

**ASJA AMBIENTE ITALIA**  
Report and Financial Statements  
as of and for the Year Ended 2017

H O U S T O N . . . W E ' V E T H E S O L U T I O N



**asja**

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

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Leonardo Cuttica

**INDEPENDENT AUDITORS**

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Dear Stakeholders,

the Financial Statements as at December 31, 2017, here submitted to your approval, report profits of € 15,124,622 (against previous year's € 6,978,126) net of appropriations at corporate's expense for Amortization, Depreciation and Write-downs for € 8,210,636 (against previous year's € 8,231,483) as well as of income taxes Ires and Irap for € 1,897,125 (against previous year's € 277,509). In drawing up fiscal year's profit (loss) the total amount of Financial Income and Expenses has been taken into account thus contributing positively for € 20,639,903 (against previous year's € 4,677,185).

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

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

## Lo scenario



For a long while now scientists have been warning us on how climate change would have intensified and multiplied extreme events such as floods, hurricanes, drought and fires. Well, through 2017, almost all regions of our Planet experienced the catastrophic effects and the rushing fury of elements stemmed by the alteration of the atmospheric and environmental balance, hazards against which the world of science had tried to alert us on various occasions. 2017 has the third hottest year since 1880, the first if we consider exclusively those not impacted by the periodic climate phenomenon known as El Niño, that leads to a boost in the average water temperature of the Pacific Ocean. Increase in

temperatures is merely an example of climate change effects, by far the most relevant in terms of impact on human beings. Year 2017 will be long remembered in the US as bearing the most costly consequences of any extreme natural event ever: hurricane Harvey and other 15 climate and meteorological disasters caused in fact around 300 billion dollars worth of damages, twice as many as in 2005, year sadly remembered for hurricanes Katrina, Irma and Maria.

Domestically, 2017 will be jointly remembered as one of the driest years since the beginnings of precipitation tracking. Such abnormal rainfall led to annual accumulations of over 30% less than the average, thus contributing to a lengthy period of fires that hit our country and set up in smoke over 140 thousand hectares of woodland.

It goes without saying that bad news spread faster, nevertheless it is the good news that bring hope

and project us into the future. The good news regarding the climate and the environment is that 2017 was undoubtedly the year of sustainable energy. Over two thirds of the world's new installed electric power generation capacity is renewable, whilst the International Energy Agency foresees other 1000 GW installed power of clean energy over the next five years, a target that took carbon over 80 years to meet.

Such accelerated development, unprecedentedly impacting over the energy transition, was made possible owing to the consistent drop in the cost of renewable technologies attributable to a more perpetual innovation as well as to steeper technological learning curves against the foreseen ones. The outcome is that today electric power generation from renewables is more competitive than thermoelectric one regarding almost all sources, onshore wind and mostly utility-scale photovoltaics. To keep up with this ongoing trend, a series of new and ambitious targets have been proposed to be implemented by 2030 within the framework of EU's policy on energy and climate; approval of such proposals would basically render EU compliant with the commitments undertaken at the Paris Agreement of December 2015.

Adoption of the National Energy Strategy in November 2017, placed Italy a decisive step ahead towards energy transition. At last our country has its own policy document that recognizes, in the medium/long-term, the central role of renewables as well as of energy efficiency as part of the process of decarbonization. Along with clean energy usage, the future of our Planet will also depend on overcoming the current production model, whose straight-line logics (extract-produce-use-dispose of) has led to a pace of resources consumption that is no longer sustainable. To such concern, spreading of new production models is deemed fundamental, inspired by the paradigm of a circular economy, based on which waste, apart from being minimized, must once again become recoverable and go back into circulation either as secondary raw material, as natural resource or as energy. Building a more sustainable world is not a mere moral duty, it is a social and economic opportunity that everyone – government and citizens, companies and a civil society have the right and duty to take so as to make our future tangible, not only imaginary.

## 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, at a national level, substantial improvements 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 territories.

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 Cassagna srl, Asja set up Pianobio srl, 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, 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 the 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 an installed power totaling 12 MW.

Foreseeing future development, Asja initiated research into large electricity consumers, 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.

## R&D



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 (microbialfactories 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 have 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 microcogenerator 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, continued. Integration occurs by means of a hydronic module developed by TOTEM and a management software.

## Asja Internationally



June 2017 saw the completion of construction works of the biogas electric power generation plant located in Sabarà (MinasGerais).

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 an 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 this 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 as 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.

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 occurred over 2017. To such concern a due diligence procedure, with exclusive rights, was initiated so as to assess 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.

Poligrow Inversiones, an International group proprietor and manager of a palm oil plantation of roughly 7,000 hectares (around 1.2 million palms), is proceeding with its business activity in Meta Region, Colombia. The Poligrow project, based on new integrated agro-industrial processes able to meet the growing demand for fruit, contributed, in collaboration with the Universidad de losAndes, to the social and economic development of local communities as well as of the indigenous communities Jiw and Sikuni, by supplying them with more than 100 jobs, ensuring welfare and health policies, by providing technical training and higher education, sports activities, business opportunities and funding to sustain the Mapiripán community. In April Asja acquired 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.

## 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 both consolidated collaborations and 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 its commuting 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 turned to Asja 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 and Offices

2017 has yet been another year dedicated to strengthening and consolidating efficiency as well as to cost and resources optimization. As far as training was concerned, roughly 2,000 hours were spent on both technical and managerial training with particular emphasis placed on Health and Safety at the Workplace courses. The Company has maintained its offices in Rivoli, Turin and Palermo.

## Training Courses

	2017	2016
Total number of courses delivered	120	111
Total numbers of training hours delivered	2,000	1,924
Training hours per capita	5.4	4.6

## Fixed Assets: Investments and Divestments

Throughout the period there have been investments in intangible assets amounting to € 471,605, that concern mostly Software Programs for € 192,811, Building Leases for € 45,591, Extraordinary Maintenance on Third-party Assets for € 34,165, Extraordinary Maintenance on Third-party Assets - Rivoli for € 194,389, as well as Extraordinary Maintenance on Third-party Assets 72/74 Ivrea St., Rivoli (on which the Company currently operates in Rivoli) for € 4,649.

New investments in Tangible Assets over the period regard acquisitions amounting to € 12,235,877; current fiscal year featured disposals for € 2,815,869 before accrued depreciation write-off for € 2,407,173.

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

- increase totaling € 2,073,675 in subsidiary stakeholding owing to 100% stake acquisition in Anziobiowaste srl for € 1,871,146, to 83.34% in Electrificadora de Mapiripán for € 181,529, to value market share increase of Asja Sabarà for € 17,000, as well as to € 4,000 in Aria Wind Plant srl for provision for common stock increase;
- increase totaling € 6,606,739 in associates stakeholding consequent to 20% acquisition of TOTEM Energy Canada for € 6,739, to 50% of Pianobio srl for € 50,000, as well as to 10% stakeholding increase in Poligrow Inversiones for € 6,550,000, thus passing to overall 20%;
- decrease totaling € 3,356,178 consequent to the sale of the undertaking Meltemi srl;
- amount hedging for potential risk stemming from relations with foreign companies with regard to ongoing investment in new plants.

## Personal Data Protection

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

## Financial and Economic Reclassification and Related Indices

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

### Balance Sheet

		2017	2016
<b>Non-current Assets</b>			
Intangible assets	I	12,992,757	13,947,669
Tangible assets	I	61,702,809	56,469,969
Financial assets	I	74,436,690	82,380,538
<b>Working Capital</b>			
Inventories	C	1,497,931	1,997,454
Deferred cash	C/LD	50,206,662	41,448,262
Available cash	C/LI	9,726,771	3,931,951
<b>Capital invested</b>	<b>K</b>	<b>210,563,620</b>	<b>200,175,843</b>
Shareholders' equity	N	93,347,748	78,205,600
Consolidated liabilities	T	61,675,277	65,359,615
Current liabilities	T/PC	55,540,595	56,610,628
<b>Capital raised</b>	<b>K</b>	<b>210,563,620</b>	<b>200,175,843</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

	2017	2016
Revenues from sales and services	43,274,836	48,498,362
Changes in finished goods' inventories	(808,411)	1,374,561
Changes in commissioned work-in-progress	308,888	-
<b>Value of Production</b>	<b>42,775,313</b>	<b>49,872,923</b>
Purchase of raw, ancillary and consumption materials	(3,949,794)	(3,503,308)
Cost of services	(19,980,770)	(16,803,518)
Cost of use of leasehold assets	(8,149,333)	(8,956,285)
<b>Added Value</b>	<b>10,695,416</b>	<b>20,609,812</b>
Labor cost	(8,138,382)	(7,386,095)
<b>Gross Trading Margin (EBITDA)</b>	<b>2,557,034</b>	<b>13,223,717</b>
Amortization, depreciation and write-downs	(8,210,636)	(8,231,483)
<b>Operating Income (EBIT)</b>	<b>(5,653,602)</b>	<b>4,992,234</b>
Other revenues and income	6,681,542	3,549,174
Other operating expenses	5,440,346	(6,517,973)
Other financial income	25,876,369	10,464,426
Interest and other financial expenses	4,474,020	(5,786,389)
Exchange gains and losses	(762,446)	(852)
<b>Current Income</b>	<b>16,227,498</b>	<b>6,700,620</b>
<b>Adjustments in Value of Financial assets and Liabilities</b>	<b>(3,000,000)</b>	<b>-</b>
Adjustments in net income for the year due to rounding-off	(1)	(3)
<b>Income before Tax</b>	<b>13,227,497</b>	<b>6,700,617</b>
Income tax – current, deferred, anticipated and Irap	1,897,125	277,509
<b>Net Worth (Rn)</b>	<b>15,124,622</b>	<b>6,978,126</b>

## Ratios

		2017	2016
Burden of fixed assets	I/K	70.83%	76.33%
Burden of current assets	C/K	29.17%	23.67%
Burden of equity	N/K	44.33%	39.07%
Burden of minority equity	T/K	55.67%	60.93%
Availability index	C/PC	110.61%	83.69%
Cash index	(LI+LD)/PC	107.91%	80.16%
Self-hedging assets index	N/I	62.59%	51.18%
ROE	RN/N	16.20%	8.92%
ROI	EBIT/K	(2.68%)	2.49%
ROS	EBIT/VENDITE	(13.06%)	10.29%

## 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.

## Performance of Subsidiaries

Particular attention has been paid to the following subsidiaries:

- Asja Market srl, apart from managing the Asja -CO<sub>2</sub> system, is authorized to trading electric power on the free market guaranteed by the Asja.biz Clean Energy trademark, which can be purchased by public or private end-users that share a common concern toward the environment;
- Helios Energy Landolina S.r.l., owned by Asja with a 99,60% stake, is proprietor of a photovoltaic plant that became operational on December 1, 2011. 2017 recorded negative results;
- Puglia Solar 1 srl, 100% proprietorship of Asja, merged with Puglia Solar 3 and generated electric power from three photovoltaic plants recording thus positive results at fiscal year-end;
- Puglia Solar 2 srl, 100% held by Asja, generated electric power from two photovoltaic plants recording thus positive results at fiscal year-end;
- Rabbici Solar srl, 100% subsidiary of Asja, generated electric power from a photovoltaic plant recording thus positive results at fiscal year-end;
- Specchia Solar srl, 100% subsidiary of Asja, generated electric power from a photovoltaic plant recording thus positive results at fiscal year-end.
- the new companies acquired in 2016 are at a start-up phase; the sole authorization for the construction of new wind plants was granted;
- the company Anziobiowaste, acquired in the summer of 2017, was granted authorization to operate on an OFMSW plant situated in Anzio (Rm) which is bound to become operational by late 2018/early 2019, recorded negative results.

Asja's business internationally proceeds via Asja BrasilServiços para o Meio Ambiente Ltda., Asja Renewables Shenyang Co. Ltd.; June 2017 saw the termination of construction of the Sabarà (MinasGerais) plant, that became fully operational with 5.6-MWe generation capacity in September 2017.

## Relations with Subsidiaries and Associates

With concern to the main movements in subsidiaries it is worth mentioning:

- on June 7 the sale of the subsidiary Meltemi srl;
- on July 14 Ago Renewables SpA acquired financial receivables from the company Puglia Solar 1 srl amounting to € 1,466,700, from Puglia Solar 2 srl totaling € 1,049,600, from Rabbici Solar srl for € 238,800, from Specchia Solar srl equaling € 229,900;

- over the period the associated company Poligrow Inversiones repaid a members' loan amounting to € 8,300,000 whilst Asja acquired further 10% stock holding in Reba Capital S.a.r.l. with a nominal value of € 6,550.00. To date, the Company's stakeholding in Poligrow amounts to 20%, thus totaling € 11,550,000;
- on March 3 set-up of the company Pianobio srl 50% proprietorship of Asja Ambiente Italia, that has already completed construction and management of the OFMSW plant situated in the Municipality of Pianezza; fiscal year ended negatively.

## **Subsidiaries**

### **Asja Market srl**

- provided services to Asja totaling € 380,000;
- received services totaling € 120,000.

### **Helios Energy Landolina srl**

- ongoing non-interest-bearing loans totaling € 717,029;
- received services totaling € 30,000.

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

- ongoing interest-bearing loans totaling € 310,000.

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

- ongoing interest-bearing loans amounting to € 4,160,317 and accrued interest for € 346,439 toward Asja Brasil, interest-bearing loans amounting to € 9,064,932 and related interest for € 3,931,670 toward Consorcio Horizonte Asja, as well as interest-bearing loans totaling € 5,738,196 and related interest for € 548,138 toward Asja Sabarà.

### **Puglia Solar 1 srl**

- ongoing interest-bearing loans totaling € 1,466,700 and accrued interest for € 34,156;
- received services totaling € 154,000.

### **Puglia Solar 2 srl**

- ongoing interest-bearing loans totaling € 1,049,600 and accrued interest for € 24,443;
- received services totaling € 125,000.

### **Rabbici Solar srl**

- ongoing interest-bearing loans totaling € 238,800 and accrued interest for € 5,561;
- ongoing interest-bearing liabilities totaling € 50,000 and accrued interest for € 5,514;
- received services totaling € 61,100.

### **Specchia Solar srl**

- ongoing interest-bearing loans totaling € 229,900 and accrued interest for € 5,354;
- ongoing interest-bearing liabilities totaling € 100,000 and accrued interest for € 5,000;
- was provided with services amounting to € 61,100.

### **CGDB Laerte srl**

- ongoing interest-bearing loans totaling € 107,932 and accrued interest for € 5,261;
- was provided with services totaling € 5,000.

### **CGDB Enrico srl**

- ongoing interest-bearing loans totaling € 50,184 and accrued interest for € 2,374;
- was provided with services totaling € 5,000.

### **Wind Park Laterza srl**

- ongoing interest-bearing loans totaling € 32,489 and accrued interest for € 1,489;
- was provided with services totaling € 5,000.

### **Anziobiowaste srl**

- ongoing interest-bearing loans totaling € 4,339,308 and accrued interest for € 85,207.

### **Electrificadora de Mapiripán**

- ongoing interest-bearing loans totaling € 70,000 and accrued interest for € 1,471.

## **Associates**

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

- was provided with services totaling € 96,000.

### **Poligrow Inversiones SL**

- ongoing interest-bearing loans totaling € 11,028,862 and accrued interest for € 2,273,093.

### **Pianobio srl**

- ongoing interest-bearing loans totaling € 225,000.

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

## **Other Companies**

### **Etr Oleos SA**

- ongoing interest-bearing loans totaling € 248,257 and accrued interest for € 464,252.

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

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

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

1. R&D costs linked to 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. 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.

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.

## Destination of Earnings

Dear Stakeholders,

You are kindly invited to approve the herein Financial Statements as at December 31, 2017 and to allocate Fiscal Year's Earnings amounting to € 15,124,622 as follows:

Legal Reserve	€ 756,235.00
Prior Year's Earnings	€ 14,368,387.03
	<b>€ 15,124,622.03</b>

*Rivoli, March 30, 2018*

On behalf of the Board  
The Chairman

**Agostino Re Rebaudengo**



<b>Assets</b>	<b>2017</b>	<b>2016</b>
<b>a) Credits to Shareholders Owed from Deposits not yet Due</b>	-	-
<b>b) Intangible, Tangible and Long-term Financial Assets</b>		
<b>Intangible Assets</b>		
Industrial patent and intellectual property	1,745,867	1,794,253
Concessions, licenses and similar rights	10,681,960	11,642,338
Other intangible assets	564,930	511,078
<b>Total</b>	<b>12,992,757</b>	<b>13,947,669</b>
<b>Tangible Assets</b>		
Land and building	155,901	153,423
Plant and machinery	49,265,322	54,866,534
Industrial and commercial equipment	117,829	174,995
Other tangible assets	484,815	521,035
Tangible assets under construction and advances	11,678,942	753,982
<b>Total</b>	<b>61,702,809</b>	<b>56,469,969</b>
<b>Long-term Financial Assets</b>		
<i>Investment in</i>		
Subsidiaries	17,632,597	19,690,543
Associates	11,691,239	5,084,500
Other companies	498,454	490,954
<b>Total investment</b>	<b>29,822,290</b>	<b>25,265,997</b>
<b>Receivables</b>		
<i>Subsidiaries</i>		
Due within subsequent fiscal year	5,746,798	1,865,262
Due after subsequent fiscal year	24,613,137	34,737,356
<i>Associates</i>		
Due within subsequent fiscal year	6,812,376	15,000
Due after subsequent fiscal year	6,729,579	19,866,989
<i>Other</i>		
Due within subsequent fiscal year	88,000	-
Due after subsequent fiscal year	624,510	629,934
<b>Total Receivables</b>	<b>44,614,400</b>	<b>57,114,541</b>
<b>Total</b>	<b>74,436,690</b>	<b>82,380,538</b>
<b>Total Intangible, Tangible and Long-term Financial Assets</b>	<b>149,132,256</b>	<b>152,798,176</b>
<b>c) Current Assets</b>		
<b>Inventories</b>		
Commissioned work-in-progress	931,781	622,893
Finished products and goods	566,150	1,374,561
<b>Total</b>	<b>1,497,931</b>	<b>1,997,454</b>
<b>Receivables</b>		
<i>Trade receivables</i>		
Due within subsequent fiscal year	15,056,079	15,144,952
<i>Due to subsidiaries</i>		
Due within subsequent fiscal year	1,672,611	1,684,340
<i>Due to associates</i>		
Due within subsequent fiscal year	867,858	910,671
<i>Tax receivables</i>		
Due within subsequent fiscal year	7,987,464	6,414,645
Due after subsequent fiscal year	2,721,010	3,740,749
<i>Prepaid tax</i>		
Due within subsequent fiscal year	2,966,379	1,039,867
<i>Due to other</i>		
Due within subsequent fiscal year	794,092	1,015,459
Due after subsequent fiscal year	1,013,147	586,361
<b>Total</b>	<b>33,078,640</b>	<b>30,537,044</b>
<b>Short-term Investment</b>		
Derivative financial instruments recorded in 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 deposits	9,722,249	3,920,605
Cash	4,522	11,346
<b>Total</b>	<b>9,726,771</b>	<b>3,931,951</b>
<b>Total Current Assets</b>	<b>44,446,494</b>	<b>36,469,707</b>
<b>d) Accrued Income and Prepaid Expenses</b>		
Accrued income	3,508	26
Prepaid expenses	16,981,362	10,907,934
<b>Total Accrued Income and Prepaid Expenses</b>	<b>16,984,870</b>	<b>10,907,960</b>
<b>Total Assets</b>	<b>210,563,620</b>	<b>200,175,843</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	287,530	287,530
Reserve to hedge for expected cash flows	(238,557)	(256,081)
Earnings (Loss) carried forward	19,355,404	12,726,187
Earnings (Loss) for the period	15,124,622	6,978,126
Equity adjustments due to rounding-off	4	2
<b>Total Shareholders' Equity</b>	<b>93,347,748</b>	<b>78,205,600</b>
<b>b) Provision for Risks and Charges</b>		
Provision for taxes including deferred	35,881	11
Derivative financial instruments (liabilities)	456,793	340,907
<b>Total Provision for Risks and Charges</b>	<b>492,674</b>	<b>340,918</b>
<b>c) Severance Indemnity Payment</b>	<b>195,496</b>	<b>198,059</b>
<b>d) Payables</b>		
<i>Debentures</i>		
Due within subsequent fiscal year	840,000	-
Due after subsequent fiscal year	11,160,000	12,000,000
<i>Payables to banks</i>		
Due within subsequent fiscal year	18,613,160	26,008,732
Due after subsequent fiscal year	40,369,000	41,547,049
Due after 5 years or more	7,185,667	6,322,220
<b>Total Payables to Banks</b>	<b>66,167,827</b>	<b>73,878,001</b>
<i>Payables to other lenders</i>		
Due after subsequent fiscal year	5,483,719	515,470
<i>Advances</i>		
Advances on works to be executed	578,270	-
<i>Trade payables</i>		
Due within subsequent fiscal year	14,735,285	13,450,233
Due after subsequent fiscal year	698,310	675,000
<i>Payables to subsidiaries</i>		
Due within subsequent fiscal year	2,054,395	970,760
Due after subsequent fiscal year	-	2,619,940
<i>Payables to associated companies</i>		
Due within subsequent fiscal year	558,536	586,768
<i>Tax payables</i>		
Due within subsequent fiscal year	291,916	760,129
<i>Payables to provident and social security institutions</i>		
Due within subsequent fiscal year	281,034	290,366
<i>Other payables</i>		
Due within subsequent fiscal year	1,785,901	2,069,832
Due after subsequent fiscal year	1,090,411	1,140,959
<b>Total Other Payables</b>	<b>2,876,312</b>	<b>3,210,791</b>
<b>Total Payables</b>	<b>105,725,604</b>	<b>108,957,458</b>
<b>e) Accrued Expenses and Deferred Income</b>		
Accrued expenses	1,291,015	1,233,765
Deferred income	9,511,083	11,240,043
<b>Total Accrued Expenses and Deferred Income</b>	<b>10,802,098</b>	<b>12,473,808</b>
<b>Total Liabilities</b>	<b>210,563,620</b>	<b>200,175,843</b>

<b>Income Statement</b>	<b>2017</b>	<b>2016</b>
<b>a) Value of Production</b>		
Revenues from sales and services	43,274,836	48,498,362
Changes in finished goods' inventories	(808,411)	1,374,561
Changes in commissioned work-in-progress	308,888	-
<i>Other revenues and income</i>		
Operating grants	2,535,480	2,743,608
Other revenues and income	4,146,062	805,566
<b>Total Value of Production</b>	<b>49,456,855</b>	<b>53,422,097</b>
<b>b) Operating Costs</b>		
Costs of raw, ancillary and consumption materials	(3,949,794)	(3,503,308)
Costs of services	(19,980,770)	(16,803,518)
Costs of use of leasehold properties	(8,149,333)	(8,956,285)
<i>Personnel Costs</i>		
Salaries and wages	(6,045,156)	(5,388,043)
Social security contributions	(1,706,127)	(1,641,893)
Severance payment	(386,919)	(355,621)
Other costs	(180)	(538)
<i>Total Personnel Costs</i>	<i>(8,138,382)</i>	<i>(7,386,095)</i>
<i>Amortization, Depreciation and Write-downs</i>		
Amortization of intangible assets	(1,426,515)	(1,386,825)
Depreciation of tangible assets	(6,594,341)	(6,727,614)
Other write-downs of tangible and intangible assets	-	(71,050)
Write-downs of receivables and cash included in current assets	(189,780)	(45,994)
<i>Total Amortization, Depreciation and Write-downs</i>	<i>(8,210,636)</i>	<i>(8,231,483)</i>
Other operating expenses	(5,440,346)	(6,517,973)
<b>Total Operating Costs</b>	<b>53,869,261</b>	<b>(51,398,662)</b>
<b>(a-b) Value of Production vs Operating Costs</b>	<b>(4,412,406)</b>	<b>2,023,435</b>
<b>c) Financial Income and Expenses</b>		
<i>Income from Stakeholding</i>		
in subsidiaries	23,699,725	8,505,088
<i>Total Income from Stakeholding</i>	<i>23,699,725</i>	<i>8,505,088</i>
<i>Income from receivables recorded in assets</i>		
From subsidiaries	1,406,067	1,176,491
From associates	609,966	778,160
<i>Total Income from Receivables Recorded in Assets</i>	<i>2,016,033</i>	<i>1,954,651</i>
<i>Income other than that listed above</i>		
Short-term securities recorded in current assets	133,976	-
From other	26,635	4,687
<i>Total Income other than that Listed above</i>	<i>160,611</i>	<i>4,687</i>
<b>Total Income</b>	<b>25,876,369</b>	<b>10,464,426</b>
<i>Interest and other financial charges</i>		
From subsidiaries	(18,004)	-
From other	(4,456,016)	(5,786,389)
<i>Total Interest and other Financial Charges</i>	<i>(4,474,020)</i>	<i>(5,786,389)</i>
<i>Exchange gains and losses</i>		
Exchange gains	21,497	4,917
Exchange losses	(783,942)	(5,769)
<i>Total Exchange Gains and Losses</i>	<i>(762,446)</i>	<i>(852)</i>
<b>Total Financial Income and Expenses</b>	<b>20,639,903</b>	<b>4,677,185</b>
<b>d) Adjustments in Value of Financial Assets and Liabilities</b>		
<i>Write-downs of</i>		
stakeholding	(775,443)	-
Short-term securities	(2,224,557)	-
<i>Total Write-downs</i>	<i>(3,000,000)</i>	<i>-</i>
<b>Total Adjustments in Value of Financial Assets and Liabilities</b>	<b>(3,000,000)</b>	<b>-</b>
Adjustments in fiscal year's earnings due to rounding-off	-	(3)
<b>Earnings (Loss) before Tax</b>	<b>13,227,497</b>	<b>6,700,617</b>
Income tax for the period	-	(470,265)
Deferred/prepaid tax	1,897,125	747,774
<b>Earnings (Loss) for the Period</b>	<b>15,124,622</b>	<b>6,978,126</b>

**Cash Flow Statement****A) Cash Flow from Operating Activities (indirect method)**

Earnings (Loss) for the period	15,124,622	6,978,126
Income tax	-	470,265
Interest payable/(interest receivable)	2,297,377	2,980,050
(Gains)/Losses from divestments	(23,701,683)	(7,952,416)

**1. Earnings (Loss) for the Period before Income Taxes, Interest, Dividends and Gains (Losses) from Divestments**

	(6,279,683)	2,476,025
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*Adjustments to non-monetary items not included in the working capital*

Provisions/ (reversals)	501,583	365,145
Depreciation of fixed assets	8,018,563	8,114,440
Devaluation/(revaluation) impairment losses	3,059,980	1,346,050
Other adjustments to non-monetary items	(1,926,512)	(824,673)
<b>Total adjustments to non-monetary items</b>	<b>9,653,614</b>	<b>9,000,962</b>

**2. Cash Flow before ccn Variations**

	3,373,931	11,476,987
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*Changes in net working capital*

Decrease/ (increase) in net inventories and related advances	499,523	(1,374,561)
Decrease/(increase) in trade receivables to net third party clients and intra-group	218,777	(3,262,547)
Increase/(decrease) in trade payables third party and intra-group	(445,880)	(6,684,311)
Decrease/(increase) accrued income and prepaid expenses	(204,719)	529,134
Increase/(decrease) accruals and deferred charges	(1,671,710)	(2,791,605)
Other changes in net working capital	(424,199)	(1,825,967)
<b>Total adjustments changes in net working capital</b>	<b>(2,028,208)</b>	<b>(15,409,857)</b>

**3. Cash Flow after ccn variations**

	1,345,724	(3,932,869)
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*Other adjustments*

Interest received/(paid)	(2,917,687)	(2,654,533)
Income taxes (paid)/received	-	(374,353)
(Use of provisions)	(468,276)	(363,797)
<b>Total cash flow adjustments</b>	<b>(3,385,963)</b>	<b>(3,392,683)</b>

**Cash Flow Generated by Business Operations (A)**

	<b>(2,040,239)</b>	<b>(7,325,552)</b>
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**B) Cash Flow Generated by Investment***Tangible assets*

(Investment)	(12,235,877)	(2,016,978)
Disposals	352,969	150,277

*Intangible assets*

(Investment)	(471,605)	(401,985)
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*Long-term financial assets*

(Investment)	(26,544,849)	(4,986,230)
Disposals or redemptions	55,188,422	22,883,290

**Cash Flow Generated by Investment (B)**

	<b>16,289,060</b>	<b>15,628,374</b>
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**C) Cash Flow Generated by Borrowings***Third-party funds*

Increase (decrease) in short-term payables to banks and other lenders	(9,084,703)	(6,878,752)
Borrowings/(Repayments)	630,702	(514,874)

*Own funds*

Other stock increase (decrease)	-	4
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**Cash Flow Generated by Borrowings (C)**

	<b>(8,454,001)</b>	<b>(7,393,622)</b>
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**Increase (Decrease) in Cash and Cash Equivalents (A ± B ± C)**

	<b>5,794,820</b>	<b>909,199</b>
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**Cash as at January 1**

	<b>3,931,951</b>	<b>3,022,753</b>
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Bank and postal deposits	3,920,605	3,012,059
Cash	11,346	10,694

**Cash as at December 31**

	<b>9,726,771</b>	<b>3,931,951</b>
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Bank and postal deposits	9,722,249	3,920,605
Cash	4,522	11,346

## Structure and Content of the Financial Statements

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

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

All figures are expressed in euros.

The Notes to the Accounts disclose information pursuant to Articles 2427 and 2427 bis of the Italian Civil Code. Figures are expressed in euros if not otherwise stated in the comments of such items.

The items that are not expressly reported in the formats are to be intended at zero balance, both at current fiscal year-end and at previous fiscal year-end.

## Accounting Principles and Evaluation Criteria

The herein Financial Statements as at December 31, 2017 have been prepared in accordance with the legislative provisions set forth in the Italian Civil Code, amended by accounting principles stated by the National Board of Accountants and Bookkeepers (OIC) and, where missing and not in contrast, by those issued by the International Accounting Standards Board (IASB).

As established by Art. 2423 and 2423-bis of the Italian Civil Code, evaluation criteria used in the preparation of the financial statements comply with the matching principle and the general concepts of prudence and ongoing concern, taking into account as well the prevailing substance of the transaction or contract. Criteria applied to evaluate the items in the statements as well as the value adjustments comply with provisions set forth by the Italian Civil Code, mostly comprised in Article 2426. The most significant evaluation criteria utilized in drawing-up the Financial Statements as at December 31, 2017 are illustrated hereafter.

## Intangible Assets

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

## Costs of Start-up and Widening

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

## R&D Costs

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

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

## Industrial Patent and Intellectual Property Rights

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

## Concessions, Licenses, Trademarks and Similar Rights

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

## Other Intangible Assets

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

## Amortization of Intangible Assets

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

	<b>Amortization Rates</b>			
<i>Cost of development</i>				
Plant R&D				20%
<i>Industrial patent and intellectual property rights</i>				
Property software rights				20%
Patent rights				1/20
<i>Concessions, licenses, trademarks and similar rights</i>				
Concessions and royalties	1/8	1/29	1/30	
Trademarks				1/18
Know-how				1/18
Building leases	1/19	1/21	1/23	1/26 1/28 1/30
<i>Other intangible assets</i>				
Extraordinary maintenance on third-party assets				20%
Extraordinary maintenance on third-party assets - Rivoli	13.48%	15.58%	18.19%	22.57%

## Tangible Assets

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

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

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

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

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

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

## Depreciation of Tangible Assets

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

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

Depreciation rates, calculated on a straight-line basis, are broken down as follows:

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

## Capital Grants to Tangible and Intangible Assets

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

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

## Impairment Losses in Tangible and Intangible Assets

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

Impairment loss, if any, is reinstated should the grounds cease to exist.

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

## Financial Leases

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

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

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

## Financial Assets and Non-current Financial Assets

### Stakeholding

The item refers to stakeholding in other companies and comprises investment in subsidiaries and associates pursuant to Art. 2359 of the Italian Civil Code as well as investment in other undertakings. Such investment, evaluated using the cost method, is made up by the acquisition cost, the amounts paid for the subscription or by the value attributed to the transferred assets including accessory charges. Investment, if held over a long period amongst the Company's assets, is recorded under Financial Assets.

Investments undergo audits in order to assess the economic and financial conditions of subsidiaries. Such analysis is performed based on the subsidiaries' shareholders' equity inferable from the latest statements drawn-up in compliance with the Italian Accounting Standards. In case such financial statements are not available, as for Asja Group's investment in subsidiaries and associates, the shareholders' equity in the Consolidated Financial Statements must be taken into account pursuant to the International Accounting Standards (IAS) issued by the International Accounting Standard Board (IASB), adequately adjusted, where deemed necessary, to comply with Italian Accounting Standards. If the comparison between costs and corresponding share of shareholders' equity results in an impairment loss, a write-down is performed; normally costs are reduced when subsidiaries have incurred losses or else have undergone impairment losses and are not expected to feature earnings in the near future or other favorable prospects that could absorb losses.

Historical value is reinstated over subsequent fiscal years should the reasons for the write-down cease to exist.

### Financial Receivables

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

### Other Securities

With concern to the amortized cost evaluation method as well as to discounting of receivables, 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 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).

## Inventories

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

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

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

## Receivables

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

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

## Cash and Cash Equivalents

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

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

## Accruals and Deferred Income

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

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

Criteria adopted for measuring reflect the general principle of matching costs and revenues for the period. Multi-annual accrued income is recorded based on the presumed realizable value.

Any impairment losses are featured in the income statement under the item B.10.d "Write-downs

of receivables comprised in current assets and of cash equivalents”.

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

## **Provisions for Risks and Charges**

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

Risks related to potential liabilities are carried in the Notes to the 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.

## **Provision for Other**

The item comprises amounts covering for risks prudently recorded.

## **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 the amortized cost evaluation method as well as to discounting of receivables, the Company, committed to providing truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Therefore Payables are recorded at their nominal value.

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

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

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

## **Translation Criteria**

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

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

## **Revenues**

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

## **Grants**

Grants are accounted for at the time at which the right to receive them arises.

Operating grants are recorded on an accrual basis. Capital grants are recognized in the income statement on an accrual basis related to the asset's useful life.

## **Costs**

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

## Accrued Expenses and Deferred Income

All fiscal year's revenues and expenses related to the Company's financial operations are recognized on an accrual basis.

Income and expenses linked to derivative financial instruments are accounted for in the Income Statement with the aforementioned methods.

Accrued expenses and deferred income deriving from foreign currency translation are credited and charged to the income statement under the item C.17 bis ("Exchange gains and losses").

Mostly if, subsequent to adjustments in foreign currency exchange rate at fiscal year-end, any net gains arise, they shall be put aside in a specific non-distributable reserve until they are realized.

## Taxes

### Income Taxes

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

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

### Prepaid and Deferred Taxes

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

## Composition of Balance Sheet

Composition of the main items in the balance sheet and in the income statement is outlined below. Amounts are expressed in euros.

### Balance Sheet

#### Members' Loans

There have not been any.

#### Intangible Assets

Movements of Intangible assets over the period are broken down hereafter:

	As at 01/01/2017	Acquisition	(Disposal)	(Amortiz.)	Change in the scope of consolid.	As at 12/31/2017
<i>Costs of development</i>						
Gross value	994,664	-	-	-	(902,797)	91,867
(Provision for amortization)	(994,664)	-	-	-	902,797	(91,867)
Net value	-	-	-	-	-	-
<i>Patent and intellectual property rights</i>						
Gross value	3,420,368	192,811	-	-	(193,514)	3,419,665
(Provision for amortization)	(1,626,115)	-	-	(241,196)	193,514	(1,673,798)
Net value	1,794,253	192,811	-	(241,196)	-	1,745,867
<i>Concess., licenses, trademarks and similar</i>						
Gross value	18,940,426	45,591	-	-	-	18,986,017
(Provision for amortization)	(7,298,088)	-	-	(1,005,969)	-	(8,304,057)
Net value	11,642,338	45,591	-	(1,005,969)	-	10,681,960
<i>Other intangible assets</i>						
Gross value	806,196	233,203	-	-	(61,432)	977,967
(Provision for amortization)	(295,118)	-	-	(179,350)	61,432	(413,037)
Net value	511,078	233,203	-	(179,350)	-	564,930
<i>Total intangible assets</i>						
Gross value	24,161,654	471,605	-	-	(1,157,743)	12,992,757
(Provision for amortization)	(10,213,985)	-	-	(1,426,515)	1,157,743	-
Net Value	13,947,669	471,605	-	(1,426,515)	-	12,992,757

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

- gross values boosted to € 471,605 related to Software for € 192,811 subsequent to the replacement of the management software, to Building Leases for € 45,591, to Extraordinary Maintenance Third-party Assets for € 34,165, to Extraordinary Maintenance Third-party Assets Rivoli for € 194,389, to Extraordinary Maintenance Third-party Assets 72/74 Ivrea St., Rivoli, where the Company operates from, for € 4,649; decrease in values is attributable to the reversal of completely written-off expenses for € 254,946;
- changes in adjustments are due to increases in Amortization totaling € 1,426,515.

The item Concessions, licenses, trademarks and similar rights amounting to € 10,681,960 is broken down as follows:

- Concessions, rights of use and covenants: € 53,331;
- Know how: € 542,316;
- Trademarks: € 8,519,159;
- Building Leases: € 1,567,154.

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

## Tangible Assets

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

	As at 01/01/2017	Acquisition	(Transfer)	(Deprec.)	Change in the scope of consolid.	As at 12/31/2017
<i>Land</i>						
Gross value	153,423	2,478	-	-	-	155,901
(Provision for depreciation)	-	-	-	-	-	-
<b>Net value</b>	<b>153,423</b>	<b>2,478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155,901</b>
<i>Plant and machinery</i>						
Gross value	129,114,684	975,734	(2,544,927)	-	-	127,545,491
(Provision for depreciation)	(74,248,151)	-	2,354,531	(6,386,550)	-	(78,280,170)
<b>Net value</b>	<b>54,866,534</b>	<b>975,734</b>	<b>(190,396)</b>	<b>(6,386,550)</b>	<b>-</b>	<b>49,265,322</b>
<i>Industrial and commercial equipment</i>						
Gross value	922,422	-	(3,000)	-	-	919,422
(Provision for depreciation)	(747,427)	-	450	(54,616)	-	(801,593)
<b>Net value</b>	<b>174,995</b>	<b>-</b>	<b>(2,550)</b>	<b>(54,616)</b>	<b>-</b>	<b>117,829</b>
<i>Other assets</i>						
Gross value	1,999,241	125,606	(60,843)	-	-	2,064,004
(Provision for depreciation)	(1,478,206)	-	52,192	(153,175)	-	(1,579,189)
<b>Net value</b>	<b>521,035</b>	<b>125,606</b>	<b>(8,651)</b>	<b>(153,175)</b>	<b>-</b>	<b>484,815</b>
<i>Assets under construction, advances</i>						
Gross value	753,982	11,132,059	(207,099)	-	-	11,678,942
<b>Net value</b>	<b>753,982</b>	<b>11,132,059</b>	<b>(207,099)</b>	<b>-</b>	<b>-</b>	<b>11,678,942</b>
<i>Total tangible assets</i>						
Gross value	132,943,752	12,235,877	(2,815,869)	-	-	142,363,760
(Provision for depreciation)	(76,473,783)	-	2,407,173	(6,594,341)	-	(80,660,952)
<b>Net Value</b>	<b>56,469,969</b>	<b>12,235,877</b>	<b>(408,696)</b>	<b>(6,594,341)</b>	<b>-</b>	<b>61,702,809</b>

Tangible Assets as at December 31, 2017 and as at December 31, 2016 are broken down analytically in the table above. Tangible Assets as at December 31, 2017 amount to € 61.702.809 against € 56.469.969 as at December 31, 2016 and are broken down as follows:

- Land: € 155,901;
- Plant and machinery: € 49,265,322 of which
  - Biogas plants: € 13,969,429;
  - Wind plants: € 31,511,641;
  - Photovoltaic plants: € 3,149,086;

- Vegetable oil plants: € 621,364;
- Generic, specific and other plants: € 13,802;
- Industrial equipment: € 117,829;
- Other tangible assets: € 484,815;
- Tangible assets under construction and advances: € 11,678,942 of which
  - Wind plants under construction: € 190,401;
  - OFMSW plants under construction: € 11,488,541.

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

- gross values increased to € 12,235,877, of which the most relevant being those witnessed by Biogas Plants amounting to € 736,177 as well as by Assets under Construction and Advances totaling € 11,132,059 mainly attributable to development and construction of a new OFMSW plant in Foligno, before divestments or disposals totaling € 2,815,869, net of any assets traded over the same fiscal year of which the most relevant amounts regard biogas plants' disposals equaling € 2,544,927 due to ceased covenants;
- changes in adjusting items are due (amongst others) to increase in Depreciation for € 6,594,341 before decreases of € 2,407,173 deriving from disposals/transfers/reversals.

As required by Article 10 of Law No. 72/83, we hereby state that gross values still recorded in Tangible assets comprise directly incurred costs and that such assets have never undergone economic nor currency revaluations.

## Financial Assets

### *Stakeholding*

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

	Cur.	Common Stock Foreign Currency	Equity Foreign Currency	Profit (Loss) Prior Fiscal Year	Equity in euros	Stake- holding %	Pro-quota Share- holders' Equity	Write- downs	Book Value
Stakeholding in Subsidiaries									
Asja Market srl (Italy)	Euro	197,600	-	17,413	413,266	98.00%	405,001	-	607,353
Helios Energy Landolina srl (Italy)	Euro	50,000	-	(27,895)	103,995	99.60%	103,579	-	247,800
Asja Renewables Shenyang Co., Ltd. (China)	Rembimbi	23,794,715	13,898,254	1,599,121	1,780,823	100.00%	1,780,823	-	2,300,000
Asja Brasil Servicos para o Meio Ambiente Ltda (Brazil)	Real	1,564,500	(51,384,000)	(13,495,000)	(12,933,568)	99.94%	(12,925,808)	(556,103)	-
Asja Sabarà Servicos para o Meio Ambiente Ltda (Brazil)	Real	575,000	(948,000)	(1,420,000)	(239,000)	10.00%	(23,900)	(19,340)	-
Specchia Solar srl (Italy)	Euro	50,000	-	67,395	822,432	100.00%	822,432	-	1,600,000
Rabbici Solar srl (Italy)	Euro	50,000	-	64,387	863,081	100.00%	863,081	-	1,500,000
Puglia Solar 1 srl (Italia)	Euro	50,000	-	82,479	2,551,104	100.00%	2,551,104	-	5,100,000
Puglia Solar 2 srl (Italy)	Euro	50,000	-	115,695	1,963,521	100.00%	1,963,521	-	3,800,000
Aria Wind Plants srl (Italy)	Euro	10,000	-	(3,834)	10,455	100.00%	10,455	-	33,000
Consorzio Horizonte Asja (Brazil)	Real	-	-	(696,214)	(175,241)	5.00%	(8,762)	(200,000)	-
CGDB Laerte srl (Italy)	Euro	10,000	-	(434)	124,098	100.00%	124,098	-	371,768
CGDB Enrico srl (Italy)	Euro	10,000	-	(437)	10,738	100.00%	10,738	-	10,000
Wind Park Laterza srl (Italy)	Euro	10,000	-	(435)	13,657	100.00%	13,657	-	10,000
Anziobiowaste srl (Italy)	Euro	10,093	-	(9,143)	10,093	100.00%	10,093	-	1,871,146
Electrificadora de Mapiripán (Italy)	Pesos Colomb.	360,000,000	582,521,000	12,171,000	162,707	83.34%	135,600	-	181,529
Total					(4,517,839)			(775,444)	17,632,597

	<b>Cur.</b>	<b>Common Stock Foreign Currency</b>	<b>Equity Foreign Currency</b>	<b>Profit (Loss) Prior Fiscal Year</b>	<b>Equity in euros</b>	<b>Stake- holding %</b>	<b>Pro-quota Share- holders' Equity</b>	<b>Write- downs</b>	<b>Book Value</b>
<b>Stakeholding in Associates</b>									
Elea Utilities (Italy)	Euro	10,000	-	(107,166)	61,834	50.00%	30,917	-	84,500
Poligrow Inversiones SL (Spain)	Euro	1,111,111	-	(806,672)	4,608,798	20.00%	921,760	-	11,550,000
Totem Energy Canada srl (Canada)	Dollaro	-	-	-	-	20.00%	-	-	6,739
Pianobio srl (Italy)	Euro	100,000	-	(2,179)	97,821	50.00%	48,911	-	50,000
<b>Total</b>					<b>4,768,453</b>			<b>-</b>	<b>11,691,239</b>
<b>Stakeholding in Other</b>									
Consorzio DTNE (Italy)	Euro	-	-	-	-	-	-	-	5,000
Fundación Sandretto Re Rebaudengo Para El Arte (Spain)	Euro	-	-	-	-	-	-	-	7,500
ETR Oleos SA (Brazil)	Real	3,700,000	(4,378,591)	(442,113)	(1,102,115)	10.00%	(110,212)	-	485,954
<b>Total</b>					<b>(1,102,115)</b>			<b>-</b>	<b>498,454</b>

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

The higher carrying amount of investment against the pro-quota shareholders' equity is subjected to adjustments in case of impairment losses. With concern to Italian special-purpose companies the higher value refers to authorizations to operate wind and photovoltaic plants.

As far as the Brazilian scenario is concerned, the carrying amount was written-off over current fiscal year for € 775,443 and it is forecasted that the remaining misalignment against shareholders' equity shall be offset by expected cash flows due with the entry into force of the new plants (Sabará, operational since late 2017 and João Pessoa and Jaboatão with effect 2019).

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

- increase totaling € 8,687,914 consequent to 100% stake acquisition in Anziobiowaste srl for € 1,871,146, to 83.34% in Electrificadora de Mapiripán SA for € 181,529, to increase in stakeholding in Aria Wind Plants for € 4,000, in Asja Sabará Servicos for € 17,000 and in Poligrow Inversiones for € 6,550,000 as well as to common stock subscription equal to 50% in Pianobio srl for € 50,000, equal to 20% in Totem Energy Canada Ltd for € 6,739 and € 7,500 in Fundación Sandretto Re Rebaudengo;
- decrease totaling € 3,356,178 consequent to the sale of all stakeholding in Meltemi Energia srl.

The following chart illustrates movements of stakeholding in subsidiaries:

	As at 01/01/2017	Increase	(Decrease for the Period)		As at 31/12/2017
		Total Increase	Divestments	(Write-downs)	
<b>Stakeholding in Subsidiaries</b>					
Asja Market srl	607,353	-	-	-	607,353
Helios Energy Landolina srl	247,800	-	-	-	247,800
Asja Renewables Shenyang Co., Ltd.	2,300,000	-	-	-	2,300,000
Asja Brasil Servicos para o Meio Ambiente Ltda	556,103	-	-	(556,103)	-
Asja Sabará Servicos para o Meio Ambiente Ltda	2,341	17,000	-	(19,340)	-
Specchia Solar srl	1,600,000	-	-	-	1,600,000
Rabbici Solar srl	1,500,000	-	-	-	1,500,000
Puglia Solar 1 srl	5,100,000	-	-	-	5,100,000
Puglia Solar 2 srl	3,800,000	-	-	-	3,800,000
Aria Wind Plants srl	29,000	4,000	-	-	33,000
Consorzio Horizonte Asja	200,000	-	-	(200,000)	-
Meltemi Energia srl	3,356,178	-	(3,356,178)	-	-
CGDB Laerte srl	371,768	-	-	-	371,768
CGDB Enrico srl	10,000	-	-	-	10,000
Wind Park Laterza srl	10,000	-	-	-	10,000
Anziobiowaste srl	-	1,871,146	-	-	1,871,146
Electrificadora de Mapiripán	-	181,529	-	-	181,529
<b>Total</b>	<b>19,690,543</b>	<b>2,073,675</b>	<b>(3,356,178)</b>	<b>(775,443)</b>	<b>17,632,597</b>

Movements regarding stakeholding in associated companies throughout the period are broken down herein:

	As at 01/01/2017	Increase	(Decrease for the Period)		As at 31/12/2017
		Total Increase	Divestments	(Write-downs)	
<b>Stakeholding in Associated Companies</b>					
Elea Utilities	84,500	-	-	-	84,500
Poligrow Inversiones SL	5,000,000	6,550,000	-	-	11,550,000
Totem Energy Canada srl	-	6,739	-	-	6,739
Pianobio srl	-	50,000	-	-	50,000
<b>Total</b>	<b>5,084,500</b>	<b>6,606,739</b>	<b>-</b>	<b>-</b>	<b>11,691,239</b>

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

	As at 01/01/2017	Increase	(Decrease for the Period)		As at 31/12/2017
		Total Increase	Divestments	(Write-downs)	
<b>Stakeholding in Other Companies</b>					
Consorzio Ditne	5,000	-	-	-	5,000
Fundación Sandretto Re Rebaudengo Para El Arte	-	7,500	-	-	7,500
ETR Oleos SA	485,954	-	-	-	485,954
<b>Total</b>	<b>490,954</b>	<b>7,500</b>	<b>-</b>	<b>-</b>	<b>498,454</b>

## Financial Receivables

The table herein illustrates movements over the period of financial receivables not recorded in current assets:

	Collectible within next fy	Residual maturity less/equal to 5yrs	Residual maturity more than 5yrs	Write- downs	As at 31/12/2017	As at 31/12/2016	Difference
<b>Receivables from Subsidiaries</b>							
Asja Brasil	-	4,506,757	-	-	4,506,757	5,890,211	(1,383,454)
Consorzio Horizonte	-	12,996,602	-	(2,224,557)	10,772,045	12,543,356	(1,771,311)
Asja Sabarà	1,122,554	2,753,904	2,409,876	-	6,286,334	370,933	5,915,401
Asja Renewables Shenyang	-	310,000	-	-	310,000	816,356	(506,356)
Helios Energy Landolina	-	-	717,029	-	717,029	717,029	-
Meltemi Energia	-	-	-	-	-	16,101,603	(16,101,603)
CGDB Enrico	52,558	-	-	-	52,558	35,184	17,374
CGDB Laerte	113,193	-	-	-	113,193	92,932	20,261
Wind Park Laterza	33,977	-	-	-	33,977	17,489	16,488
Deposito cauzionale Asja Market	-	17,542	-	-	17,542	17,524	18
Puglia Solar 1	-	-	1,500,856	-	1,500,856	-	1,500,856
Puglia Solar 2	-	-	1,074,043	-	1,074,043	-	1,074,043
Rabbici Solar	-	-	244,361	-	244,361	-	244,361
Specchia Solar	-	-	235,254	-	235,254	-	235,254
Anziobiowaste	4,424,516	-	-	-	4,424,516	-	4,424,516
Electrificadora de Mapiripán	-	71,471	-	-	71,471	-	71,471
<b>Total</b>	<b>5,746,798</b>	<b>20,656,276</b>	<b>6,181,419</b>	<b>(2,224,557)</b>	<b>30,359,935</b>	<b>36,602,618</b>	<b>(6,242,681)</b>
	Collectible within next fy	Residual maturity less/equal to 5yrs	Residual maturity more than 5yrs	Write- downs	As at 31/12/2017	As at 31/12/2016	Difference
<b>Receivables from Associates</b>							
RTI	-	-	-	-	-	-	-
Asja Ambiente SpA	-	15,000	-	-	15,000	15,000	-
Poligrow Inversiones	6,812,376	6,489,579	-	-	13,301,955	19,866,990	(6,565,035)
Pianobio	-	225,000	-	-	225,000	-	-
<b>Total</b>	<b>6,812,376</b>	<b>6,729,579</b>	<b>-</b>	<b>-</b>	<b>13,541,955</b>	<b>19,881,989</b>	<b>(6,340,034)</b>
<b>Receivables from Other Companies</b>							
ETR Oleos	88,000	624,510	-	-	712,510	629,934	82,576
<b>Total</b>	<b>88,000</b>	<b>624,510</b>	<b>-</b>	<b>-</b>	<b>712,510</b>	<b>629,934</b>	<b>82,576</b>
<b>Total Long- term Financial Receivables</b>	<b>12,647,174</b>	<b>28,010,365</b>	<b>6,181,419</b>	<b>-</b>	<b>44,614,400</b>	<b>57,114,541</b>	<b>(12,500,139)</b>

Particular emphasis is placed on the fact that the item Receivables from Subsidiaries and Associates regards interest-bearing loans at market rates, amongst which: € 4,424,516 related to interest-bearing receivables from Anziobiowaste, € 4,506,756 to interest-bearing from Asja Brasil,

€ 12,996,602 to interest-bearing from Consorzio Horizonte Asja (95% Asja Brasil and 5% Asja Ambiente Italia), € 6,286,334 to interest-bearing from Asja SabaràServicos and € 13,301,955 to interest-bearing from Poligrow Inversiones. With concern to the Brazilian companies, prudentially, the credits held toward them were partially written-off in order to offset uncertainties of start up plants under construction.

### Inventories

The item is broken down as follows:

	Stock net value as at 12/31/2017	Stock net value as at 12/31/2016
Multi-year workorders	931,781	622,893
Total commissioned work-in-progress	931,781	622,893
Finished products	566,150	1,374,561
Total finished products and goods	566,150	1,374,561
<b>Total</b>	<b>1,497,931</b>	<b>1,997,454</b>

Inventories regarding finished products amount to € 566,150 and are related to goods held by the Company at their warehouses; commissioned work-in-progress impacts for € 931,781.

### Receivables

The table herein illustrates composition and collectability of receivables recorded in the Balance Sheet:

	Amounts collectible within next fiscal year	Amounts collectible beyond subsequent f.y. residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent f.y. residual maturity more than 5 yrs	As at 12/31/2017	As at 12/31/2016	Difference
Trade receivables	15,056,079	-	-	15,056,079	15,144,952	(88,873)
Receivables from subsidiaries	1,672,611	-	-	1,672,611	1,684,340	(11,729)
Receivables from associates	867,858	-	-	867,858	910,671	(42,813)
Tax receivables	7,987,464	2,721,010	-	10,708,474	10,155,394	553,080
Prepaid tax receivables	2,966,379	-	-	2,966,379	1,039,867	1,926,512
Receivables from other	794,092	1,013,147	-	1,807,239	1,601,820	205,419
<b>Total</b>	<b>29,344,483</b>	<b>3,734,156</b>	<b>-</b>	<b>33,078,640</b>	<b>30,537,044</b>	<b>2,541,596</b>

Trade receivables from third parties are recorded at nominal value net of the allowance for doubtful accounts equal to € 398,786, that led to the allocation, over the period, of the provision amounting to € 189,780. Fiscal year difference is not significant.

The table below illustrates composition of receivables divided by geographical area (see following page):

	Italy	Foreign	Total
<i>Receivables recorded in Fixed Assets</i>			
Financial receivables from subsidiaries	8,413,329	21,946,606	30,359,935
Financial receivables from associates	240,000	14,014,465	14,254,465
<b>Total Receivables Recorded in Fixed Assets</b>	<b>8,653,329</b>	<b>35,961,071</b>	<b>44,614,400</b>
<i>Receivables recorded in Current Assets</i>			
Trade receivables	14,464,269	591,810	15,056,079
Receivables from subsidiaries	1,672,611	-	1,672,611
Receivables from associates	867,858	-	867,858
Tax receivables	10,708,474	-	10,708,474
Pre-paid tax receivables	2,966,379	-	2,966,379
Receivables from other	1,807,239	-	1,807,239
<b>Total Receivables Recorded in Current Assets</b>	<b>32,486,830</b>	<b>591,810</b>	<b>33,078,640</b>

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

	2016	Advances	2017	Difference
Provision for write-downs of trade receivables	209,006	189,780	398,786	(189,780)
<b>Total</b>	<b>209,006</b>	<b>189,780</b>	<b>398,786</b>	<b>(189,780)</b>

### *Intragroup Receivables*

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

	2017	2016	Difference
<i>Receivables from subsidiaries</i>			
Trade receivables from subsidiaries	1,597,249	1,522,762	74,487
Other receivables from subsidiaries	75,362	161,578	(86,216)
<b>Total</b>	<b>1,672,611</b>	<b>1,684,340</b>	<b>(11,729)</b>
<i>Receivables from associates</i>			
Trade receivables from associates	867,858	910,671	(42,813)
Other receivables from associates	-	-	-
<b>Total</b>	<b>867,858</b>	<b>910,671</b>	<b>(42,813)</b>

The item Receivables from Subsidiaries regards trade activities or related to such, performed over the period: € 1,524,125 for invoices issued, € 60,000 for invoices to be issued and € 88,503 for non-trade activities.

### *Tax Receivables*

The item is broken down as follows:

	2017	2016	Difference
Irap on account	311,494	460,170	(148,676)
Ires on account	1,014,568	529,792	484,776
VAT on account	4,789,890	3,663,928	1,125,962
Contributions Art. 8 Law 388	3,740,748	4,969,509	(1,228,761)
Other tax receivables	851,773	531,994	319,779
<b>Total</b>	<b>10,708,474</b>	<b>10,155,394</b>	<b>553,080</b>

The amount of tax receivables is a direct consequence of the numerous and large investments in tangible assets, primarily in those areas in which tax incentives can be used to offset income tax, local taxes and social security payments. The VAT receivables are to be attributed to the extension (pursuant to the 2015 Stability Law) in application of the Reverse Charge mechanism to energy sale and green certificates. There is no doubt tax receivables will be recovered, mainly and foremost because they bear no expiring date. As further confirmation to such, over 2017 we received credit reimbursement related to fiscal year 2016 and to second quarter 2017 totaling € 3,335,914.

### *Prepaid-tax Receivables*

Prepaid tax amounting to € 2,966,379 refers to tax losses carried forward for € 2,184,000 to be used over future fiscal years.

### *Other Receivables*

The item comprises the following:

	2017	2016	Difference
Receivables from insurance companies	313,126	73,026	240,100
Receivables from employees	-	19,940	(19,940)
Receivables from social security institutions	4,035	8,706	(4,670)
Advances	145,831	702,725	(556,894)
Security deposits	550,786	526,361	24,425
Other receivables	793,461	271,062	522,398
<b>Total</b>	<b>1,807,239</b>	<b>1,601,820</b>	<b>205,419</b>

## 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 InterestRates 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:

Financial Instrument	Financial Risk	Notional	Positive Fair Value	Negative Fair Value
<i>Hedging Derivative Instruments</i>				
Cross Currency Swap with 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

The item is broken down as follows:

	2017	2016	Difference
Bank and postal deposit accounts	9,722,249	3,920,605	5,801,644
Cash and cash equivalents	4,522	11,346	(6,824)
<b>Total</b>	<b>9,726,771</b>	<b>3,931,951</b>	<b>5,794,820</b>

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

Difference originates mainly from sale of stakeholding in Meltemi Energia srl over the period.

## Accrued Income and Prepaid Expenses

The item is broken down as follows:

	2017	2016	Difference
Accrued income	3,508	26	3,483
Prepaid expenses	16,981,361	10,907,934	6,073,427
<b>Total</b>	<b>16,984,869</b>	<b>10,907,960</b>	<b>6,076,910</b>

Prepaid Expenses comprise, amongst others: 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.

## Shareholders' Equity

Changes in Equity are illustrated hereafter:

	Common stock	Share premium reserve	Legal reserve	Hedging operations for expected cash flows	Other reserves	Profit (loss) carried forward	Profit (loss) for the period	Total
<b>Changes in Equity over the Period 31/12/2016</b>								
As at 01/01/2016	56,624,000	-	1,686,220	-	287,529	9,693,484	3,192,319	71,483,552
Allocation of profit prior period	-	-	159,616	-	-	3,032,703	(3,192,319)	-
Other changes	-	-	-	(256,081)	3	-	-	(256,078)
Profit (loss)	-	-	-	-	-	-	6,978,126	6,978,126
<b>As at 31/12/16</b>	<b>56,624,000</b>	<b>-</b>	<b>1,845,836</b>	<b>(256,081)</b>	<b>287,532</b>	<b>12,726,187</b>	<b>6,978,126</b>	<b>78,205,600</b>

	Common stock	Share premium reserve	Legal reserve	Hedging operations for expected cash flows	Other reserves	Profit (loss) carried forward	Profit (loss) for the period	Total
<b>Changes in Equity over the Period 31/12/2017</b>								
As at 01/01/2017 re determined	56,624,000	-	1,845,836	(256,081)	287,532	12,726,187	6,978,126	78,205,600
Allocation of profit prior period	-	-	348,909	-	-	6,629,217	(6,978,126)	-
Other changes	-	-	-	17,524	2	-	-	17,526
Profit (loss)	-	-	-	-	-	-	15,124,622	15,124,622
<b>As at 31/12/2017</b>	<b>56,624,000</b>	<b>-</b>	<b>2,194,745</b>	<b>(238,557)</b>	<b>287,534</b>	<b>19,355,404</b>	<b>15,124,622</b>	<b>93,347,748</b>

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

Increase in Shareholders' Equity is to be attributed to allocation of fiscal year 2016 earnings, as approved by the Board.

The item Shareholders' Equity is broken down by origin and potential use as follows:

	Amount	Origin	Potential use	Available share
AI - Common stock	56,624,000	Capital and revenue reserves	-	
AII - Share premium reserve		Capital reserves	A, B, C	
AIII - Revaluation reserves		Revaluation reserves	A, B	
AIV - Legal reserve	2,194,745	Revenue reserve	B	
AV - Statutory reserves		Revenue reserve	D	
<b>AVI - Other reserves</b>				
AVI.1 - Extraordinary reserve			A, B, C	
AVI.2 - Reserve for members' payments received		Capital reserves	A, B, C	
AVI.3 - Reserve exemptions under ex art. 2423 of Civil Code		Other reserves	A, B	
AVI.4 - Reserve for shares (quotas) of the parent		Capital reserves	-	
AVI.5 - Reserve for investment revaluation		Revaluation reserves	A, B	
AVI.6 - Reserve for unrealized exchange gains		Other reserves	A, B	
AVI.7 - Miscellaneous	287,534	Other reserves	A, B, C	287,530
AVII - Reserve for hedging expected cash flows	(238,557)	Other reserves	-	
AVIII - Earnings (loss) carried forward	19,355,404	Revenue reserve	A, B, C	19,355,404
AX - Earnings (loss) for the period	15,124,622	Revenue reserve	-	
AX - Negative reserve for treasury shares in portfolio			-	
<b>Total Shareholders' Equity as at 31/12/2017</b>	<b>93,347,748</b>			<b>19,642,934</b>
Non-distributable amount				
Residual distributable amount				19,642,934

Key:

A - For capital increase

B - For loss hedging

C - For distribution to shareholders

D - For other statutory restrictions

## Other Reserves

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

	2017	2016
Merger surplus reserve Asja Engineering	34,429	34,429
Merger surplus reserve Asja Agricole	3,101	3,101
Unavailable reserve Banco P.O. 2007-2016	250,000	250,000
<b>Total</b>	<b>287,530</b>	<b>287,530</b>

## Reserve for Hedging Expected Cash Flows

The item is broken down as follows:

As at 01/01/2017	Positive/ (negative) fair value variation	Released to the income statement	Other movements	Deferred tax effect	As at 31/12/2017
(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.

## Provisions for Risks and Charges

### Provisions for Taxes, Including Deferred

The item comprises the following:

	2016	Provisions	Uses/ Reversals	2017
Provision for deferred taxes (*)	11	35,881	(11)	35,881
<b>Total</b>	<b>11</b>	<b>35,881</b>	<b>(11)</b>	<b>35,881</b>

Variation in the item is attributable to future taxes assessment as a follow-up to changes in taxation.

## Employee Severance Indemnity

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

	2016	Increase	(Use)	2017
Provision for employee severance indemnity	198,059	465,702	(468,265)	195,496
<b>Total</b>	<b>198,059</b>	<b>465,702</b>	<b>(468,265)</b>	<b>195,496</b>

Movements are attributable to staff leaving the Company over the period.

## Payables

The item is broken down as follows:

	Amounts collectible within next fiscal year	Amounts collectible beyond subsequent f.y. residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent f.y. residual maturity more than 5 yrs	As at 31/12/2017	As at 31/12/2016	Difference
Debentures	840,000	8,520,000	2,640,000	12,000,000	12,000,000	-
Payables to banks	18,613,160	40,369,000	7,185,667	66,167,827	73,878,001	(7,710,174)
Payables to other lenders	5,000,000	483,719	-	5,483,719	515,470	4,968,249
Advances	578,270	-	-	578,270	-	578,270
Trade payables	14,735,285	698,310	-	15,433,595	14,125,233	1,308,362
Payables to subsidiaries	2,054,395	-	-	2,054,395	3,590,700	(1,536,305)
Payables to associates	558,536	-	-	558,536	586,768	(28,232)
Tax payables	291,916	-	-	291,916	760,129	(468,213)
Payables to providence and social security institutions	281,034	-	-	281,034	290,366	(9,332)
Other payables	1,785,901	1,090,411	-	2,876,312	3,210,791	(334,479)
<b>Total</b>	<b>44,738,497</b>	<b>51,161,440</b>	<b>9,825,667</b>	<b>105,725,604</b>	<b>108,957,458</b>	<b>(3,231,854)</b>

Payables due after December 31, 2018 but within December 31, 2022, amount to € 51,161,440 and are broken down as follows: Payables to Debenture Holders equal to € 8,520,000, to Banks for € 40,369,000 as well as Other Payables amounting to € 2,272,440.

### Payables to Banks

The item is broken down as follows:

	2017	Of which secured by collateral	2016	Difference
Due to current accounts	2,332,010	1,411,448	8,460,638	(6,128,628)
Due to loans	63,835,816	53,766,599	65,417,363	(1,581,547)
<b>Total</b>	<b>66,167,827</b>	<b>55,178,047</b>	<b>73,878,001</b>	<b>(7,710,174)</b>

Since there are no special-purpose vehicles, medium- and long-term loans from banks were granted as partial Project Financing. All loans for the construction of biogas and wind plants were granted specifically so as to cover entirely for the project and construction costs and are guaranteed by the transfer of receivables from the sale of generated electric power.

Payables to banks went down by 7.7 million euros owing to:

- reimbursements of capital over the period of 37.1 million euros offset by new loans of 35.5 million euros;
- decrease of 6.1 million euros in short-term loans.

### Payables to Other Lenders

The item comprises the following:

	2017	2016	Difference
Other lenders	5,483,719	515,470	4,968,249
<b>Total</b>	<b>5,483,719</b>	<b>515,470</b>	<b>4,968,249</b>

Difference is mainly attributable to down-payment of March 2018 to the leasing company Alba Leasing.

### Trade Payables

The item comprises:

	2017	2016	Difference
Trade payables	15,433,595	14,125,233	1,308,362
<b>Total</b>	<b>15,433,595</b>	<b>14,125,233</b>	<b>1,308,362</b>

Increase in payables is mainly attributable to the construction of the Foligno plant.

### Intragroup Payables

The item breaks down as follows:

	2017	2016	Difference
<i>Payables to subsidiaries</i>			
Trade payables to subsidiaries	1,286,420	1,870,765	(584,345)
Financial payables to subsidiaries	160,114	556,573	(396,459)
Miscellaneous payables to subsidiaries	607,861	1,163,362	(555,501)
<b>Total</b>	<b>2,054,395</b>	<b>3,590,700</b>	<b>(1,536,305)</b>
<i>Payables to associated companies</i>			
Trade 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>
<b>Total Payables to Group's Companies</b>	<b>2,612,930</b>	<b>4,177,468</b>	<b>(1,564,538)</b>

### Tax Payables

The item breaks down as follows:

	2017	2016	Difference
Due to Irap	-	167,108	(167,108)
Due to withholdings to be paid	244,409	411,725	(167,316)
Due to taxes to be paid	39,929	181,296	(141,367)
Other payables	7,578	-	-
<b>Total</b>	<b>291,916</b>	<b>760,129</b>	<b>(334,424)</b>

### Other Payables

The item, recorded in the Balance Sheet, breaks down as follows:

	2017	2016	Difference
Payables to staff	-	10,852	(10,852)
Other payables	2,876,312	3,199,939	(323,627)
<b>Total</b>	<b>2,876,312</b>	<b>3,210,791</b>	<b>(334,479)</b>

## Accrued Expenses and Deferred Income

The item comprises:

	2017	2016	Difference
<i>Accrued expenses</i>			
Financial	282,843	246,628	36,215
Other	1,008,172	987,137	21,035
Total accrued expenses	1,291,015	1,233,765	57,250
<i>Deferred income</i>			
Operating grants	8,083,040	10,749,059	(2,666,018)
Other deferred income	1,428,042	490,984	937,059
Total deferred income	9,511,083	11,240,043	-
<b>Total Accrued Expenses and Deferred Income</b>	<b>10,802,098</b>	<b>12,473,808</b>	<b>57,250</b>

Accrued expenses refer mainly to interest paid on loans and bank charges amounting to € 282,843 as well as to deferred remuneration and related contribution equal to € 1,005,863.

Deferred Income features mostly plant grants recorded in Income Statement and their related amortization.

## Income Statement

### Revenues

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

	2017	2016	Difference
<i>Revenues from sales</i>			
Electric power and services sold to other companies	42,267,788	47,688,002	(5,420,213)
Total	42,267,788	47,688,002	(5,420,213)
<i>Revenues from services</i>			
Other services	1,007,048	810,361	196,687
Total	1,007,048	810,361	196,687
<b>Total</b>	<b>43,274,836</b>	<b>48,498,362</b>	<b>(5,223,527)</b>

The drop in revenues from power is mostly attributable to a plummet in power generated by biogas plants and related lesser price. It is also worth mentioning that the item Revenues from Sales and Services comprises revenues deriving from incentives for power generation from renewables, including those that replaced the Green Certificates, totaling € 15,802,658 (against prior year's € 18,778,052).

### Other Revenues and Income

The item is broken down as follows:

	2017	2016	Difference
Operating grants	2,535,480	2,743,608	(208,128)
Capital gains	85,102	69,122	15,980
Compensation for damage	320,791	134,615	186,176
Other revenues and income	3,740,169	601,829	3,138,341
<b>Total Other Revenues and Income</b>	<b>6,681,542</b>	<b>3,549,174</b>	<b>3,132,368</b>

The item features plant operating grants for the period amounting to € 2,535,480, disposal of components related to plants under construction in Brazil as well as sale of microcogeneration plants.

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

The item is broken down as follows:

	2017	2016	Difference
Raw, ancillary and consumption materials and goods	3,083,288	1,970,686	1,112,602
Other purchases	866,506	1,532,622	(666,116)
<b>Total</b>	<b>3,949,794</b>	<b>3,503,308</b>	<b>446,485</b>

The item comprises mostly purchasing of materials linked to plants operation.

No significant changes occurred as compared to the previous fiscal year.

## Costs of Services

The item comprises:

	2017	2016	Difference
Costs of services	19,980,770	16,803,518	3,177,252
<b>Total</b>	<b>19,980,770</b>	<b>16,803,518</b>	<b>3,177,252</b>

The main items comprised in Costs of Services refer to expenses for plant and motor management and to services rendered by third parties to such concern.

## Leases and Rentals

The item is broken down as follows:

	2017	2016	Difference
Leases and rentals	850,308	2,950,082	(2,099,773)
Miscellaneous rentals	2,456,381	160,201	2,296,180
Royalties liability	4,842,643	5,846,002	(1,003,359)
<b>Total</b>	<b>8,149,333</b>	<b>8,956,285</b>	<b>(806,952)</b>

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

## Personnel Costs

The item is broken down as follows:

	2017	2016	Difference
Salaries and wages	6,045,156	5,388,043	657,113
Social security	1,706,127	1,641,893	64,234
Severance payment	386,919	355,621	31,298
Other costs	180	538	(358)
<b>Total</b>	<b>8,138,382</b>	<b>7,386,095</b>	<b>752,287</b>

## Average Payroll

	2017	2016
Executives	6	6
Managers, white collars and equivalent	106	98
Blue collars	4	3
Project workers	2	2
<b>Total</b>	<b>118</b>	<b>109</b>

The difference reflects fiscal year increase in average payroll.

## Amortization, Depreciation and Write-downs

The item is broken down as follows:

	2017	2016	Difference
<i>Amortization and depreciation</i>			
Amortization of intangible assets	1,426,515	1,386,825	39,690
Depreciation of tangible assets	6,594,341	6,727,614	(133,273)
<b>Total</b>	<b>8,020,856</b>	<b>8,114,439</b>	<b>(93,583)</b>
<i>Write-downs</i>			
Write-downs of tangible assets	-	71,050	(71,050)
Write-downs of receivables in current assets	189,780	45,994	143,786
<b>Total</b>	<b>189,780</b>	<b>117,044</b>	<b>72,736</b>
<b>Total</b>	<b>8,210,636</b>	<b>8,231,483</b>	<b>(20,847)</b>

## Other Operating Costs

The item comprises the following:

	2017	2016	Difference
Collaboration/membership fees	1,729,869	2,471,879	(742,010)
Other costs	3,710,476	4,046,094	(335,618)
<b>Total</b>	<b>5,440,346</b>	<b>6,517,973</b>	<b>(1,077,627)</b>

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

## Financial Income and Expenses

The item comprises the following:

	2017	2016	Difference
Investment income	23,699,725	8,505,088	15,194,637
Financial and non-financial income	2,176,644	1,959,338	217,306
Interest and financial expenses	(4,474,020)	(5,786,389)	1,312,369
Exchange gains and losses	(762,446)	(852)	(761,594)
<b>Total</b>	<b>20,639,903</b>	<b>4,677,185</b>	<b>15,962,718</b>

Income from stakeholding was generated by the sale of subsidiary Meltemi Energia srl.

Other Financial Income comprise interest-bearing loans from subsidiaries and associates for € 2,016,033, gains on securities for € 107,367, interest receivables on securities for € 26,608,

interest receivables on bank accounts for € 699 and interest receivables from other for € 25,936. Financial Expenses mostly refer to Company's liabilities toward banks amounting to € 3,641,295, to negative differences for € 515,227 found and/or realized on derivative contracts, to financial losses equaling € 136,080, to interest payables due to Subsidiaries for € 18,004 as well as to miscellaneous charges amounting to € 163,414. Balance on Exchange Gains and Losses regards current trading/ financial positions in foreign currency at fiscal year-end.

## Value Adjustments in Assets and Liabilities

	2017	2016	Difference
Write-downs of stakeholding	775,443	-	775,443
Write-downs of short-term financial assets	2,224,557	-	2,224,557
<b>Total</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>

With regard to financial value adjustments please refer to the paragraphs on movements of stakeholding and financial receivables.

## Income Taxes for the Period

The item comprises the following:

	2017	2016	Difference
<i>Current taxes</i>			
Ires - prior years	-	(157,030)	157,030
Irap - current year	-	(160,000)	160,000
Tax credits on investments – prior years	-	(153,235)	153,235
<b>Total</b>	<b>-</b>	<b>(470,265)</b>	<b>470,265</b>
<i>Prepaid and deferred taxes</i>			
Ires	1,895,791	738,531	1,157,260
Irap	1,334	9,243	(7,909)
<b>Total</b>	<b>1,897,125</b>	<b>747,774</b>	<b>1,149,351</b>
<b>Total</b>	<b>1,897,125</b>	<b>277,509</b>	<b>1,619,616</b>

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

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

	Rate	2016		FY Movements (Income Statement)		FY Movements (Equity)		2017	
		Temporary Differences	Tax Burden	Temporary Differences	Tax Burden	Temporary Differences	Tax Burden	Temporary Differences	Tax Burden
<i>Prepaid taxes on</i>									
Contributions assessed	24.00%	559,800	134,352	(559,800)	(134,352)	-	-	-	-
Contributions assessed	24.00%	-	-	444,800	106,852	-	-	444,800	106,852
Excess amortization/ depreciation tax purposes	24.00%	448,513	107,644	149,207	35,810	-	-	597,720	143,454
Contributions assessed	3.90%	559,800	21,832	(559,800)	(21,832)	-	-	-	-
Contributions assessed	3.90%	-	-	444,800	17,347	-	-	444,800	17,347
Excess amortization/ depreciation tax purposes	3.90%	448,513	17,491	149,207	5,819	-	-	597,720	23,310
Exchange gains on valuation	24.00%	853	205	(853)	(205)	-	-	-	-
Exchange gains on valuation	24.00%	-	-	772,332	185,360	-	-	772,332	185,360
ACE 2016	24.00%	718,851	172,525	-	-	-	-	718,851	172,525
Tax credits fair value derivatives		-	81,818	-	-	-	27,812	-	109,630
Taxed provisions for risks	24.00%	-	-	100,000	24,000	-	-	100,000	24,000
<b>Total</b>			535,867		218,799		27,812		782,478
<i>Deferred taxes due to</i>									
Exchange difference on valuation	24.00%	-	-	(6,607)	(1,586)	-	-	(6,607)	(1,586)
Exchange difference on valuation	24.00%	(47)	(11)	47	11	-	-	-	-
Fair value derivatives		-	-	-	-	-	(34,296)	-	(34,296)
Other minor	24.00%	-	-	(417)	(100)	-	-	-	(100)
<b>Total</b>			(11)		(1,675)		(34,296)		(35,982)
<b>Prepaid Taxes on Tax Losses Carryforward</b>	24.00%	2,100,000	504,000	7,000,000	1,680,000			9,100,000	2,184,000
<b>Total</b>			1,039,856		1,897,124		(6,484)		2,930,496

The following chart features the use of tax losses:

	2017		2016	
	Tax Losses	Tax Burden (Rate 24%)	Tax Losses	Tax Burden (Rate 24%)
Prepaid taxes on tax losses at fiscal year-start	2,100,000	504,000	-	-
Allocation of prepaid taxes on tax losses	7,000,000	1,680,000	2,100,000	504,000
Prepaid taxes on tax losses at fiscal year-end	9,100,000	2,184,000	2,100,000	504,000
<b>Total</b>	<b>9,100,000</b>	<b>-</b>	<b>2,100,000</b>	<b>-</b>

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

	2017	2016
Earnings before tax	13,227,497	6,700,617
Theoretical tax rate	24%	27.50%
Theoretical tax burden	3,174,599	1,842,670
<i>Tax effect on</i>		
Permanent differences	(3,390,390)	(1,522,183)
Prior years' taxes	-	310,265
Differences on tax losses	(1,680,000)	(504,000)
Total tax expense (income) excluding Irap	(1,895,791)	126,752
Effective tax rate	(14,33%)	1.89%
Current and deferred Irap	(1,334)	150,757
<b>Total</b>	<b>(1,897,125)</b>	<b>277,509</b>

## Further Disclosure

### Related Parties

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

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

Asja supports the activity of the Sandretto Re Rebaudengo Foundation by endowing an annual contribution. Asja collaborates, mostly as far as R&D is concerned, with Totem Energy; the latter supplies Asja with maintenance services. Poligrow Inversiones acquired further 10% stakeholding in Reba Capital S.a.r.l. thus totaling € 11,550,000 worth of investment.

### Average Payroll

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

	2017	2016
Executives	6	6
Managers, white collars and equivalent	106	98
Blue collars	4	3
Project workers	2	2
<b>Total</b>	<b>118</b>	<b>109</b>

At fiscal year-end staff totaled 115 people, of whom 5 executives, 105 managers and white collars, 3 blue collars and 2 project workers.

## Auditors' Compensations

Compensations regarding auditing services are illustrated herein:

	Entity providing the service	Compensations fiscal year 2017
Legal audit	EY SpA	70,000
Other certification services	EY SpA	6,000
Services other than auditing	EY SpA	3,800
<b>Total</b>		<b>79,800</b>

## Emoluments of Corporate Bodies

Pursuant to Article 2427, comma 1 number 16 of the Italian Civil Code, the Company approved and provided for emoluments to directors and statutory auditors as follows:

- Directors' emoluments: € 1,650,000;
- Statutory auditors' emoluments: € 47,320.

## Guarantees, Commitments and Contingent Liabilities

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

	2017	2016	Difference
<b>Guarantees</b>			
<i>Personal guarantees granted</i>			
Guarantees to various companies for loan or mortgage granting to subsidiaries	36,362,589	51,115,523	(14,752,934)
<b>Total guarantees granted</b>	<b>36,362,589</b>	<b>51,115,523</b>	<b>(14,752,934)</b>

The following charts shows the Company's commitments:

	2017	2016	Difference
<b>Commitments</b>			
Lease commitments on buildings / plants / equipment	22,711,085	23,937,389	(1,226,304)
<b>Total commitments</b>	<b>22,711,085</b>	<b>23,937,389</b>	<b>(1,226,304)</b>

Company's commitments solely comprise lease commitments.

## Leasing Agreements

The Company utilizes assets acquired through financial leasing agreements accounted for in accordance with the equity method which involves charging leasing instalments to fiscal year costs i.e. Leasehold Assets.

Adoption of the financial method in accounting for the aforementioned agreements would have involved recording of interest on the financed capital as well as of amortization/depreciation rates in the income statement, but also of the leased assets under Assets and the residual portion of debt under Liabilities in the Balance Sheet.

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

**2017**

**A) Value of Assets**

Leased assets net of depreciation/amortization at prior fiscal year-end	31,162,597
+ Leased assets over the period	2,038,866
- Leased assets redeemed over the period	-
- Amortization/depreciation rates for the period	(2,273,397)
+/- Adjustments/reversals on leased assets	-

**Leased Assets at Fiscal Year-end Net of Overall Amortization/  
Depreciation**

**30,928,066**

**B) Current Value of Instalments not yet Due**

**Current Value of Instalments not yet Due Based on the Effective Interest  
Rate of the Finance Leasing Contract**

**22,711,085**

**C) Financial Burden for the Period**

**Financial Burden for the Period Based on the Effective Interest Rate**

**1,000,955**

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

The herein statements, submitted to the Board's approval, report profit recorded in the Balance Sheet totaling € 15,124,622 and in book records for € 15,124,622.03; it is motioned, pursuant to Article 2427, comma 1 number 22-septies of the Italian Civil Code, to allocate fiscal year's earnings to the Legal Reserve for € 756,235.00 and to Earnings Carried Forward for € 14,368,387.03.

*Rivoli, March 30, 2018*

On behalf of the Board  
Chairman

*Agostino Re Rebaudengo*



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

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

### Relazione sulla revisione contabile del bilancio d'esercizio

#### Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Asja Ambiente Italia S.p.A. (la Società), 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 d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società 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 d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società 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 d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione 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 della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, 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 d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società 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 della Società.

## **Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio 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 d'esercizio.

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 d'esercizio, 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 della Società;
- 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 della Società 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 la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

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 della Asja Ambiente S.p.A. al 31 dicembre 2017, inclusa la sua coerenza con il relativo bilancio d'esercizio 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 d'esercizio della Asja Ambiente Italia S.p.A. 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 d'esercizio della Asja Ambiente Italia S.p.A. al 31 dicembre 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**

**\* \* \***

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

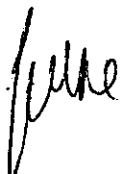
Nel corso dell'esercizio chiuso al 31 dicembre 2017 abbiamo svolto l'attività di controllo di cui all'articolo 2403 Codice Civile.

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.

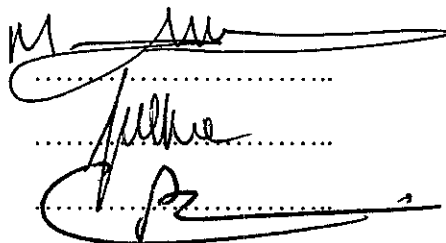
Torino, 10 maggio 2018

I SINDACI

(dott. Mario DEL SARTO)

(dott. Leonardo CUTTICA)

(dott. Enrico BONICELLI)



## Board Resolution for the Approval of the Financial Statements

It is herein reported resolution of the Stakeholders' Meeting of May 14, 2018 point 1:

- Approval of Financial Statements as at December 31, 2017

The Board, after due consideration, unanimously approved the Financial Statements as at December 31, 2017 in the format compliant with the Register of Companies as well, the Report on Operations and the Allocation of 2017 Earnings (Loss) as proposed in the Report on Operations:

Legal reserve	€ 756,235.00
Earnings (Loss) prior fiscal years	€ 14,368,387.03
	<b>€ 15,124,622.03</b>

On behalf of the Board  
Chairman

*Agostino Re Rebaudengo*



