Systems (here "RSE") commenced in February 2017.

Alongside the kinetic and dynamic models set-up, a request of variation of the adsorbent material to be tested was submitted and further approved. An experimental pilot scheme was installed at the concurred testing site.

The Company, aiming to promote compost upgrading that will be produced on the AD plant in Foligno, dropped the Smartcompost project, replacing it with research in the potential of pyrolysis as well as of pyrogasification of the digestate by AD, thus seeking to cut back on energy demand essential to biomass treatment.

Asja, within the framework of energy efficiency, has shown interest in developing a solid state technology targeted at thermal and electric power generation thanks to optical systems, thus supporting the research work of RSE and UniPavia.

In order to maximize energy recovery from the generators of the Pianezza 1 and 2 plants, the R&I Dpt looked into hydroponic crops. More specifically, Asja assessed the microalgae intended for food industry and for extraction of compounds that bring added value to nutraceuticals and pharmaceuticals. The growing interest in the development of biorefineries has led Asja to introduce the Percival project, coordinated by the National Technological District on Energy Scarl, whose aim is to introduce technologies for the extraction of bioactive compounds and molecules that bring added value to nutraceuticals, pharmaceuticals and cosmetics, rooting from residual biomasses and by-products from the food and food processing sector.

Consolidation of the OFMSW treatment sector, brought in by the realization of the first AD plants, led the R&I Dpt. to look closely into the waste sector, more specifically into Electronic and Electric Devices Waste (here RAEE) as well as into precious metals recovery and rare earths from electronic boards. Over 2017 Asja, through TOTEM Energy, focused on the development of a new micro-cogenerator for the North American market as well as on obtaining required certification, in collaboration with Underwriters Laboratories, for trading the microcogenerators in the US and Canada. Such activities involved development and manufacturing of prototypes and of a pre-series microcogenerator named TOTEM 25 BS, on which all certification tests and production checks were performed and completed as at December 2017. Throughout the fiscal year, development of TOTEM Full-Thermal, a product that features coupling of a Totem 25 with a reversible heat pump and two thermal build-ups, proceeded. Integration occurs by means of a hydronic module developed by TOTEM and a management software.

## Certificates

In 2017 Asja, availing itself of the certification organization 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). Auditing activities were performed on the biogas plants of Fermo (Fe) and Corinaldo (Ap), on the wind plants of Monte Mola (Tp) and Guarine (Tp), on the vegetable oils and photovoltaic plant of San Giorgio (To), as well as on the Company's premises in Rivoli.

Asja's ongoing commitment toward constant improving led to setting targets in various areas, amongst which quality, environment protection and safety namely 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 owing to consolidated collaborations as well as to new projects.

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.

Likewise, through collaboration with two prominent organizations i.e. Prince Albert II of Monaco Foundation as well as Alberto Sordi Foundation Asja compensated for their CO<sub>2</sub> emissions.

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 at the Headquarters in Rivoli.

Asja is involved 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.

Furthermore, Asja compensated for carbon dioxide emissions generated by ATI Logistica regarding the organization of the "Napoli Meets the World", event at the Mostra D'Oltremare ("Overseas Exhibition").

This year as well, the Environmental Museum (MAcA) in Turin availed itself of Asja's services in order to obtain an estimation of prior year's electric and thermal power consumption, compensated by the Company's Asja -CO<sub>2</sub> system through cancellation of 64 tons of corresponding CO<sub>2</sub>.

## Personnel

2017 has yet been another year dedicated to the consolidation of efficiency as well as to cost and resources optimization. As far as training is concerned, Asja focused on Health and Safety at the Workplace issues without neglecting professional and management ones.

Current year has not recorded relevant changes in personnel neither domestically nor internationally.

## 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

		<b>2017</b>	<b>2016</b>
<i>Non-current Assets</i>			
Intangible assets	I	23,243,256	26,852,862
Tangible assets	I	129,006,056	154,611,712
Financial assets	I	26,763,041	26,595,657
<i>Working Capital</i>			
Inventories	C	1,503,657	1,997,454
Deferred cash	C/LD	53,141,411	47,811,447
Available cash	C/LI	11,722,458	13,627,620
<b>Capital invested</b>	<b>K</b>	<b>245,379,879</b>	<b>271,496,751</b>
Shareholders' equity	N	80,920,412	64,510,158
Consolidated liabilities	T	98,428,194	138,985,847
Current liabilities	T/PC	66,031,273	68,000,747
<b>Capital raised</b>	<b>K</b>	<b>245,379,879</b>	<b>271,496,751</b>

Over fiscal year 2017 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 investment in the subsidiary Meltemi.

## Income Statement

	<b>2017</b>	<b>2016</b>
Revenues from sales and services	50,091,830	57,138,685
Changes in finished goods' inventories	(808,411)	1,374,561
Changes in commissioned work-in-progress	308,888	-
Increases in assets due to internal works	56,454	9,792
<b>Value of Production</b>	<b>49,648,761</b>	<b>58,523,038</b>
Purchase of raw, ancillary and consumption materials	(6,620,537)	(4,809,275)
Cost of services	(18,291,609)	(17,657,717)
Cost of use of leasehold assets	(6,011,066)	(7,127,459)
<b>Added Value</b>	<b>18,725,550</b>	<b>28,928,587</b>
Labor cost	(9,254,020)	(8,371,605)
<b>Gross Trading Margin (EBITDA)</b>	<b>9,471,530</b>	<b>20,556,982</b>
Amortization, depreciation and write-downs	(13,001,573)	(15,803,868)
Provision for risks	-	(504,837)
<b>Operating Income (EBIT)</b>	<b>(3,530,043)</b>	<b>4,248,276</b>
Other revenues and income	6,153,497	7,545,668
Other operating expenses	(4,611,901)	(6,897,179)
Other financial income	24,555,372	9,332,070
Interest and other financial expenses	(5,478,777)	(8,329,154)
Exchange gains and losses	(782,416)	1,052,514
<b>Current Income</b>	<b>16,305,733</b>	<b>6,952,196</b>
<b>Adjustments in Value of Financial assets and Liabilities</b>	<b>(22,989)</b>	<b>(114,423)</b>
Adjustments in net income for the year due to rounding-off	-	1
<b>Income before Tax</b>	<b>16,282,744</b>	<b>6,837,774</b>
Income tax – current, deferred, anticipated and Irap	1,681,407	(334,591)
<b>Net Worth (Rn)</b>	<b>17,964,151</b>	<b>6,503,183</b>

Decrease in revenues from energy is mainly attributable to lesser generation from biogas plants and to its lower pricing as well as to disposal of stakeholding in Meltemi and related revenues.

## Ratios

		<b>2017</b>	<b>2016</b>
Burden of fixed assets	I/K	72.95%	76.63%
Burden of current assets	C/K	27.05%	23.37%
Burden of equity	N/K	32.98%	23.76%
Burden of minority equity	T/K	67.02%	76.24%
Availability index	C/PC	100.51%	93.29%
Cash index	(LI+LD)/PC	98.23%	90.35%
Self-hedging assets index	N/I	45.20%	31.01%
ROE	RN/N	22.20%	10.08%
ROI	EBIT/K	(1.44%)	1.56%
ROS	EBIT/VENDITE	(7.05%)	7.44%

Asja's core business is plant construction and management (biomasses, photovoltaic, wind) that require substantial technical investments therefore assets represent the prevailing burden.

Burden of own equity increased to about one third of the total. The cash index featured significant increase mainly owing to the transfer of stakeholding in Meltemi. The gain from such transfer impacts positively on ROE, whilst its effect on ROI and ROS is negative.

## Description of Risks and Uncertainties

Asja is a utility company that generates and trades renewable Energy, mostly characterized by:

- large investment in medium-term subsidized plants (5 to 12 years);
- absence of “unsold” risk as renewable Energy features “dispatch priority”, i.e. selling the entire amount of generated power under 15/20-year agreements by means of conventions undertaken with GSE or else of renewable annual contracts with dispatching users operating within the free market;
- limited payment risk since the energy is sold primarily to: GSE - Gestore dei Servizi Energetici, ELECTRADE, EDELWEISS, GREEN TRADE; GSE is a limited company wholly owned by the Ministry of Economy and Finance, that also hedges on potential risks as well as on the eligibility of all incentives: Feed-in Tariff, Conto Energia, Aste Fer, and Inclusive Tariffs.

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

1. R&D costs linked to design and work planning have been paid over current fiscal year except for those considered multi-annual. Regardless of its competitors, Asja keeps maintaining its highly innovative and dynamic features.
2. Asja does not hold and has not held over current fiscal year, neither directly nor indirectly, through a trust corporation or third party, its own shares nor shares in the holding company.
3. The Company has neither purchased nor sold its own shares or shares in the holding company, neither through a trust corporation nor third party.
4. The Company’s interest rate risk exposure is to be attributed to floating-rate bank loans. In order to mitigate such risks, the Company availed itself of designated derivative instruments such as cash flow hedges. (interest rate swap and Euro swap). Use of such instruments is regulated under internal procedures in line with the Company’s risk management strategies that envisage derivative instruments with the sole purpose of hedging.
5. As at December 31, 2017 the number of shares issued and outstanding amounted to 14,156,000, all subscribed and paid up, bearing the value of € 4 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. On July 14, Asja Ambiente SpA acquired from Ago Renewables SpA financial receivables from Asja Ambiente's subsidiaries, namely Puglia Solar 1 Srl for € 1,466,700, Puglia Solar 2 Srl for € 1,049,600, Rabbici Solar Srl for € 238,800, Specchia Solar Srl for € 229,900.

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. Furthermore, Asja trades TOTEM products on its own distribution network. Poligrow Inversiones acquired further 10% stakeholding in Reba Capital S.a.r.l., thus bringing overall investment to € 11,550,000.

## Events Occurring since Fiscal Year End and Business Outlook

First quarter 2018 has featured greater revenues against previous year's same period. Increase is due to investments made. Acquisition of Bio.Pol SpA is currently in progress, a Company that holds the majority stakeholding in "Tuscia Ambiente Srl", proprietor of a partially-built OFMSW plant whose entry into force is foreseen in November. The operation was financed by Mediocredito Italiano of Gruppo Intesa Sanpaolo by means of medium-term investment. June 2018 foresees the entry into force of the first biomethane upgrading plant from OFMSW situated in Foligno and managed entirely by Asja. The month of June also foresees the acquisition of and related medium-term loan granted to a biomethane upgrading plant from OFMSW, bound to become operational by late 2018. Early 2018 saw the initiation of construction works on the biogas plants of João Pessoa and Jaboatão in the Brazilian states of Paraíba and Pernambuco, bound to become operational by first quarter 2019. In line with the 2018-2022 Business Plan, in January the Company motioned for corporate restructuring, thus strengthening in particular the Operations Department.

*Rivoli, 30 marzo 2018*

Per il Consiglio di Amministrazione  
Il Presidente  
**Agostino Re Rebaudengo**





<b>Assets</b>	<b>2017</b>	<b>2016</b>
<b>b) Intangible, Tangible and Long-term Financial Assets</b>		
<b>Intangible Assets</b>		
Plant costs and widening investments	161,022	158,084
Industrial patent and intellectual property	1,746,435	1,795,378
Concessions, licenses, trademarks and similar rights	18,289,919	21,944,042
Goodwill	146,881	318,040
Other intangible assets	1,080,910	1,074,015
Intangible assets under development and advances	1,818,090	1,563,303
<b>Total</b>	<b>23,243,257</b>	<b>26,852,862</b>
<b>Tangible Assets</b>		
Land and building	1,362,400	1,826,690
Plant and machinery	108,627,244	151,064,302
Industrial and commercial equipment	119,065	176,622
Other tangible assets	498,839	544,499
Tangible assets under construction and advances	18,398,507	999,599
<b>Total</b>	<b>129,006,055</b>	<b>154,611,712</b>
<b>Long-term Financial Assets</b>		
<i>Investment in</i>		
Associated companies	11,881,291	5,343,368
Other companies	498,454	490,954
<b>Total Investment</b>	<b>12,379,745</b>	<b>5,834,322</b>
<i>Receivables</i>		
From associated companies	13,541,955	19,881,989
From other	761,341	629,934
From Group companies	-	249,411
<b>Total Receivables</b>	<b>14,303,296</b>	<b>20,761,334</b>
Other securities	80,000	
<b>Total</b>	<b>26,763,041</b>	<b>26,595,656</b>
<b>Total Intangible, Tangible and Long-term Financial Assets</b>	<b>179,012,353</b>	<b>208,060,230</b>
<b>c) Current Assets</b>		
<b>Inventories</b>		
Commissioned work-in-progress	931,781	622,893
Finished products and goods	571,876	1,374,561
<b>Total</b>	<b>1,503,657</b>	<b>1,997,454</b>
<b>Receivables</b>		
Trade receivables	15,800,944	17,100,007
From associated companies	1,233,838	1,211,887
Tax receivables	15,375,786	14,271,635
Prepaid tax	3,641,435	2,161,409
Other receivables	3,732,613	3,509,834
<b>Total</b>	<b>39,784,616</b>	<b>38,254,772</b>
<b>Short-term Investment</b>		
Derivative financial instruments assets	142,902	3,008
Other securities	250	250
<b>Total</b>	<b>143,152</b>	<b>3,258</b>
<b>Cash and Cash Equivalents</b>		
Bank and postal deposit accounts	11,694,494	13,575,210
Cash	27,964	52,410
<b>Total</b>	<b>11,722,458</b>	<b>13,627,620</b>
<b>Total Current Assets</b>	<b>53,153,883</b>	<b>53,883,104</b>
<b>d) Accrued Income and Prepaid Expenses</b>		
Accrued income	1,520,053	1,000,537
Prepaid expenses	11,693,590	8,552,880
<b>Total Accrued Income and Prepaid Expenses</b>	<b>13,213,643</b>	<b>9,553,417</b>
<b>Total Assets</b>	<b>245,379,879</b>	<b>271,496,751</b>

<b>Liabilities</b>	<b>2017</b>	<b>2016</b>
<b>a) Shareholders' Equity</b>		
Common stock	56,624,000	56,624,000
Legal reserve	2,194,745	1,845,836
Other reserves	287,534	287,532
Translation reserves	6,668,374	4,337,045
Consolidation reserve	(20,704,971)	(22,342,092)
Reserve to hedge for expected cash flows	(238,557)	(256,081)
Earnings (Loss) prior period	18,157,110	17,518,983
Earnings (Loss) current period	17,965,850	6,501,892
<b>Total Group Equity</b>	<b>80,954,085</b>	<b>64,517,115</b>
Minority interest	(31,974)	(8,247)
Earnings (Loss) attributable to minority interest for the period	(1,699)	1,291
<b>Total Minority Interest</b>	<b>(33,673)</b>	<b>(6,956)</b>
<b>Total Consolidated Equity</b>	<b>80,920,412</b>	<b>64,510,159</b>
<b>b) Provisions for Risks and Charges</b>		
Provision for taxes including deferred	35,881	11
Other provisions	358,932	1,176,923
Derivative financial instruments liabilities	456,793	340,907
<b>Total Provisions for Risks and Charges</b>	<b>851,606</b>	<b>1,517,841</b>
<b>c) Severance Payment</b>	<b>299,790</b>	<b>315,367</b>
<b>d) Payables</b>		
Debentures	12,011,228	12,000,000
Payables to banks due within next fiscal year	18,613,387	26,392,966
Payables to banks due after next fiscal year	47,554,667	80,869,269
Payables to other lenders due within next fiscal year	8,206,453	3,065,379
Payables to other lenders due after next fiscal year	37,073,410	39,496,317
Advances	578,270	-
Trade payables	21,079,501	17,120,029
Payables to associated companies	558,536	586,768
Tax payables	854,086	1,786,122
Payables to social security institutions	366,990	390,260
Other payables due within next fiscal year	1,883,861	3,031,770
Other payables due after next fiscal year	1,094,286	5,127,959
<b>Total Payables</b>	<b>149,874,676</b>	<b>189,866,839</b>
<b>e) Accrued Expenses and Deferred Income</b>		
Accrued expenses	1,343,289	1,283,264
Deferred income	12,090,106	14,003,281
<b>Total Accrued Expenses and Deferred Income</b>	<b>13,433,395</b>	<b>15,286,545</b>
<b>Total Liabilities</b>	<b>245,379,879</b>	<b>271,496,751</b>

<b>Income Statement</b>	<b>2017</b>	<b>2016</b>
<b>a) Value of Production</b>		
Revenues from sales and services	50,091,830	57,138,685
Changes in work-in-progress, semi-finished and finished goods inventories	(808,411)	1,374,561
Changes in commissioned work-in-progress	308,888	-
Asset increases for internal work	56,454	9,792
<i>Other revenues and income</i>		
Contribution	2,719,695	2,927,823
Other revenues and income	3,433,802	4,617,843
<b>Total Value of Production</b>	<b>55,802,258</b>	<b>66,068,704</b>
<b>b) Operating Costs</b>		
Costs of raw, ancillary and consumption materials	(6,620,537)	(4,809,275)
Costs of services	(18,291,609)	(17,657,717)
Costs of use of leasehold properties	(6,011,066)	(7,127,459)
<i>Personnel costs</i>		
Indirect labor	(6,831,347)	(6,093,216)
Social security contributions	(1,935,713)	(1,861,072)
Severance payment	(402,240)	(372,345)
Other costs	(84,720)	(44,972)
<b>Total Personnel Costs</b>	<b>(9,254,020)</b>	<b>(8,371,605)</b>
<i>Amortization, Depreciation and Write-downs</i>		
Amortization of intangible assets	(2,268,677)	(2,024,709)
Depreciation of tangible assets	(10,543,634)	(13,653,815)
Other write-downs of intangible and tangible assets	-	(71,050)
Write-downs of receivables included in current assets	(189,263)	(54,294)
<b>Total Amortization, Depreciation and Write-downs</b>	<b>(13,001,574)</b>	<b>(15,803,868)</b>
Provision for risks	-	(504,837)
Other operating costs	(4,611,901)	(6,897,179)
<b>Total Operating Costs</b>	<b>(57,790,707)</b>	<b>(61,171,940)</b>
<b>(a-b) Difference between Value of Production and Operating Costs</b>	<b>(1,988,449)</b>	<b>4,896,764</b>
<b>c) Financial Income and Expenses</b>		
<i>Income from stakeholding</i>		
In subsidiaries	23,699,725	8,505,088
<i>Other financial income</i>		
From long-term receivables	630,000	799,058
From locked-up stocks	38,276	15,327
miscellaneous	187,371	12,597
<i>Interest and other financial expenses</i>		
From other	(5,478,777)	(8,329,154)
Exchange gains and losses	(782,416)	1,052,514
<b>Total Financial Income and Expenses</b>	<b>18,294,179</b>	<b>2,055,430</b>
<b>d) Financial Assets Value Adjustment</b>		
<i>Write-ups</i>		
Of stakeholding	58,801	-
<i>Write-downs</i>		
Of stakeholding	(81,790)	(114,423)
<b>Total Financial Assets Value Adjustment</b>	<b>(22,989)</b>	<b>(114,423)</b>
Adjustments fiscal year's earnings (loss) due to rounding-off	3	3
<b>Total Non-recurrent Income and Expenses</b>	<b>3</b>	<b>3</b>
<b>Earnings (Loss) before Tax</b>	<b>16,282,744</b>	<b>6,837,774</b>
Income taxes current year	(138,047)	(1,342,309)
Anticipated/deferred tax	1,819,454	1,007,718
<b>Group's Earnings (Loss) for the Period</b>	<b>17,964,151</b>	<b>6,503,183</b>
Attributable to minority interests	(1,699)	1,291
<b>Asja Group's Earnings (Loss) Current Fiscal Year</b>	<b>17,965,850</b>	<b>6,501,892</b>

<b>Cash Flow Statement</b>	<b>2017</b>	<b>2016</b>
<b>a) Net Cash at the Beginning of the Year/Short-term Net Financial Debt at the Beginning of the Year</b>	5,170,240	(1,639,759)
<b>b) Cash Flow Generated from (used for) Current Assets</b>		
Gain (loss) for the period	17,965,850	6,501,892
Income taxes	1,681,407	(334,591)
Amortization, Depreciation and Write-downs	13,001,574	15,803,868
Net changes in the Provision for Risks and Charges	(666,235)	944,669
Net changes in Severance Payment	(15,577)	(852)
(Increase) decrease in short-term trade receivables	1,277,112	(523,940)
(Increase) decrease in other short-term receivables	(6,467,184)	7,453,412
(Increase) decrease in stock	493,797	(1,374,561)
Increase (decrease) in short-term account payables	4,509,510	(9,216,708)
Increase (decrease) in other short-term account payables	(7,990,037)	(6,337,252)
<b>Total Cash Flow from Current Assets</b>	<b>23,790,216</b>	<b>12,915,937</b>
<b>c) Cash Flow from Investment</b>		
<i>Investment in</i>		
Intangible assets	1,340,928	(3,749,276)
Tangible assets	15,062,024	30,290,797
Long-term financial assets	(248,084)	815,581
<b>Total Cash Flow from Investment</b>	<b>16,154,868</b>	<b>27,357,102</b>
<b>d) Cash Flow from Financing Activities</b>		
Members depository	-	-
Convertible debentures	-	-
Net changes in loans	(35,571,725)	(33,463,039)
<b>Total Cash Flow from Financing Activities</b>	<b>(35,571,725)</b>	<b>(33,463,039)</b>
<b>e) Distribution of Earnings</b>	-	-
<b>f) Net Cash Flow for the Period (b+c+d+e)</b>	<b>4,373,359</b>	<b>6,810,000</b>
<b>g) Net Cash at Year-end (net short-term financial debt) (a+f)</b>	<b>9,543,600</b>	<b>5,170,240</b>

## Structure and Content of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2017, comply with the rules envisaged by Law Decree no. 127 of April 9, 1991 as well as with the Italian Civil Procedure Code provisions on financial statements - as amended by Law Decree no. 6 of January 6, 2003 and following amendments thereto related to the "Corporate Law Reform", where applicable to the consolidated financial statements by analogy or reference - and include Balance Sheet, Income Statement, Cash Flow Statement, and related Notes. The Notes to the Accounts provide explanation, analysis and in some cases integration of the balance sheet items and also information required by Art.38 of Law Decree no. 127/1991 and other regulations. The aforementioned Notes also provide all additional information deemed necessary in order to give a truthful and fair view of the Company's state of affairs. The consolidated accounts and the principles of consolidation, the most significant accounting standards, as well as the content of each item of the Consolidated Balance Sheet and Income Statement are further illustrated. Financial Statements as at December 31, 2017, and the Notes are expressed in euros. Any discrepancies that may be found in the statements or the notes are due to rounding-off.

### Accounting Principles

The herein Consolidated Financial Statements as at December 31, 2017 have been drawn-up to comply with the Italian Civil Code regulation, interpreted and integrated by accounting principles elaborated and audited by the Italian Accounting Board (OIC) and, where missing and not in contrast, by those issued by the International Accounting Standards Board (IASB).

### Scope of Consolidation

The scope of consolidation includes the Italian and foreign companies listed in Annex A, in which the parent company Asja Ambiente Italia SpA owns, directly or indirectly, the shareholding.

Over fiscal year 2017, the following variations regarding subsidiaries took place:

- on April 10 acquisition of 83.34% stakeholding in the Colombian company Electrificadora de Mapiripán that generates, distributes and dispatches power in those areas that are not interconnected to the Interconnection System to the National Grid (SIN) and manages and operates on the generation plants as well as on the distribution network supplying thus the residents of Mapiripán with power;
- on June 7 the sale of subsidiary Meltemisrl;
- on August 3, 100% stake acquisition in the company Anziobiowaste, proprietor of an operating authorization for an OFMSW plant located in Anzio (Rm) whose completion is forecasted by late 2018/early 2019.

As far as associated companies are concerned, the following variations took place:

- on March 3 set-up of the company Pianobio srl, with 50% held by Asja Ambiente Italia, that had already completed construction and operation of the OFMSW plant in Pianezza; Pianobio company has been consolidated using the equity method;
- over the period Asja acquired further 10% stake in Poligrow Inversiones from the company Reba Capital S.a.r.l. for par value of € 6,550,000. To date stakeholding in Poligrow amounts to 20% totaling € 11,550,000; it has therefore been consolidated as of 2017 with the equity method. Over the period the associated company repaid a members' loan amounting to € 8,300,000.

## Principles of Consolidation

The financial statements used for the purpose of consolidation are those of each consolidated company at December 31, 2017 approved by the respective company bodies and adjusted to comply with the accounting policies of the parent company Asja Ambiente Italia SpA.

The accounting reference date of the consolidated financial statements is that of the Parent Company (December 31, 2017), which coincides with the corporate year closing of all the Companies included in the consolidated accounts. All subsidiary companies included in the consolidated accounts have been consolidated using the global integration method, whereas the associated companies have been evaluated using the equity method.

The following consolidation principles have been used:

- overall assumption of assets, liabilities, costs and revenues, disregarding the interest held and the assignment to minority interest of the portion of shareholders equity and the fiscal year result of their concern;
- the difference arising from, upon acquisition, the elimination of the book equity of investment in a company part of the consolidated accounts and the correspondent portion of shareholders equity is allocated, if possible, to the assets and liabilities of the aforementioned company.

Any emerging residue may be handled as following:

- if positive, in Intangible Assets as Consolidation Difference and amortized on a straight-line basis related to the its estimated upturn (and, in any event, over a period of no more than 10 years);
- if negative, in shareholders' equity as Consolidation Reserve or still if such residue is due to unfavorable financial result expectations, as Consolidation reserve for future risks and charges;
- elimination of receivables and payables, revenues and expenses among the consolidated companies, as well as of intra-group retained earnings;
- elimination of intra-group dividends, if distributed;
- recording of significant capital goods according to the financial method.

Finally, no taxes on retained earnings of the consolidated companies are recorded, as presumably no taxable operation will be carried out, nor will deferred taxes be allocated to untaxed reserves, since no transaction determining their distribution, and thus taxation, is foreseen.

## Evaluation Criteria

The evaluation criteria applied comply with law and regulations and are substantially the same as those adopted in prior fiscal years. The consolidated financial statements are prepared upon the principles of prudence and competence, on a future concern basis, and taking into account the economic impact of recorded assets and liabilities.

## Intangible Assets

Intangible assets are recorded at purchase or production cost and are systematically amortized in relation to their remaining useful life and in any case over a period of no more than 5 years, except for:

- "Costs for leasehold improvements" and "Building lease" which are amortized over the duration of the lease with the ownership of the leased items, and the building lease and patent rights agreement, whose period of amortization is related to the duration of the contract;
- "Consolidation differences", equal to the surplus arising from the purchasing cost of investments in subsidiaries and their net equity book value, are amortized on a straight-line basis over a period of 10 years, in line with the expected duration and development of the companies they are attributed to.

Intangible assets whose value proves to be inferior to its prior over a long period of time, already adjusted by amortization granted overall, are written-down. Such lesser value is not reinstated in future financial statements, should the reasons for such adjustments no longer apply.

Amortization is stated using the value of the assets on a straight-line basis in the following period:

Costs of research, development and publicity

Costs of research and plant development	20%
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Industrial patent and intellectual property rights

Property software rights	20%
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Patent rights	1/20
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Concessions, licenses, trademarks and similar rights

Concessions and royalties	1/8 e 1/4
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Building leases	1/23, 1/26, 1/28 e 1/30
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Other intangible assets

Multi-year expenditures	20%
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Extraordinary maintenance on third-party assets	20%
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Extraordinary maintenance on third-party assets - Rivoli	13.48%, 15.58% 18.19%, 22.57%
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## Tangible Assets

Tangible assets are shown at purchasing price or production costs, including any direct expenses.

Each fiscal year tangible assets are systematically depreciated using economic and technical rates determined in relation to their estimated useful life and justified by substitution and/or modification forecast of the current assets in order to contrast obsolescence and deterioration over time; the applied depreciation rates are the following:

### Plant and machinery

Generic plants	8%
Specific plants	8%
Biogas plants	9%
Wind plants	4%
Photovoltaic plants	4%
Vegetable oil plants	9%

### Industrial and commercial equipment

Equipment	10%
Wind sector equipment	10%
Equipment and other tools	10%

### Other tangible assets

Motor vehicles	25% e 20%
Furniture	12%
Furniture and ordinary office machines	12%
Electronic office machines	20%
Tangible assets inferior to € 516,46	100%

Pursuant to Art. 2426, n. 2 of the Italian Civil Code, there has been a change concerning the useful life of wind plants estimated initially. Costs incurred subsequent to the purchase of each asset are increased only when they reach a significant and tangible boost in their useful life. Maintenance and ordinary repair costs, except for the incremental ones, are not subject to capitalization and are chargeable in the income statement of the fiscal year in which they were incurred. Financial charges related to investments on the started-up plants are written-off over the fiscal year in which they were incurred, whereas for the plants under construction the capitalization takes place up to their entry into force. Assets with a very low unit value are fully depreciated in the fiscal year they become operative, taking into account their short useful life and their rapid obsolescence.

The tangible assets whose value prove to be inferior to their purchasing price, already overall modified by allocated depreciation, are written down. The lesser value of such tangible assets is not reinstated in future accounting periods, should the reasons for such write-downs no longer apply. The tangible assets' disposal or selling-off is recognized in the financial statements by eliminating the costs and the allowance for depreciation and by entering the capital gain (loss) in the income statement.

## Leases

Assets purchased under a lease agreement are shown in the Annexes, in accordance with Art. 2427, no. 22 of the Italian Civil Procedure Code which requires such assets to be accounted for using the investment method. According to this method, leased assets are recorded in the balance sheet as assets net of depreciation, and capital debt is recorded under liabilities. Lease payments are reversed, depreciation rates of assets and the share of interest payables on the lease, including the installment for the period, are attributed to the income statement. Depreciation of the leased assets, based on the same rates applied to freehold assets, is included in the item Depreciation.

## 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.

## Non-current Financial Assets

### Stakeholding

Stakeholding in subsidiaries not included in the consolidation because of irrelevant value, as well as minority stakeholding in other companies, are recorded at their purchasing price, adjusted in case of impairment losses.

### 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.

With regard to obsolete and slow-moving inventories, if deemed necessary, they are written-down according to their potential use or realization.

## Receivables

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.

## 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.

## 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 Accounts, 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.

## **Income Taxes**

### **Current Taxes**

Income tax is determined on the best estimate of income tax charges, complying with the tax laws in force, with due regard to any tax exemptions and credits. The income tax payable under Tax Payables is recorded after pre-payments, withholding tax and tax credit; any net credit positions are recorded in the current assets under Tax Receivables.

### **Deferred Taxes**

Prepaid tax assets and deferred tax liabilities are calculated based on the temporary difference between the carrying amounts of an asset or liability used for reporting purposes and the amounts used for tax purposes, at the rate expected to apply when the liability is settled or the assets realized. Prepaid tax is recognized in current assets under the relevant item and is reported, based on the principle of prudence, when there is a reasonable certainty that in the fiscal years, when temporary differences are recorded, there is a taxable income of the same amount or higher than the differences to be written off. Deferred tax and untaxed provisions are recorded when appropriation or use of such reserves and untaxed provisions is expected and will lead to tax charges. Prepaid and deferred taxes are offset, if conditions apply.

Prepaid and deferred taxes are recorded separately in the income statement under Income Taxes Current Year.

## **Revenues and Expenses**

Revenues from the sale of products are recorded upon transfer of ownership, on an accrual basis. Transfer of ownership usually occurs when goods are shipped or delivered. Revenues from services are recorded in the income statement, to the extent that services have been rendered during the fiscal year. All revenues are recorded net of returns, discounts, rebates and allowances, VAT and any

other taxes directly associated with the sale or the services rendered.

Costs are recorded in the balance sheet on an accrual basis. Green certificates are recorded in Revenues from Sales and Services in exchange for credits based on power generation.

## Assets

### Intangible, Tangible and Long-term Financial Assets

#### Intangible Assets

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Plant-related costs and widening investment	161,022	158,084	2,938
Industrial patent and intellectual property	1,746,435	1,795,378	(48,943)
Concessions, licenses, trademarks and similar rights	18,289,919	21,944,042	(3,654,124)
Goodwill	146,881	318,040	(171,159)
Other intangibles	1,818,090	1,563,303	254,787
Intangible assets under development and advances	1,080,910	1,074,015	6,895
<b>Total</b>	<b>23,243,257</b>	<b>26,852,862</b>	<b>(3,609,605)</b>

Annex B shows changes in Intangible Assets over the period, amongst which the sale of Meltemi company and related building leases, partly offset by recording of the value of concessions to newly-acquired subsidiary Anziobiowaste.

#### Tangible Assets

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Land and building	1,362,400	1,826,690	(464,290)
Plant and machinery	108,627,244	151,064,302	(42,437,057)
Industrial and commercial equipment	119,065	176,622	(57,557)
Other tangible assets	498,839	544,500	(45,660)
Tangible assets under construction and advances	18,398,507	999,599	17,398,908
<b>Total</b>	<b>129,006,055</b>	<b>154,611,712</b>	<b>(25,605,656)</b>

Annex C shows tangible assets and changes occurred during fiscal year. Overall decrease in the item, in terms of net book value, reflects divestments over the period in Meltemi wind plant for € 42,218,856. Investments for the period performed by the Business Units amount to € 27,477,275 and are related to:

- Biogas: Group's widening, makeover, optimization of plants amounting to € 423,474;
- Biomasses: engineering, building and management of the OFMSW anaerobic digestion plant in Foligno (Pg) for € 11,132,059, recorded under Tangible Assets under Construction and Advances as well as of the biomasses plant in Anzio equaling € 6,191,904;
- Wind: fiscal year 2017 featured widening activities of Alia Sclafani plant totaling € 2,038,866.

The Company has not undergone currency revaluations.



## Long-term Financial Assets

### Stakeholding

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Associated companies	11,881,291	5,343,368	6,537,923
Other companies	498,454	490,954	7,500
<b>Total</b>	<b>12,379,745</b>	<b>5,834,322</b>	<b>6,545,423</b>

Annex A provides the list of companies included in the consolidated accounts.

Difference is mainly attributable to increase in stakeholding in Poligrow Inversiones (20%), its value recorded as of 2017 using the equity method.

With regard to the aforementioned company, Poligrow Inversiones, the difference between the value of recorded stakeholding and the pro quota equity is represented by the higher value of assets held by Poligrow Colombia (subsidiary of Poligrow Inversiones).

### Financial Receivables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Receivables from associated companies	13,541,955	19,881,989	(6,340,034)
Receivables from other companies	761,341	629,934	131,406
Receivables from Group companies	-	249,411	(249,411)
<b>Total</b>	<b>14,303,296</b>	<b>20,761,334</b>	<b>(6,458,039)</b>

Receivables from associated companies refer mainly to Poligrow and the difference is attributable to its partial repayment of the loan.

## Current Assets

### Inventories

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Commissioned work-in-progress	931,781	622,893	308,888
Finished products and goods	571,876	1,374,561	(802,685)
<b>Total</b>	<b>1,503,657</b>	<b>1,997,454</b>	<b>(493,797)</b>

Inventories regarding finished products amount to € 571,876 and are related to goods held by the Company at its warehouses; commissioned work-in-progress impacts for € 931,781.

### Receivables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Trade receivables	15,800,944	17,100,007	(1,299,063)
Receivables from associated companies	1,233,838	1,211,887	21,951
Tax receivables	15,375,786	14,271,635	1,104,151
Prepaid tax	3,641,435	2,161,409	1,480,025
Other receivables	3,732,614	3,509,834	222,781
<b>Total</b>	<b>39,784,617</b>	<b>38,254,772</b>	<b>1,529,845</b>

The item Trade Receivables includes short-term trade receivables from third parties.

Difference in the period is mainly due to year-end contingencies. Trade receivables from third parties are recorded at their nominal value, net of the reserve for bad loans equal to € 428,195 and are broken down hereafter.

<b>2016</b>	<b>Provision</b>	<b>Transfer</b>	<b>2017</b>
259,960	189,825	21,590	428,195

No trade receivables have an expiring date of over 5 years deriving mainly from Italian customers. Receivables from associated companies are mostly related to trade receivables.

## Crediti tributari

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Corporate Income Tax (Ires) on account	1,033,228	829,390	203,838
Regional Tax on Production (Irap) on account	313,444	470,814	(157,370)
Social Security, Welfare and Revenue Contributions Art. 8	6,439,975	7,630,657	(1,190,682)
VAT receivable on account	6,689,585	4,697,370	1,992,215
Other receivables on account	899,554	643,405	256,149
<b>Total</b>	<b>15,375,786</b>	<b>14,271,635</b>	<b>1,104,151</b>

The amount of tax receivables is a direct consequence of the numerous and large investments in tangible assets, primarily regarding those areas where tax incentives can be used to offset income tax, local taxes and social security payments. The item Tax Receivables featured an overall increase mostly attributable to VAT receivables concerning the Group's companies.

There is no doubt that such tax receivables will be recovered, mainly and foremost as they bear no expiring date.

## Prepaid-tax Receivables

Prepaid tax amounts to € 3,641,435, of which € 2,184,000 refers to tax losses carried forward to be used over future fiscal years.

Difference for the period, amounting to € 1,480,025, is mainly attributable to Asja Ambiente Italia's fiscal losses accrued over current fiscal year.

## Other Receivables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Receivables from personnel	-	20,169	(20,169)
Prepayments to suppliers	146,040	715,964	(569,924)
Security deposits	1,508,019	1,543,201	(35,182)
Other receivables	2,078,554	1,230,500	848,054
<b>Total</b>	<b>3,732,613</b>	<b>3,509,834</b>	<b>222,779</b>

The item Other Receivables includes invoiced prepayments of supply, installation and start-up costs of the biogas plants as well as security deposits on leasing contracts and other receivables.

The item Other Receivables comprises mainly parent's receivables from insurance companies

amounting to € 313,126, as well as receivables from a good-faith money down payment for the construction of Tuscania plant for € 500,000.

## Short-term Investment

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Derivative financial instruments assets	142,902	3,008	139,894
Other securities	250	250	-
<b>Total</b>	<b>143,152</b>	<b>3,258</b>	<b>139,894</b>

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

## Derivative Financial Instruments Assets and Liabilities

In order to provide optimal parameters to medium-/long-term liabilities, it has been decided, in order to hedge for 80% debt, to take out 7 new contracts called Interest Rates Swap (IRS) considered hedging for the loans/leasing contracts broken down below.

The two derivative contracts (IRS with Intesa Sanpaolo and Cross Currency Swap (CCS) with Deutsche Bank) taken out in 2016 are still ongoing.

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

<b>Financial Instrument</b>	<b>Financial Risk</b>	<b>Notional</b>	<b>Positive Fair Value</b>	<b>Negative Fair Value</b>
<i>Hedging derivative instruments</i>				
Cross Currency Swap con Knock Out - Deutsche Bank	Exchange rate (***)	4,500,000	51,067	-
IRS - Intesa Sanpaolo	Interest rate [-0.05%]	18,147,636	91,835	-
IRS - Intesa Sanpaolo (*)	Interest rate [0.81%]	1,671,263	-	(20,260)
IRS - Intesa Sanpaolo (*)	Interest rate [0.81%]	2,750,629	-	(36,487)
IRS - Deutsche Bank (*)	Interest rate [0.78%]	16,630,689	-	(217,405)
IRS - Deutsche Bank (*)	Interest rate [0.12%]	8,796,014	-	(21,508)
IRS - Banco BPM (*)	Interest rate [0.15%]	21,333,333	-	(35,558)
IRS - Deutsche Bank (**)	Interest rate [0.825%]	14,817,593	-	(90,701)
IRS - Credit Agricole Cariparma (**)	Interest rate [0.825%]	4,650,000	-	(34,875)
<b>Total 31/12/2017</b>		<b>93,297,157</b>	<b>142,902</b>	<b>(456,793)</b>

(\*) Derivative instruments over 2017.

(\*\*) Derivative instruments over 2017. Forward contracts taken out on 01/10/2018 and 29/06/2018.

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

## Cash and Cash Equivalents

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Bank and postal deposit accounts	11,694,494	13,575,210	(1,880,716)
Cash and cash equivalents	27,964	52,410	(24,446)
<b>Total</b>	<b>11,722,458</b>	<b>13,627,620</b>	<b>(1,905,162)</b>

This entry includes cash and cash equivalents deposited with banks or other financial institutions.

With regard to the group's net financial position please refer to the note on Payables to Banks.

## Accrued Income and Prepaid Expenses

	2017	2016	Difference
Accrued income	1,520,053	1,000,537	519,516
Prepaid expenses	11,693,590	8,552,880	3,140,710
<b>Total</b>	<b>13,213,643</b>	<b>9,553,417</b>	<b>3,660,226</b>

Prepaid Expenses comprise: prepaid royalties to the Municipality of Belo Horizonte (Brazil), pursuant to the agreement signed by Consorzio Horizonte Asja and the Municipality itself, with concern to the tender the Company won in Brazil for the construction of a biogas upgrading and combustion plant; the share of leasing contracts for the Matera plant amounting to € 4,529,683, for the Foligno plant equal to € 5,000,000, for widening of Alia Sclafani equaling € 1,578,007, share of substitute tax equal to € 1,532,345 owed for tax recognition of Asja trademarks recorded in Assets, accrued contributions regarding multi-year commercial agreements amounting to € 499,860 as well as leasehold on multi-year agreements totaling € 115,343.

The item Accrued Income features solely accrued financial assets for the period.

## Liabilities

### Shareholders' Equity

	2017	2016	Difference
Common stock	56,624,000	56,624,000	-
Legal reserve	2,194,745	1,845,836	348,909
Other reserves	(13,749,063)	(17,717,516)	3,968,453
Reserve for hedging expected cash flows	(238,557)	(256,081)	17,524
Earnings (loss) prior years	18,157,110	17,518,983	638,128
Group's earnings (loss) for the year	17,965,850	6,501,892	11,463,958
<b>Group Equity</b>	<b>80,954,085</b>	<b>64,517,115</b>	<b>16,436,970</b>
Earnings (loss) attributable to minority interest	(31,974)	(8,247)	(23,727)
Equity attributable to minority interest	(1,699)	1,291	(2,990)
<b>Total Consolidated Shareholders' Equity</b>	<b>80,920,412</b>	<b>64,510,159</b>	<b>16,410,253</b>

At December 31, 2017, Total Shareholders' Consolidated Equity amounted to € 80,920,412, including the Group's net profit of € 17,965,850. Movements in single items over the period, specifically those in the Equity and Earnings attributable to the Group and to minority interest, are further illustrated in Annex D.

### Common Stock

At December 31, 2017 the subscribed and paid-in common stock amounts to € 56,624,000 divided by 14,156,000 shares.

### Legal Reserve

Refers to the reserve held by the Parent Company and amounts to € 2,194,745.

## Other Reserves

The item is broken down as follows:

- € 6,668,374 related to translation reserve;
- € (20,704,971) related to consolidation reserve;
- € 287,534 related to merger surplus from Asja Engineering Srl for € 34,429, merger surplus from Asja Agricole S.a.r.l. for € 3,102, as well as to a reserve amounting to € 250,000 allocated for the implementation of foreseen projects in Apulia Region (Management Act 969/18/11/2009) with regard to financial incentives pursuant to Tender call P.O. 2007-2013 Axis I Line 1.1 Incentives on PMI research investment.

Difference in Other Reserves (in addition to equity adjustment due to euro rounding-off) is mainly due to the translation reserve concerning the exchange rate Euro/Brazilian Reais.

## Reserve for Hedging Expected Cash Flows

The item is broken down as follows:

As at 01/01/2017	Positive/ (negative) fair value variation	Released to the income statement	Other movements	Deferred tax effect	As at 12/31/2017
(256,081)	23,857	-	-	(6,334)	(238,558)

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

## Reconciliation of Shareholders' Equity and Operating Income of Asja Ambiente Italia SpA and the Corresponding Items Recognized in the Consolidated Financial Statements

	Shareholders' Equity	Operating Income
Financial Statements Asja Ambiente Italia SpA	93,347,748	15,124,622
Contribution of subsidiaries, net of related investment	(14,388,605)	2,672,097
Recording of lease pursuant to IAS 17	1,994,942	167,432
Consolidated Financial Statements Asja Ambiente Italia Group	80,954,085	17,964,151
Minority interest in equity and earnings (loss)	(33,673)	(1,699)
Consolidated Financial Statements Asja Ambiente Italia Group	80,920,412	17,965,850

## Provision for Risks and Charges

	2017	2016	Difference
Provision for taxes, including deferred	35,881	11	35,870
Other provisions	358,932	1,176,923	(817,991)
Derivative financial instruments liabilities	456,793	340,907	115,886
<b>Total</b>	<b>851,606</b>	<b>1,517,841</b>	<b>(666,235)</b>

Other Provisions features a provision equal to € 358,932 to cover for controversies arisen during current fiscal year. Variation of Derivative Financial Instruments Liabilities stems from hedging derivative financial instruments, broken down in the previous paragraph "Derivative Instruments Assets and Liabilities".

## Employee Severance Indemnity

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Provision for severance payment	299,790	315,367	(15,577)
<b>Total</b>	<b>299,790</b>	<b>315,367</b>	<b>(15,577)</b>

The following is a summary of the movements over fiscal year 2017:

<b>2016</b>	<b>Provision</b>	<b>Use</b>	<b>2017</b>
315,367	589,577	(605,154)	299,790

The item Use mainly refers to disbursements to blue and white collars and executives upon termination of contract during the fiscal year, as well as to payments to pension funds, pursuant to the new laws in force June 2007.

## Payables

### Payables to Banks

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Due within subsequent fiscal year	18,613,387	26,392,966	(7,779,579)
Due after subsequent fiscal year	47,554,667	80,869,269	(33,314,602)
<b>Total</b>	<b>66,168,054</b>	<b>107,262,235</b>	<b>(41,094,181)</b>

Short-term due to bank consists of current account overdrafts, prepayments on invoices and to current loans that will be reimbursed in the next fiscal year.

At December 31, 2017, the Group's net financial position was broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Cash and cash equivalents	11,722,458	13,627,620	(1,905,162)
Securities	143,152	3,258	139,894
<b>Total Cash and Cash Equivalents (a)</b>	<b>11,865,610</b>	<b>13,630,878</b>	<b>(1,765,268)</b>
Payables due to debentures	(12,011,228)	(12,000,000)	(11,228)
Payables to Banks within next period	(18,613,387)	(26,392,966)	7,779,579
Payables to Banks beyond next period	(47,554,667)	(80,869,269)	33,314,602
Payables to Other Lenders within next period	(8,206,453)	(3,065,379)	(5,141,074)
Payables to Other Lenders beyond next period	(37,073,410)	(39,496,317)	2,422,907
<b>Financial position (b)</b>	<b>(123,459,145)</b>	<b>(161,823,932)</b>	<b>38,364,786</b>
<b>Net Financial Position (a+b)</b>	<b>(111,593,535)</b>	<b>(148,193,054)</b>	<b>36,599,518</b>

Each loan for the construction of biogas, wind and photovoltaic plants has been granted specifically so as to cover entirely for the engineering and construction costs and are guaranteed by the transfer of receivables from the sale of generated electric power.

## Payables to Other Lenders

The item is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Other lenders	45,279,863	42,561,696	2,718,167
<b>Total</b>	<b>45,279,863</b>	<b>42,561,696</b>	<b>2,718,167</b>

Difference is mainly attributable to down-payment of March 2018 to the leasing company Alba Leasing, partly offset by the payment of ongoing leasing instalments.

## Trade Payables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Trade payables	21,079,501	17,120,029	3,959,472
<b>Total</b>	<b>21,079,501</b>	<b>17,120,029</b>	<b>3,959,472</b>

Trade Payables refers to third parties for the short-term purchase of goods and services of commercial nature, and have been stated at par value. Increase in payables is mainly attributable to the construction of Foligno plant.

## Payables to Associated Companies

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Payables to associated companies	558,536	586,768	(28,232)
<b>Total</b>	<b>558,536</b>	<b>586,768</b>	<b>(28,232)</b>

The item refers to trade-related payables.

## Tax Payables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Tax payables	854,086	1.786.122	(932.036)
<b>Total</b>	<b>854,086</b>	<b>1.786.122</b>	<b>(932.036)</b>

The item is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Due for Ires (Corporate Income Tax)	56,281	813,719	(757,438)
Due for Irap (Regional Tax on Production)	897	167,381	(166,484)
Due for VAT	845	-	845
Other tax payables	796,063	805,022	(8,959)
<b>Total</b>	<b>854,086</b>	<b>1,786,122</b>	<b>(932,036)</b>

## Payables to Social Security Institutions

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Payables to social security institutions	366,990	390,260	(23,269)
<b>Total</b>	<b>366,990</b>	<b>390,260</b>	<b>(23,269)</b>

Such item comprises payables to social security institutions for Previndai, Fasi and other contributions.



## Other Payables

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Within fiscal year	1,883,861	3,031,770	(1,147,909)
Beyond fiscal year	1,094,286	5,127,959	(4,033,673)
<b>Total</b>	<b>2,978,147</b>	<b>8,159,729</b>	<b>(5,181,582)</b>

The item Other Payables is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Payables for land lease	887,942	938,491	(50,549)
Due to credit card providers	48,315	54,109	(5,794)
Payables to others	2,041,890	7,167,129	(5,125,239)
<b>Total</b>	<b>2,978,147</b>	<b>8,159,729</b>	<b>(5,181,582)</b>

## Accrued Expenses and Deferred Income

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Accrued expenses	1,343,289	1,283,264	60,025
Deferred income	12,090,106	14,003,281	(1,913,175)
<b>Total</b>	<b>13,433,395</b>	<b>15,286,545</b>	<b>(1,853,150)</b>

Accrued expenses refer mainly to interest paid on loans, deferred remuneration and related social security payments. Deferred income includes all capital gains against plant investment subsidies, credited to the income statement over the useful life of the relevant asset.

## Further Disclosure

Pursuant to regulations envisaged by Art. 2497-bis of the Italian Civil Code, it is stated that the Company is subject to neither management nor coordinating activities on behalf of neither the parent nor any other company or organization.

## Income Statement

### Value of Production

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Revenues from sales and services	50,091,830	57,138,685	(7,046,855)
Changes in work-in-progress, semi-finished and finished goods inventories	(808,411)	1,374,561	(2,182,972)
Changes in commissioned work-in-progress	308,888	-	308,888
Asset increases due to internal works	56,454	9,792	46,662
Other revenues and income	6,153,497	7,545,666	(1,392,169)
<b>Total</b>	<b>55,802,258</b>	<b>66,068,704</b>	<b>(10,266,448)</b>

The parent company is the largest contributor to the consolidated revenues of the Group.

For additional information please refer to the Report on Operations for the period.

Revenues from sales and services are reported net of returns from customers, discounts, allowances and premiums as well as of taxes directly related to the sale of products and services.

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 € 15,802,658 (against prior year's € 18,778,052).

The item Other Revenues is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Plant subsidies	2,719,695	2,927,823	(208,128)
Other income	3,433,802	4,617,843	(1,184,041)
<b>Total</b>	<b>6,153,497</b>	<b>7,545,666</b>	<b>(1,392,169)</b>

The item Plant Subsidies refers mainly to subsidies pursuant to Law 388 and 488 of Art. 8, as well as to Law 296/06 and amounts to € 2,719,695. Other Income comprises revenues stemmed from sale of microgeneration plants, partners' fees, rental income as well as from legal expenses and insurance reimbursements.

## Operating Costs

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

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Costs of raw, ancillary consumption materials and goods	6,620,537	4,809,275	1,811,262
<b>Total</b>	<b>6,620,537</b>	<b>4,809,275</b>	<b>1,811,262</b>

Raw materials and goods for resale are mainly connected to plant operation as well as to purchase of raw materials for vegetable oil plants but also of machinery for subsequent resale.

### Costs of Services

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Costs of services	18,291,609	17,657,717	633,892
<b>Total</b>	<b>18,291,609</b>	<b>17,657,717</b>	<b>633,892</b>

The main items comprised in Costs of Services refer to expenses for plant and motor management and to their related costs.

## Leases and Rentals

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Leases and rentals	6,011,066	7,127,459	(1,116,393)
<b>Total</b>	<b>6,011,066</b>	<b>7,127,459</b>	<b>(1,116,393)</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

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Wages and salaries	6,831,347	6,093,216	738,131
Social security	1,935,713	1,861,072	74,641
Severance payment	402,240	372,345	29,895
Other costs	84,720	44,972	39,748
<b>Total</b>	<b>9,254,020</b>	<b>8,371,605</b>	<b>882,415</b>

Labor cost includes employee salaries, social security payments, employee severance indemnity accrued for the period and social security benefits at the company's charge.

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Executives	7	8	(1)
Managers and white collars	132	122	10
Blue collars	9	17	(8)
Project workers	2	2	-
<b>Total</b>	<b>150</b>	<b>149</b>	<b>1</b>

## Amortization, Depreciation and Write-downs

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Amortization of intangible assets	2,268,677	2,024,709	243,968
Depreciation of tangible assets	10,543,634	13,653,815	(3,110,182)
Other asset write-downs	-	71,050	(71,050)
Write-down of account receivables in current assets	189,263	54,294	134,969
<b>Total</b>	<b>13,001,574</b>	<b>15,803,868</b>	<b>(2,802,295)</b>

Amortization of Intangible Assets refers mostly to the Concessions, licenses, trademarks and similar rights, the Multi-annual costs for wind plants development and Maintenance of leasehold properties. Depreciation of Tangible Assets refers to operational plants. Write-down of account receivables regards the estimated amount to cover for the period.

## Other Operating Costs

The item is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Membership investment fees	1,038,908	1,471,981	(433,074)
Collaboration expenses	964,046	784,281	179,765
Exhibitions and trade fairs	115,926	-	115,926
Travel expenses	945,304	774,967	170,337
Membership fees	130,777	77,607	53,170
Other operating costs	1,416,940	3,788,342	(2,371,402)
<b>Total</b>	<b>4,611,901</b>	<b>6,897,179</b>	<b>(2,285,278)</b>

The main item included in Other Operating Costs is made up by membership investment fees and by collaboration expenses that the companies recede to their own partners or collaborators under contractual terms; differences in other operating costs regard non-recurrent credit loss occurred over the prior fiscal year.

## Financial Income and Expenses

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Financial income from transfer of shareholding in	23,699,725	8,505,088	15,194,637
Financial income from locked-up stocks	630,000	799,058	(169,058)
Financial income from locked-up stocks	38,276	15,327	22,949
Other financial income	187,371	12,597	174,774
Interest and other financial expenses	(5,478,777)	(8,329,154)	2,850,377
Exchange gains and losses	(782,416)	1,052,514	(1,834,930)
<b>Total</b>	<b>18,294,179</b>	<b>2,055,430</b>	<b>16,238,750</b>

It is herein outlined that Investment Income comprises surplus gains owing to third-party disposal of subsidiary Meltemi. Financial Income consists mainly of interest receivables to associates and to others. The item Interest and Other Financial Expenses is broken down as follows:

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Interest payable to banks	95,150	279,440	(184,290)
Interest paid on loans	2,135,169	4,360,628	(2,225,459)
Other financial charges	3,248,458	3,599,086	(350,628)
<b>Total</b>	<b>5,478,777</b>	<b>8,239,154</b>	<b>(2,760,377)</b>

Financial Expenses dropped due to a reduction in financial debt achieved, amongst others, through the disposal of Meltemi.

## Value Adjustments in Assets and Liabilities

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Write-ups of stakeholding	58,801	-	58,801
Write-downs of stakeholding	(81,790)	(114,423)	(32,633)
<b>Total</b>	<b>(22,989)</b>	<b>(114,423)</b>	<b>(26,168)</b>

## Current, Prepaid and Deferred Taxes

	<b>2017</b>	<b>2016</b>	<b>Difference</b>
Current tax	(138,047)	(1,342,309)	1,204,262
Prepaid and deferred tax	1,819,454	1,007,718	811,736
<b>Total</b>	<b>1,681,407</b>	<b>(334,591)</b>	<b>2,015,998</b>

Current tax refers mainly to Italian companies, primarily related to the parent's Ires and Irap.

The drop in the financial burden originates from negative taxable income and consequent recording of a receivable for prepaid taxes.

Prepaid and deferred taxes are broken down as follows *(see following page)*:

		2016		Taxable difference	Scope of Con.	Tax burden		2017		
		Taxable	Prepaid tax credit			Balance in income statement	Balance in equity	Taxable	Prepaid tax credit	
<i>Prepaid taxes</i>										
Contributions assessed	27.90%	559,800	156,184	(115,000)	-	(32,085)	-	444,800	124,099	
Excess amortization/ depreciation tax purposes	27.90%	448,513	125,135	149,207	-	41,629	-	597,720	166,764	
Exchange gains on valuations	24.00%	853	205	772,332	-	185,360	-	773,185	185,564	
ACE 2016	24.00%	718,851	172,524	-	-	-	-	718,851	172,524	
Tax credits fair value derivatives	24.00%	340,908	81,818	115,885	-	-	27,812	456,793	109,630	
Taxed provisions for risks	24.00%	-	-	100,000	-	24,000	-	100,000	24,000	
Tax losses Asja Ambiente Italia SpA	24.00%	2,100,000	504,000	7,000,000	-	1,680,000	-	9,100,000	2,184,000	
Financial leasing	27.90%	1,887,448	526,598	(256,571)	-	(71,583)	-	1,630,877	455,015	
Other difference		-	226,129	-	-	(6,291)	-	-	219,838	
Scope of consolidation	27.90%	1,321,921	368,816	(1,321,921)	(368,816)	-	-	-	-	
<b>Total prepaid taxes Asja Group</b>			<b>2,161,409</b>		<b>(368,816)</b>	<b>1,821,029</b>	<b>27,812</b>		<b>3,641,435</b>	

		2016		Taxable difference	Scope of Con.	Tax burden		2017		
		Taxable	Provision for deferred taxes			Balance in income statement	Balance in equity	Taxable	Provision for deferred taxes	
<i>Deferred taxes</i>										
Exchange differences from valuations	24.00%	(47)	(11)	(6,560)	-	(1,574)	-	(6,607)	(1,586)	
Derivatives fair value	24.00%	-	-	(142,902)	-	-	(34,296)	(142,902)	(34,296)	
<b>Totale deferred taxes Asja Group</b>			<b>(11)</b>			<b>(1,574)</b>	<b>(34,296)</b>		<b>(35,882)</b>	
<b>Totale net prepaid and deferred taxes</b>			<b>2,161,398</b>		<b>(368,816)</b>	<b>1,819,455</b>	<b>(6,484)</b>		<b>3,605,553</b>	

## Additional Information

Emoluments paid to Directors and Auditors, of both the Parent Company and of consolidated companies, are enlisted hereafter:

- Board of Directors: € 1,650,000;
- Board of Statutory Auditors: € 47,320.

With concern to related parties please refer to the Report on Operations.

## Annexes

The accompanying annexes are an integral part of the Notes to the Accounts:

- A - List of companies included in the Consolidated Accounts on a line-by-line basis;
- B - Statement of changes in Intangible Assets;
- C - Statement of changes in Tangible Assets;
- D - Statement of changes in the Consolidated Equity.

*Rivoli, March 30, 2018*

On behalf of the Board  
The Chairman

**Agostino Re Rebaudengo**



## List of Companies Included in the Consolidated Accounts on a Line-by-line Method

The following list refers to directly- and indirectly-controlled subsidiaries.

Parent Company	Common Stock	Shareholders' Equity	Gains (loss) previous fiscal year	Directly-owned Stake %	Currency	Fiscal year end
<b>Parent Company</b>						
Asja Ambiente Italia SpA Corso Vinzaglio, 24 Turin - Italy	56,624,000	93,347,748	15,124,622	-	Euro	31/12
<b>National Subsidiaries</b>						
Asja Market srl Corso Vinzaglio, 24 Turin - Italy	197,600	413,266	17,413	98.00	Euro	31/12
Helios Energy Landolina srl Piazza della Manifattura, 1 Rovereto (Tn) - Italy	50,000	103,995	(27,895)	99.60	Euro	31/12
Aria Wind Plants srl Corso Vinzaglio, 24 Turin - Italy	10,000	10,455	(3,834)	100.00	Euro	31/12
Anziobiowaste srl Via dei Sicani, 2 Latina (Rm) - Italy	10,000	10,093	(9,143)	100.00	Euro	31/12
Puglia Solar 1 srl Corso Bettini, 58 Rovereto (Tn) - Italy	50,000	2,551,104	82,479	100.00	Euro	31/12
Puglia Solar 2 srl Corso Bettini, 58 Rovereto (Tn) - Italy	50,000	1,903,521	115,695	100.00	Euro	31/12
Rabbici Solar srl Corso Bettini, 58 Rovereto (Tn) - Italy	50,000	863,081	64,387	100.00	Euro	31/12
Specchia Solar srl Corso Bettini, 58 Rovereto (Tn) - Italy	50,000	822,432	67,395	100.00	Euro	31/12
Wind Park Laterza srl Via Latina, 20 Rome - Italy	10,000	13,657	(435)	100.00	Euro	31/12
CGDB Laerte srl Via Latina, 20 Rome - Italy	10,000	124,098	(434)	100.00	Euro	31/12
CGDB Enrico srl Via Latina, 20 Rome - Italy	10,000	10,737	(437)	100.00	Euro	31/12
<b>Foreign subsidiaries</b>						
Asja Brasil Serviços para o Meio Ambiente Ltda. Av. Getúlio Vargas, 456, 10º andar Edifício London Offices, Bairro Funcionários - 30.112-020 Belo Horizonte (MG) - Brazil	1,565,000	(51,525,786)	(13,864,160)	99.94	Real	31/12
Asja Renewables Shenyang Co., Ltd. 312, Building Room, Diwang Maison, 21 - 1 Wenyi Road Shenhe District, Shenyang (LN) P.R. - China	23,794,715	13,898,254	1,599,121	100.00	Rembimbi	31/12
Electrificadora de Mapiripan S.A. E.S.P. Calle 16 n° 3-63 Sector Merio Mapairipan-Meta - Colombia	360,000,000	582,521,000	12,171,000	83.34	Pesos Colomb.	31/12
<b>Associated companies</b>						
Pianobio srl Corso Vinzaglio, 24 Turin - Italy	100,000	97,821	(2,179)	50.00	Euro	31/12
Poligrow Inversiones S.L. C/General Diaz Porlier, 21 Madrid - Spain	1,111,111	4,608,798	(806,672)	20.00	Euro	31/12

## Annex B - Statement of changes in Intangible Assets

	Historical Value				Provision for Amortization				Net Value
	31/12/2016		31/12/2017		31/12/2016		31/12/2017		
	Increase	Scope of con.	Decrease	31/12/2017	Increase	Scope of con.	Decrease	31/12/2017	
Start-up costs and widening investments	217,125	-	-	308,201	59,041	-	-	147,178	161,023
Plant research and development	91,865	-	91,867	183,732	91,865	-	-	183,732	-
Research and development of SANSENERGY	902,796	-	(902,796)	-	902,796	-	(902,796)	-	-
Research, development and publicity costs	994,661	-	91,867	183,732	994,661	-	91,867	183,732	-
Property Software	474,115	192,811	(193,514)	473,412	450,316	487	(193,514)	350,906	122,506
Industrial patent and intellectual property	2,951,580	-	-	2,951,580	1,180,000	-	-	1,327,579	1,624,001
Industrial patent and intellectual property	3,425,695	192,811	(193,514)	3,424,920	1,630,316	487	(193,514)	1,678,485	1,746,435
Concessions and royalties	11,031,676	1,907,153	(3,988,574)	8,950,297	1,916,449	-	(139,430)	2,324,138	6,626,159
Building leases	2,890,271	45,591	(239,322)	2,696,540	935,963	-	(23,436)	1,000,770	1,695,770
Trademarks	15,327,462	-	-	15,327,462	5,103,890	-	-	5,956,097	9,371,365
Know how	976,793	-	-	976,793	325,859	-	-	380,169	596,624
Concessions, licenses, trademarks and similar	30,226,202	1,952,744	(4,227,896)	27,951,092	8,282,161	-	(162,866)	9,661,174	18,289,918
Goodwill	1,351,865	-	-	1,351,865	1,033,825	-	-	1,204,984	146,881
Intangible assets under develop., advances	1,563,303	274,329	(19,542)	1,818,090	-	-	-	-	1,818,090
Leasehold extraordinary maintenance	303,589	34,165	(61,432)	276,322	130,193	-	(61,432)	115,657	160,665
Leasehold extraordinary maintenance - Rivoli	502,607	199,038	-	701,645	164,925	-	-	297,380	404,265
Other intangibles	802,286	-	-	802,286	239,349	-	-	286,304	515,982
Other intangibles	1,608,482	233,201	(61,432)	1,780,251	534,467	-	(61,432)	699,341	1,080,910
<b>Intangible Assets</b>	<b>39,387,333</b>	<b>2,744,161</b>	<b>(4,410,517)</b>	<b>36,818,151</b>	<b>12,534,471</b>	<b>(902,826)</b>	<b>(325,945)</b>	<b>13,574,894</b>	<b>23,243,256</b>



	Historical Value				Provision for Amortization				Net Value
	31/12/2016	Increase	Decrease	31/12/2017	31/12/2016	Increase	Decrease	31/12/2017	
		For the period	Scope of con.			For the period	Scope of con.		
<b>Land and building</b>	1,995,384	954,937	69,395	1,544,414	168,694	-	13,320	182,014	1,362,400
Production and filtration plants	59,869,070	423,474	-	56,789,190	38,703,594	-	3,933,199	(3,045,309)	17,197,705
Wind plants	138,993,568	2,249,387	-	99,024,099	40,921,220	-	4,042,192	(2,533,131)	56,593,818
Photovoltaic plants	32,896,980	-	-	32,896,980	2,733,638	974	1,538,955	-	28,623,413
Vegetable oil plants	1,786,800	20,181	-	1,806,981	1,023,897	-	161,720	-	621,364
Generic plants	29,832	-	-	29,832	29,559	-	139	-	134
Specific plants	2,457,943	5,516,184	(27)	7,453,757	1,557,983	-	638,850	(333,887)	5,590,810
Radio-mobile systems	15,396	-	-	15,396	15,396	-	-	-	-
<b>Plant and machinery</b>	236,049,589	8,209,226	(27)	198,016,234	84,985,287	974	10,315,056	(5,912,327)	108,627,244
Wind sector equipment	536,042	-	-	536,042	404,447	-	9,415	-	122,180
Equipment	407,092	-	(10,428)	385,446	362,065	-	34,342	(7,846)	(3,115)
<b>Industrial and commercial equipment</b>	943,134	-	(10,428)	921,488	766,512	-	43,758	(7,846)	119,065
Motor vehicles	228,402	59,516	-	240,078	161,259	-	25,278	(36,894)	90,435
Ordinary office furniture and machinery	51,685	656	2,218	52,318	29,032	-	8,855	(2,016)	16,447
Electronic office machines	909,407	56,759	8,274	947,612	776,339	-	61,462	(27,741)	137,552
Furnishings	849,533	3,932	-	853,465	537,357	-	72,658	-	243,450
Capital assets less than € 516	17,796	4,743	-	22,539	8,337	-	3,247	-	10,955
Other assets	2,056,823	125,606	10,492	2,116,013	1,512,324	-	171,501	(66,651)	498,839
Tangible assets under constr.,advances	999,599	18,187,507	(72)	18,398,507	-	-	-	-	18,398,507
<b>Tangible Assets</b>	<b>242,044,530</b>	<b>27,477,275</b>	<b>69,360</b>	<b>220,996,657</b>	<b>87,432,816</b>	<b>974</b>	<b>10,543,634</b>	<b>(5,986,823)</b>	<b>129,006,056</b>

	<b>Common Stock</b>	<b>Legal Reserve</b>	<b>Other Reserves</b>	<b>Reserve for cash flows hedging</b>	<b>Earnings (loss) prior years</b>	<b>Earnings (loss) for the year</b>	<b>Group Equity</b>	<b>Minority Interest</b>	<b>Earnings (loss) for the year minority interest</b>	<b>Consolidated Equity</b>
As at December 31, 2016	56,624,000	1,845,836	(17,717,516)	(256,081)	17,518,983	6,501,892	64,517,114	(8,247)	1,291	64,510,158
Allocation of consolidated earnings (loss) fiscal year 2016	-	348,909	-	-	6,152,983	(6,501,892)	-	1,291	(1,291)	-
Earnings (loss) fiscal year 2017	-	-	-	-	-	17,965,850	17,965,850	-	(1,699)	17,964,151
Other changes	-	-	3,968,453	17,524	(5,514,856)	-	(1,528,879)	(25,018)	-	(1,553,897)
As at December 31, 2017	56,624,000	2,194,745	(13,749,063)	(238,557)	18,157,110	17,965,850	80,954,085	(31,974)	(1,699)	80,920,412

Changes in fiscal year's Other Reserves are mainly attributable to variation in the translation reserve related to currency fluctuations between Euro/Brazilian Reals.

## 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 sulla revisione contabile del bilancio consolidato

#### Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Asja (il Gruppo), costituito dallo stato patrimoniale al 31 dicembre 2017, dal conto economico e dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2017, 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.

#### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla Asja Ambiente Italia S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

#### Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Asja Ambiente Italia S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.



## **Responsabilità della società di revisione per la revisione contabile del bilancio consolidato**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che tuttavia non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti od eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori e della relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dai principi di revisione internazionali (ISA Italia), tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

## **Relazione su altre disposizioni di legge e regolamentari**

### **Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39**

Gli amministratori della Asja Ambiente Italia S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Asja al 31 dicembre 2017, inclusa la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.


Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Asja al 31 dicembre 2017 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio consolidato del Gruppo Asja al 31 dicembre 2017 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, c.2, lettera e), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Torino, 10 maggio 2018

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 2017**  
**RELAZIONE DEL COLLEGIO SINDACALE**  
**AI SENSI DELL'ART. 2429 DEL CODICE CIVILE**

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

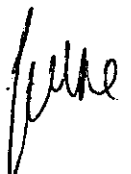
Nel corso dell'esercizio chiuso al 31 dicembre 2017 abbiamo svolto l'attività di controllo di cui all'articolo 2403 Codice Civile.

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..

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 sul bilancio medesimo, rilasciata da EY S.p.A. in data odierna (10 maggio 2018) 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



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 odierna (10 maggio 2018) una relazione sul predetto bilancio consolidato, senza alcuna eccezione.

Torino, 10 maggio 2018

I SINDACI

(dott. Mario DEL SARTO)

(dott. Leonardo CUTTICA)

(dott. Enrico BONICELLI)

