

ASJA AMBIENTEITALIA

2020 Consolidated Financial Statements



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

CORPORATE BODIES

Board

Agostino Re Rebaudengo (President and CEO)

Tommaso Cassata (COO)

Guido Corbò (CFO)

Emilio Re Rebaudengo

Gian Maria Rossi Sebastiano (CTO)

Pace Vincenzo

Board of Statutory Auditors

Pier Vittorio Vietti(President)

Luigi Puddu

Mariella Anfossi

Independent Auditors

BDO Italia spa

Report on Operations

Dear Shareholders,

The Consolidated Financial Statements of Asja Ambiente Italia spa (Parent Company) as at December 31, 2020, here submitted to your approval, report earnings of € 4.375.774, net of appropriations at Corporate's expense. All subsidiaries have been consolidated on a line-by-line method whilst associated companies under the equity method, as listed in Annex A.

The hereby Consolidated Financial Statements have been drawn up to comply with legislation set forth in the Articles of Charter 9, Part V, Book V of the Italian Civil Procedure Code.

It is worth mentioning that the Company availed itself of provisions set forth by Article 106 comma 1 of Law Decree no. 18 of March 17, 2020 ("Cura Italia" combined provisions) converted into law, with amendments, by Law 27, Article 1, comma 1, of April 24, 2020, envisaging as follows: "as an exception to provisions set forth by *Articles 2364, second comma, and 2478-bis, of the Italian Civil Code or by various statutory provisions, the ordinary Shareholders' Meeting shall be held with a granted extension of no longer than 180 days from fiscal year-end*".

The law under examination was issued by the legislator so as to tackle the Covid-19 emergency thus allowing the Company's Board Meeting for the approval of the 2019 Financial Statements to be held within the longer period of 180 days from fiscal year-end notwithstanding further provisions set forth by Article 2364 c.c.

Asja Group



Undoubtedly 2020 has been a "one-of-a-kind" year in terms of various aspects. The COVID-19 pandemic has impacted hugely on the global economy and particularly on the Italian one. Governments worldwide have set up measures to mitigate the health crisis as well as taken action toward safeguarding the future of our economy: amongst these we can quote the most relevant of them – the European Recovery Fund. Sadly, 2020 also marked new records climate-wise: according to the 2020 Statement on the State of Global Climate issued by WMO (World Meteorological Organization) average world temperatures in 2020 were above pre-industrial levels (1850-1900) by roughly 1.2° C and in May the NOAA Observatory of Mauna Loa, Hawaii, recorded a new peak of carbon dioxide concentration in the atmosphere equal to 417.1 ppm.

Climate change is thus bound to become the next global crisis post-COVID-19: it is indeed an alarming fact yet the technology and resources we have at our disposal, if carried out by an incisive political action, may lead to the greatly sought-after green transition. The EU, via the Green New Deal, has in fact set the bold target to make Europe the first carbon-neutral continent by 2050. To strengthen even further the incisive European proposals on climate and the environment, in October

2020 Asja joined a hundred of other representatives of prominent Italian companies and business associations in their call for raising awareness climate-wise of Italian parliament members, Italian representatives at the European Parliament and members of the Italian Government, in view of the negotiations on the final version of the post-Covid recovery package. In Italy the Green Deal is likely to mobilize in the electric sector alone 100 billion worth of investments by 2030 as well as generate 90.000 new jobs at the same time cutting back on over 50 million tons of CO2 emissions yearly against current figures. Currently 38% of Italy's power consumption is from renewable sources: in order to hit the 70% target of renewable energy by 2030, our country will have to install +7 GW worth of new renewable plants yearly for the upcoming 10-year period. Such action involves prompt implementation of simplified bureaucratic procedures, requirement of which has been confirmed by the National Scheme of Recovery and Resilience (here "PNRR") as well. The challenge that arises is therefore to carry out the reforms and provisions of the Scheme in due time hence aid to Italy's transition toward being a more modern, efficient and sustainable nation.

Under said scenario, Asja keeps pursuing ambitiously its goals by adopting cutting-edge technology and implementing strict environmental management systems.

Asja Internationally



Throughout 2020, Asja commenced construction of a new 3MW plant under Distributed Generation scheme (Geração Distribuída – GD) via AsjaSabarà GD Ltd, SPV a company that is part of AsjaBrasil group. GD allows for direct producer-end client relations under PPA (Power Purchase Agreement). The energy sold is regulated by signed agreements. The plant is bound to become operational second half 2021. In addition to the already operational unit, this new one will bring overall rated power of the Sabarà site to 10 MW. Over 2020 authorization to bring the rated power of João Pessoa (Paraíba State) plant to 5.704 MW was granted, via installation of an additional engine.

2021 target is to complete widening works and proceed with a boost in capacity by the second half of the year. In December 2020 the plant featured enhancement works through installation of a new generator set meant to bring rated power to 15,4 MW. Given the constant excess biogas production at the landfill against the plant's current exploitation capacity, a generator set will be installed over the first quarter 2021 and additional 4 others over the third quarter. In addition to the installation of 4 generator sets, electric infrastructure will feature enhancement works; rated overall power will thus exceed 22 MW, making the Jaboatão site the largest in Asja's history and one of the greatest in size in Latin America. In 2020 AsjaBrasil signed a rental and service agreement with EnergiasGeração de Energia for the supply of 2 generator sets with overall power of 2.8 MW to be installed on the

plant located in Uberlândia (Minas Gerais State); over 2021 the ongoing contract is bound to be increased with the addition of another generator set thus bringing overall power to 4.2 MW.

In China, the Shenyang plant exceeded budget forecasts by 21%. Throughout 2020 collaboration with an anaerobic digestion plant from organic waste built in the proximity of Asja Shenyang production facility was renewed, on the basis of which generated biogas will be employed by Asja's own plant. Asja carried forward operations of plant revamping and progressive replacement of engines that reached the end of their useful life (JDEC) with more highly-performing and reliable ones (Jenbacher). Over 2021, under the light of improvements to biogas management and the biogas supply agreement with the nearby biodigestion plant, enhancement of the connection line to the local grid is bound to be enacted so as to fully benefit from the site's potential. Current installed power is equal to 6 MW, which over 2021 will boost to 7 MW.

Asja's business activity in Colombia proceeds via the Colombian company Electrimapiri S.A., that generates and distributes power to those areas that are not connected to Colombia's National Grid.

Asja Ambiente Italia's Core Business



Biogas and Biomasses

First half 2020 saw the start-up of construction works related to the Legnano plant for the production of high-quality biomethane and OFMSW-generated compost for a capacity equal to 40.000 tons of treated waste yearly. The same period saw the start-up in Anzio of another plant for the production of high-quality biomethane and OFMSW-generated compost with capacity equal to 36.000 tons yearly. Second half 2020 saw the start-up of a landfill biogas upgrading to biomethane plant on Genoa Scarpino facility. Within the framework of seeking new challenges,

Asja submitted its proposal pursuant to provisions set forth by project financing (ex art. 183 comma 15 of Legislative Decree no. 50 of April 18, 2016) for the final and executive design, construction and management of 3 plants located in Sicily (namely on the Castellana, Mazzarrà Sant'Andrea and Bellolampo sites) for overall biomethane production equal to 150.000 tons of OFMSW (Organic Fraction of Municipal Solid Waste) yearly and 180.000 tons of RUW (Residual Urban Waste) yearly. Over 2020 Asja was awarded the tender call related to the project of Mazzarrà Sant'Andrea hence submitted the authorization process to obtain the Regional Sole Authorization Provision (here "PAUR"). Asja keeps maintaining its leadership position on the Italian market of electric power production from landfill biogas as well as its third place on the Brazilian one.

Wind



Over 2020 construction of 3 wind projects in Puglia commenced for a total capacity of 35.2 MW. Albeit said plants were sold to ENI, Asja, subsequent to their completion, will be in charge of their operation and maintenance for the upcoming 2 years. Asja, besides running and performing maintenance activities on its own plants, extended its business scope to technical evaluation and development of 2 projects, which had already been authorized in Sicily, of overall power equal to 17.2 MW, by taking part in auctions (pursuant to Decree FER 1) and being granted access to feed-in tariffs. Construction of said plants is bound to commence over 2021.

Photovoltaics

Over 2020 Asja focused on managing its existing 14 operational plants spread domestically, with installed power totaling roughly 12 MW. The Company developed and commissioned self-consumption plants of its own OFMSW plants. The new projects underway have mainly focused on evaluating plant installation on damaged sites (landfills, disused quarries, areas subject to improvements) in order to turn over said areas to the benefit of renewable energy production (thanks to provisions set forth by Law Decree "Simplification").



R&D



Throughout 2020, Asja's Research & Innovation team coordinated, as project leader, the regional project SATURNO, "Organic waste and carbon dioxide as fuels, fertilizers and chemical products; concrete application of the circular economy". The COVID19 pandemic called for prompt intervention: virtual catch-up meetings allowed us to carry forward research under way on the development of value-recovery chains of waste biomasses (OFMSW), plastic waste and CO₂. Tight collaboration amongst partners produced detailed reports that proved to be essential when requesting extension of deadlines set by Bando Bioeconomia (Bio-economy tender call). Amongst SATURNO's targets particular emphasis deserves to be placed on plastic waste screening and recovery as well as on

the production of low-cost yet highly-efficient materials in storing CO₂, and converting it into biofuels via biochemical and chemical processes. SATURNO was also nominated for the IR20 Innovation and Research Award 2020, under the Green Economy section. At said ceremony Asja Ambiente Italia (project leader), was awarded the IR20 Piedmont Innovation and Research 2020 as best "green economy" research project in the category "Collaboration between public and private entities". The IR20 award, at its first edition, is a Regione Piemonte initiative aimed to promote "excellence" in research and innovation. The award ceremony was held on Monday, May 24, 2021 at the Egyptian Museum in Turin.

The project H2020 Engicoin (microbial factories for the production of PHA, acetone and lactic acid) proceeded with optimization activities of production processes of biopolymers as well as of bioplastics from organic processes: the design phase of the pilot plants to be installed on the test sites was completed. On said pilot plants Asja commenced setting the boundaries of the Life Cycle Assessment (LCA) as well as of technical economical feasibility analysis, both essential in linking the research to the market.

PROMETEO project, aimed at development of a biomethane production plant by means of CO₂ physical absorption, the outcome of the collaboration between Asja (project leader) and the Research in Energy Systems (here "RSE"), completed its field operations. Test operation of the pre-industrial system was carried out over a 6-month period at the biogas plant of Sommariva Perno (CN), thus confirming data obtained at pilot-scale experiment. Performance, technical and technological analysis was performed on the resilience of the system as well as on its easy-to-use operation. Upon completion of said operations, market research was carried out hence the market niche PROMETEO system may fit into was identified. Promoters are still assessing Percival, a nationally-funded project for the development of a biorefinery, coordinated by the National Technological District on Energy Scarl, introduced over 2017. Technical scientific consultancy of the Environment Park – Scientific and technological environmental park – led to analysis of potential collaborations with SMEs operating within the framework of green fuel production chains in Piedmont.

Seeking to improve management on the anaerobic digestion plants in Foligno, Anzio and Tuscania, experimental operations have been carried on aimed at cutting back on composting times as well as on over-screen plastic waste flows. With concern to the latter, research was conducted into the potential of pyrolysis and pyrogasification targeted at energy recovery. Furthermore, seeking to computerize operations at the biomethane production plant in Anzio, the Company commenced acquisition of remote data stored on cloud and its IT analysis.

Totem

Totem 3.0

The new range of products features a new engine with greater capacity that ensures higher power efficiency and reliability.

The innovative features boasted by the new product are broken down as follows:

- The ability to run in island or emergency mode (disconnected from the electric grid or fueling privileged loads in case of electric breakdown);
- Lower harmful emissions (CO and NOx) regarding exhaust gases, owing to an efficient system of suppression and to an accurate stoichiometric check of carburation: current regulations in force impose NOx emissions lower than 60 mg/Nm³ regarding class 5 boilers (the most eco-friendly) and CO emissions lower than 100 mg/Nm³ in those regions that are under more severe restrictions. Totem 3.0 will feature emissions lower than 10 mg/Nm³ thus making Totem 3.0 the best-in-class product.



Totem-ECO

The Totem ECO platform – Energy Consumption Optimizer is a smart device that allows for immediate and lasting reduction in both power consumption and CO₂ emissions. TOTEM-ECO, by means of its sensors and artificial intelligence (AI), optimizes and customizes operation of thermal systems to meet actual needs.

TOTEM-ECO is a power-saving device owing to the following steps:

- monitoring – data collection on power consumption (both thermal and electric) according to comfort requirements and ambient conditions;
- data analysis – cutting-edge advanced equipment for performing predictive analysis to identify best-case scenarios for consumption reduction;
- logics – implementation of logical management systems for generation and forecast of potential advantages;
- automation – implementation of logics through industrial automation equipment;

outcome analysis – efficient monitoring of consumption trends highlighting the targets hit.

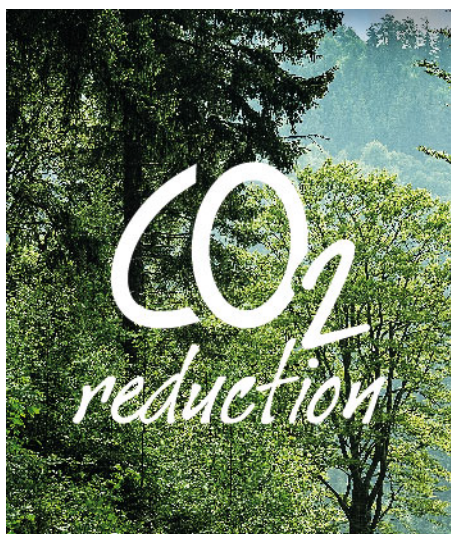
Totem-GHP

- Totem GHP is an air-to-water heat pump fueled by natural gas or GPL, that extracts renewable energy from the air to produce heat in the form of hot water being able to reach high temperatures (up to 75°C) hence its compatibility with traditional heating systems equipped with radiators.
- Differently from an electric heat pump, Totem GHP is fueled by natural gas or GPL and is able to operate at low external temperatures as well.
- Totem GHP's performance reaches 150% against a boiler's 90%. This leads to considerable savings in terms of gas consumption and harmful emissions.
- Totem GHP uses state-of-the-art and environmentally-friendly technologies to produce heat from natural gas given that 75% of it is extracted from air and has zero impact on the environment.

Certificates

Over 2020 Asja completed, with positive outcome, its annual quality management, environmental, safety and EScO services auditing activities, conducted by the accredited organization Rina Services spa. Asja's ongoing commitment toward constant improvement led to the implementation of a plan targeted at process efficiency and prevention measures for both staff safety and environmental protection. Compliance certificate for the production of sustainable biofuels, pursuant to the newly introduced Ministry Decree of 14/11/2019, was confirmed with regard to the Foligno plant as well as to the new biomethane plant in Genoa; said certificate will grant the Company access to incentive schemes.

CO₂Reduction



The Company proceeded with its activity of harmful emissions compensation via the CO₂ Reduction project obtaining good results in terms of visibility and branding, owing to both consolidated collaborations and new projects with particular emphasis being placed on reforestation. To such concern Asja planted over 2.500 trees on behalf of the Sandretto Re Rebaudengo Foundation's Arts

Park, on the San Licerio hill in Guarene, thus contributing to land stabilization as well as to the process of securing the exhibition itinerary and, last but not least, to the capture and sequestration of roughly 200 tons of CO₂ in

the atmosphere over the next 20 years. Over the past 2 years Asja has cancelled CO₂ emissions amounting to approximately 20.000 tons. Amongst the Company's main contributors we can name the historical partnership with Cinemambiente Film Festival and the Museum of the Environment.

Great emphasis should be placed on cancellation of 2,000 tons worth of CO₂ that compensated for emissions produced by all vehicles employed by athletes, staff and media that took part in Univeriadi 2019 (University Olympics) in Naples. Asja partners with the È MOBY project, an innovative service brought up and developed by Moby Health, that provides people with reduced mobility with the possibility to rent mobility devices powered by electric energy. Perfectly in line with the social and sustainable aspect of this initiative, Asja canceled the tons of CO₂ produced by the generation of electric energy that powers the devices.

Finally, in line with its *mission*, Asja compensates for CO₂ emissions deriving from energy consumption of its own stands at trade fairs as well as for printing communication material.

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 for both current and prior reporting periods.

Balance Sheet

		2020	2019
Non-current Assets			
Intangible assets	I	25.409.732	25.520.487
Tangible assets	I	198.259.118	196.320.264
Financial assets	I	6.244.356	5.009.500
Working Capital			
Inventories	C	3.273.512	3.034.637
Deferred cash	C/LD	74.999.522	81.393.693
Available cash	C/LI	8.874.687	11.078.869
Capital Invested	K	317.060.927	322.857.449
Shareholders' equity	N	80.622.403	83.878.658
Consolidated liabilities	T	149.860.159	166.392.878
Current liabilities	T/PC	86.578.365	72.585.913
Capital Raised	K	317.060.927	322.857.449

Increase in current liabilities is attributable to large investments financed to date by short-term credit lines as well as to short-term debt reclassification of Green Bonds ISIN IT0005394892 and ISIN IT0005394868 bearing original expiry dates on 01/10/2024 and 29/06/2027. Said Bonds were fully reimbursed on March 31, 2021.

Income Statement

	2020	2019
Revenues from sales and services	51.656.184	61.908.316
Changes in finished goods inventories	(551.551)	(205.642)
Changes in commissioned work-in-progress	198.116	161.101
Asset increases due to internal works	1.576.551	1.071.241
Value of Production	52.879.300	62.935.016
Purchase of raw, ancillary and consumption materials and goods	(3.728.144)	(7.157.820)
Changes in inventories of raw, ancillary and consumption materials and goods	(44.901)	(13.739)
Cost of services	(19.445.577)	(16.971.326)
Cost of use of leasehold assets	2.349.149	(4.198.806)
Added Value	32.009.826	34.593.325
Labor cost	(10.062.809)	(10.339.842)
Gross Trading Margin (EBITDA)	21.947.018	24.253.483
Amortization, depreciation and write-downs	(18.135.274)	(16.152.937)
Provision for risks	-	(26.574)
Operating Income (EBIT)	3.811.744	8.073.972
Other revenues and income	9.844.885	7.259.864
Other operating expenses	(3.992.977)	(5.475.123)
Other financial income	1.802.027	8.816.458
Interest and other financial expenses	(7.442.382)	(6.452.345)
Exchange gains and losses	(63.022)	6.503
Current Income	3.960.275	4.928.290
Adjustments in Value of Financial Assets and Liabilities	494.487	(47.579)
Adjustments in FY's earnings (loss) due to rounding-off	-	1
Income Before Taxes	4.454.762	4.880.713
FY's income, current, prepaid and Irap taxes	(74.773)	(559.490)
Net Worth (NW)	4.379.989	4.321.223

The drop in revenues is mostly attributable to a decrease in price due to the pandemic whilst the plunge in the item "Cost of use of leasehold assets" to out-of-period income related to recognition of a reduction in future Royalty payments to Amiu.

Ratios

		2020	2019
Burden of fixed assets	I/K	72,51%	70,28%
Burden of current assets	C/K	27,49%	29,72%
Burden of equity	N/K	25,43%	25,88%
Burden of minority equity	T/K	74,57%	74,12%
Availability index	C/PC	1,01	1,32
Cash index	(LI+LD)/PC	0,97	1,28
Self-hedging capital assets index	N/I	0,35	0,37
ROE	RN/N	5,43%	5,15%
ROI	EBIT/K	1,20%	2,50%
ROS	EBIT/SALES	7,38%	13,04%

Description of Risks and Uncertainties

Asja is a Company that generates and trades renewable energy and biomethane from anaerobic digestion, typically characterized by:

- Large investments in medium-term subsidized plants; absence of “unsold” risk, as renewable energy features “dispatch priority”.
- Biomethane is withdrawn by the competent local distributor or by Snam (an Italian natural gas infrastructure company), in this case as well incentives are recognized by means of Consumption Release Certificates (here “CIC”) recognized by GSE pursuant to underwritten covenants.
- Limited risk on receivables since the energy is sold to prominent counterparts such as: GSE - Gestore dei Servizi Energetici, ELECTRADE, TRAILSTONE, ENI Gas e Luce; 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, Inclusive and Warranted Tariffs, GRIN incentive (former Green Certificate) and Garanzie di Origine.
- The Company is also involved in the sector of environmental compensations by trading certified CO2 certificates which clients choose to cancel voluntarily (VERs). Such operations, covering a niche market share, are considered low-risk; the clientele is made up by sound industrial corporations such as utility-energy companies that choose to compensate emissions generated by their production and/or sale processes.
- The Company, operating on different international markets, is therefore exposed to market risks connected to currency and interest rate fluctuations. Exposure to exchange rate risks is mainly attributable to geographical distribution of business, involving transactions in currencies other than Euro. The Company is particularly exposed to the Brazilian Real as well as to the local Chinese currency. The Company avails itself of different financing methods aimed to cover for its own industrial needs. Fluctuations in interest rates may lead to increase in or reduction of financing cost, impacting thus on the Company’s overall return. In line with its own risk management policies, the Company mitigates exchange rate fluctuation risk by means of adequate financial hedging instruments.

Disclosure Required under Art. 2428 of the Italian Civil Code

- 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.
- 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.
- The Company has neither purchased nor sold its own shares or shares in the holding company, neither through a trust corporation nor third party.
- 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). 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. At December 31, 2020, 80% of debt is at fixed or variable rates, hedged by IRS derivative instruments.

- As at December 31, 2020 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 issued neither dividend-bearing shares nor convertible bonds and has not owned, acquired nor disposed of shares/stakeholding in any of its subsidiaries neither through a trust nor third party.

Related Parties

All services provided or received have been performed under market conditions. Asja availed itself of Ago Renewables S.p.A. for plant construction and maintenance. In return Ago Renewables S.p.A. benefited from Asja's services.

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 the Apee company to whom Asja pays a rent fee.

Asja supports the activity of the Sandretto Re Rebaudengo Foundation by endowing an annual contribution.

Events Occurring since Fiscal Year-end and Business Outlook



Revenues generated over the first half-yearly period 2021 featured an incremental trend as compared to prior year's same period (+23,6%) owing to increase in energy price as well as to greater wind in the wind sector. Furthermore the 3 OFMSW plants (Organic Fraction of Municipal Solid Waste) operating in Foligno, Tuscania and Anzio generated greater revenues by roughly + 2.4 million euros. June 17, 2021 saw the inauguration of a new biomethane plant from landfill gas located in Genoa, thus becoming the first at industrial scale in Italy. Asja was in charge of reconverting the existing electric power plant into a state-of-the-art biomethane facility (5.500.000 m3 yearly), thus setting the grounds for a circular economy whilst proceeding as well with an ongoing

concern toward the environment on the Monte Scarpino landfill. The plant generated revenues amounting to roughly 1 million euros over the first half-yearly period 2021.

In January 2021 the Company was granted concession for construction and management of the Mazzarrà Sant'Andrea plant. Furthermore Asja won the tender contract with regard to the Bellolampo plant in Palermo and to Castellana Sicula. In July 2021 Asja signed an agreement for construction and subsequent sale of two wind plants totaling MW 17.6 to a prominent company in the renewable-energy business sector.

Well ahead of schedule, final operations regarding the sale of the wind plants to Eni (35 MW overall generation) is coming to an end.

The Group has also been involved in negotiations regarding the sale of some of its assets. More specifically, the biomethane sector sparked an interest in a prominent operator that, subsequent to due diligence operations submitted an offer currently pending evaluation and in-depth analysis.

Rivoli, May 27, 2021

On behalf of the Board
The President

Agostino Re Rebaudengo



Balance Sheet

Assets	2020	2019
a) Credits to Shareholders from Deposits Not Yet Due	-	56.925
b) Intangible, Tangible and Long-term Financial Assets		
Intangible Assets		
Start-up and expansion costs	3.084.268	932.000
Development costs	634.296	951.762
Industrial patent and intellectual property	1.244.162	1.452.439
Concessions, licenses, trademarks and similar rights	14.694.811	15.482.821
Goodwill	4.371.462	4.853.947
Other intangible assets	1.380.733	1.770.079
Intangible assets under development and advances	-	77.439
Total	25.409.732	25.520.487
Tangible Assets		
Land and building	8.246.989	7.165.873
Plant and machinery	169.928.887	151.838.595
Industrial and commercial equipment	108.624	111.194
Other tangibles	1.424.418	787.042
Tangible assets under construction and advances	18.550.200	36.417.560
Total	198.259.118	196.320.264
Long-term Financial Assets		
Associated companies	342.371	335.493
Other companies	523.954	523.954
Total	866.325	859.447
Associated companies	492.162	300.000
From other	4.885.869	3.850.053
Total	5.378.031	4.150.053
Other securities	-	-
Total	6.244.356	5.009.500
Totale Intangibile, Tangible and Long-term Financial Assets	229.913.206	226.850.251
c) Current Assets		
Inventories		
Raw, ancillary and consumption materials	626.458	640.051
Commissioned work-in-progress	-	-
Finished products and goods	1.885.354	2.394.586
Advances	761.700	-
Total	3.273.512	3.034.637
Receivables		
Trade receivables	18.889.815	27.204.777
From associated companies	1.003.667	1.112.489
From parent companies	200	-
Tax receivables	12.847.545	14.569.418
Prepaid taxes	5.818.722	4.636.378
From others	2.979.394	4.662.184
Total	41.539.343	52.185.246
Short-term Investment		
Derivative financial instruments - assets	486.512	-
Other securities	22.419.035	22.419.035
Total	22.905.547	22.419.035
Cash and Cash Equivalents		
Bank and postal deposits	8.857.064	11.061.362
Cash	17.623	17.507
Total	8.874.687	11.078.869
Total Current Assets	76.593.089	88.717.787
d) Accrued Income and Prepaid Expenses		
Accrued income and prepaid expenses	10.554.631	7.232.486
Total Accrued Income and Prepaid Expenses	10.554.631	7.232.486
Total Assets	317.060.926	322.857.449

Liabilities

	2020	2019
a) Shareholders' Equity		
Common stock	56.624.000	56.624.000
Legal reserve	3.655.935	3.317.148
Other reserves	85.656	85.656
Consolidation reserve	(28.709.418)	(25.070.143)
Translation reserve	(1.320.364)	4.390.868
Reserve to hedge for expected cash flows	(3.125.526)	(2.700.237)
Earnings (Loss) prior fiscal years	48.903.813	42.770.082
Earnings (Loss) current fiscal year	4.375.774	4.323.737
Total Group Equity	80.489.870	83.741.111
Minority interest	128.318	140.062
FY earnings/loss attributable to minority interest	4.215	(2.514)
Total Minority Interest	132.533	137.548
Total Consolidated Equity	80.622.403	83.878.659
b) Provisions for Risks and Charges		
Provision for taxes, including deferred	2.834.972	2.462.104
Derivative financial instruments - liabilities	4.112.535	3.552.943
Other	204.414	224.086
Total Provision for Risks and Charges	7.151.921	6.239.133
c) Severance Payment	434.752	411.755
d) Payables		
Payables to debentures due within subsequent FY	27.527.509	3.250.755
Payables to debentures due after subsequent FY	5.040.000	27.286.261
Payables to banks due within subsequent FY	10.483.200	23.137.031
Payables to banks due after subsequent FY	88.131.566	77.545.157
Payables to other lenders due within subsequent FY	4.573.866	8.992.145
Payables to other lenders due after subsequent FY	46.110.837	45.544.933
Advances	3.437.621	2.398.922
Trade payables	25.545.318	19.255.850
Payables to associated companies	709.662	626.087
Payables to Group's companies	596	2.594
Tax payables	1.314.053	1.817.174
Payables to social security institutions	657.920	774.252
Other payables due within subsequent FY	2.284.772	10.354.526
Other payables due after subsequent FY	4.845.420	989.314
Total payables	220.662.340	221.975.001
e) Accrued Expenses and Deferred Income		
Accrued expenses and deferred income	8.189.510	10.352.901
Total Accrued Expenses and Deferred Income	8.189.510	10.352.901
Total Liabilities	317.060.926	322.857.449

Income Statement

	2020	2019
a) Value of Production		
Revenues from sales and services	51.656.184	54.607.277
Changes in finished goods' inventories	(551.551)	(205.642)
Changes in commissioned work-in-progress	198.116	161.101
Asset increases due to internal works	1.576.551	1.071.241
<i>Other Revenues and Income</i>		
Operating grants	2.718.420	3.127.401
Other revenues and income	7.126.465	4.132.463
Total Value of Production	62.724.185	62.893.841
b) Operating Costs		
Costs of raw, ancillary and consumption materials and goods	(3.728.144)	(7.157.820)
Costs of services	(19.445.577)	(16.971.326)
Costs of leasehold properties	2.349.149	(4.198.806)
<i>Personnel Costs</i>		
Indirect labor	(7.160.469)	(7.412.229)
Social security	(2.188.789)	(2.314.988)
Severance payment	(427.136)	(484.529)
Other costs	(286.415)	(128.096)
Total Personnel Costs	(10.062.809)	(10.339.842)
<i>Amortization, Depreciation and Write-downs</i>		
Amortization of intangible assets	(4.133.222)	(3.658.039)
Depreciation of tangible assets	(13.860.436)	(12.111.543)
Write-downs of receivables in current assets and of cash	(141.616)	(383.355)
Total Amortization, Depreciation and Write-downs	(18.135.274)	(16.152.937)
Changes in inventories of raw, ancillary and consumption materials and goods	(44.901)	(13.739)
Provision for risks	-	(26.574)
Other operating expenses	(3.992.978)	(5.475.120)
Total Operating Costs	(53.060.533)	(60.336.164)
(a-b) Difference between Value of Production and Operating Costs	9.663.652	2.557.677
c) Financial Income and Expenses		
<i>Income from Stakeholding</i>		
in subsidiaries	127.948	5.014.420
in associated companies	-	2.286.619
in other companies	6	-
<i>Other Financial Income</i>		
From long-term receivables	290	513.972
From short-term Securities in current assets other than stakeholding	-	973.647
miscellaneous	1.673.783	27.799
<i>Interest and Other Financial Expenses</i>		
From other	(7.442.382)	(6.452.345)
Exchange Gains and Losses	(63.022)	6.503
Total Financial Income and Expenses	(5.703.377)	2.370.615
d) Financial Assets Value Adjustments		
<i>Write ups</i>		
Of stakeholding	347.681	-
Of financial assets other than stakeholding	-	132.777
Of derivative financial instruments	486.512	-
<i>Write downs</i>		
Of stakeholding	(3.061)	(3.620)
Of short-term financial assets	-	(84.742)
Of derivative financial instruments	(336.645)	(91.995)
Total Financial Assets Value Adjustments	494.487	(47.580)
Earnings (loss) before Taxes	4.454.762	4.880.712
Income taxes for the period	(566.413)	(488.091)
Prepaid/deferred taxes	491.640	(71.398)
Group's Earnings (Loss)	4.379.989	4.321.223
Earnings/Loss Minority Interest	4.215	(2.514)
Asja Group's Earnings (Loss) for the Period	4.375.774	4.323.737

Cash Flow Statement

	2020	2019
A) Cash Flow from Operating Activities (indirect method)		
Earnings (loss) for the period	4.379.989	4.321.223
Income tax	74.773	559.490
Interest payable/(interest receivable)	5.768.309	(2.364.114)
(Gains)/losses from divestment	(127.954)	-
1. Earnings (loss) for the Period before Income Tax, Interest, Dividends and Gains/(losses) from Divestment	10.095.117	2.516.598
<i>Adjustments to Non-monetary Items Not Included in the Net Working Capital</i>		
Provisions/(reversals)	427.136	544.085
Amortization/depreciation of fixed assets	17.993.658	15.769.582
Devaluation/(revaluation) impairment losses	(339.706)	47.579
Value adjustments in financial assets and liabilities of derivative financial instruments	(149.867)	-
Total Adjustments to Non-monetary Items	17.931.221	16.361.246
2. Cash flow before Changes in Net Working Capital	28.026.338	18.877.844
<i>Changes in Net Working Capital</i>		
Decrease/(increase)in net inventories and related advances	(238.875)	525.680
Decrease/(increase)in trade receivables net third-party clients and intra-group	8.423.784	(8.670.410)
Increase/(decrease)in trade payables third party and intra-group	6.371.045	207.354
Decrease/(increase)accrued income and prepaid expenses	(3.322.145)	204.407
Increase/(decrease)accruals and deferred charges	(2.163.391)	(3.807.368)
Other changes in net working capital	(7.969.712)	490.708
Total Adjustments to Changes in Net Working Capital	1.100.706	(11.049.628)
3. Cash Flow after Changes in Net Working Capital	29.127.044	7.828.216
<i>Other Adjustments</i>		
Interest received/(paid)	(5.768.309)	2.370.616
(Income tax paid)	(566.413)	(488.091)
(Use of provisions)	(50.943)	-
Total Cash Flow Adjustments	(6.385.665)	1.882.525
Cash Flow Generated by Business Operations (A)	22.741.379	9.710.741
B) Cash Flow Generated by Investment		
<i>Tangible Assets</i>		
(Investment)	(15.799.290)	(38.024.287)
Disposals	-	-
<i>Intangible Assets</i>		
(Investment)	(4.022.467)	(4.448.320)
<i>Long-term Financial Assets</i>		
(Investment)	-	-
Disposals or repayments	(1.234.856)	23.900.308
<i>Short-term Investment</i>		
(Investment)	356	(17.206.702)
Disposals	-	-
Cash flow Generated by Investment (B)	(21.056.257)	(35.779.001)
C) Cash Flow Generated by Borrowings		
<i>Third-party Funds</i>		
Increase (decrease) in short-term payables to banks and other lenders	(12.653.831)	(9.936.734)
Borrowings/(Repayments)	12.616.902	36.732.938
(Loan repayments)	(3.852.375)	-
<i>Own Funds</i>		
Other stock increase (decrease)	-	-
Cash Flow Generated by Borrowings (C)	(3.889.304)	26.796.205
Increase (decrease) in Cash and Cash Equivalents (A ± B ± C ± D)	(2.204.182)	727.944
Cash and Cash Equivalents at FY start	11.078.869	10.350.925
Cash and Cash Equivalents at FY end	8.874.687	11.078.869

Notes to the Consolidated Financial Statements

Structure and Content of the Consolidated Financial Statements

The consolidated financial statements as at December 31, 2020, comply with the rules envisaged by Law Decree no. 127 of April 9, 1991 as well as with the Italian Civil Procedure Code provisions on financial statements - as amended by Law Decree no. 6 of January 6, 2003 and following amendments thereto related to the "Corporate Law Reform", where applicable to the consolidated financial statements by analogy or reference - and include Balance Sheet, Income Statement, Cash Flow Statement, and related Notes. The Notes to the Consolidated Financial Statements provide explanation, analysis and in some cases integration of the balance sheet items and also information required by Art.38 of Law Decree no. 127/1991 and other regulations. The aforementioned Notes also provide all additional information deemed necessary in order to give a truthful and fair view of the Company's state of affairs. The consolidated accounts and the principles of consolidation, the most significant accounting standards, as well as the content of each item of the Consolidated Balance Sheet and Income Statement are further illustrated. Financial Statements as at December 31, 2020, and the Notes are expressed in Euro. Any discrepancies that may be found in the statements or the notes are due to rounding-off.

Accounting Principles, Draw-up and Evaluation Criteria

The herein Consolidated Financial Statements as at December 31, 2020 have been drawn-up to comply with the Italian Civil Code regulation, interpreted and integrated by accounting principles elaborated and audited by the Italian Accounting Board ("OIC") and, where missing and not in contrast, by those issued by the International Accounting Standards Board (IASB).

Scope of Consolidation

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

Over fiscal year 2020, the following variations regarding subsidiaries took place:

- On June 29, 2020 Asja acquired the remainder 45% stakeholding in CH4 Energy srl thus becoming a wholly owned subsidiary.

Principles of Consolidation

The financial statements used for the purpose of consolidation are those of each consolidated company at December 31, 2020 approved by the respective company bodies and adjusted to comply with the accounting policies of the parent company Asja Ambiente Italia S.p.A..

The accounting reference date of the consolidated financial statements is that of the Parent Company (December 31, 2020), which coincides with the corporate year closing of all the Companies included in the consolidated accounts.

All subsidiary companies included in the consolidated accounts have been consolidated using the global integration method, whereas the associated companies have been evaluated using the equity method.

The following consolidation principles have been used:

- overall assumption of assets, liabilities, costs and revenues, disregarding the interest held and the assignment to minority interest of the portion of shareholders equity and the fiscal year result of their concern;
- the difference arising from, upon acquisition, the elimination of the book equity of investment in a company part of the consolidated accounts and the correspondent portion of shareholders equity is allocated, if possible, to the assets and liabilities of the aforementioned company. Any emerging residue may be handled as following:
- if positive, in Intangible Assets as Consolidation Difference and amortized on a straight-line basis related to the its estimated upturn (and, in any event, over a period of no longer than 10 years);
- if negative, in shareholders' equity as Consolidation Reserve or still if such residue is due to unfavorable financial result expectations, as Consolidation reserve for future risks and charges;
- elimination of receivables and payables, revenues and expenses among the consolidated companies, as well as of intra-group retained earnings;
- elimination of intra-group dividends, if distributed;
- recording of significant capital goods according to the financial method.

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

Evaluation Criteria

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

Intangible Assets

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

- "Costs for leasehold improvements" and "Building lease" which are amortized over the duration of the lease with the ownership of the leased items, and the building lease and

patent rights agreement, whose period of amortization is related to the duration of the contract;

- "Consolidation differences", equal to the surplus arising from the purchasing cost of investments in subsidiaries and their net equity book value, are amortized on a straight-line basis over a period of 10 years, in line with the expected duration and development of the companies they are attributed to.

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

Amortization rates – power generation	
<i>Costs of Start-up and Expansion</i>	20%
<i>Costs 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	Based on residual terms
Trademarks	1/18
Know-how	1/18
Building leases	Based on the contract's residual terms
<i>Other Intangible Assets</i>	
Extraordinary maintenance on third-party assets	20%
Extraordinary maintenance on third-party assets – Rivoli	Based on the contract's residual terms
Extraordinary maintenance on third-party assets - Rivoli, via Ivrea 72/74	20%

Amortization rates – micro-cogenerators production	
<i>Intangibles</i>	
Costs of start up and expansion	20%
Costs of development	20%
Patents and intellectual property rights	50% 20%
Trademarks and similar rights	5,56%
Other intangible assets	Based on the contract's residual terms

Tangible Assets

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

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

Depreciation rates – power generation	
<i>Plant and Machinery</i>	
Generic plants	8%
Specific plants	8%

Biogas plants	9%
Wind plants	1/11 1/14 1/15 4%
Photovoltaic plants	4%
Vegetable oil plants	9%
OFMSW plants	9% - 5%
<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%
Automobiles	25%
Cellular phones	20%
Depreciation rates – micro-cogenerators	
<i>Tangibles</i>	
Light constructions	10%
Plant and machinery	10%
Technical and specific plants	12,5% 15%
Equipment, molds and racks	25%
<i>Other Assets</i>	
Electronic office machines	20%
Furniture	12%
Motor vehicles	25%
Signage	15%

In 2016, pursuant to Art. 2426, n°2 of the Italian Civil Code, the initial estimation of wind plants' useful life underwent variations. Costs incurred subsequent to the purchase of each asset are increased only when they reach a significant and tangible boost in their useful life. Maintenance and ordinary repair costs, except for the incremental ones, are not subject to capitalization and are chargeable in the Income Statement of the fiscal year in which they were incurred. Financial charges related to investments on the started-up plants are written-off over the fiscal year in which they were incurred, whereas for the plants under construction the capitalization takes place up to their entry into force. Assets with a very low unit value are fully depreciated in the fiscal year they become operative, taking into account their short useful life and their rapid obsolescence. The tangible assets whose value prove to be inferior to their purchasing price, already overall modified by allocated depreciation, are written down. The lesser value of such tangible assets is not reinstated in future accounting periods, should the reasons for such write-downs no longer apply. The tangible assets' disposal or selling-off is recognized in the financial statements by eliminating the costs and the allowance for depreciation and by entering the capital gain (loss) in the Income Statement.

Finance Leases

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

Capital Grants to Tangible and Intangible Assets

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

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

Impairment Losses in Tangible and Intangible Assets

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

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

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

Non-current Financial Assets

Stakeholding

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

Other Securities

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

Derivative Financial Instruments

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

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

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

When derivative financial instruments comply with hedge accounting standards, they may be accounted for by applying the following: cash flow hedge: if a derivative financial instrument is designated to hedge for the exposure to future cash flows fluctuations 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 hedge 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 promptly recorded in the income statements under the item Revaluations of derivative financial instruments and Write-down of derivative financial instruments. In case a hedging instrument or relationship should be discontinued, despite the operation not having been carried out by that time, accrued earnings (loss) as at that date recorded under a dedicated Shareholders' Equity reserve, are accounted for in the income statements as of the date on which the related operation is carried out, pursuant to the economic impact of the hedged operation. Should the hedged operation be deemed improbable, accrued earnings (loss) not yet realized, recognized in the Shareholders' Equity, are promptly recorded in the

income statement.

Derivative financial instruments that bear positive fair value are classified under Current Assets (Derivative financial instrument assets) otherwise under Provision for Risks if they bear negative fair value (Provision for derivative financial instruments liabilities).

Whenever hedge accounting cannot be applied, earnings (loss) attributable to the evaluation of a derivative instrument are promptly recorded in the income statement.

As set forth by Legislative Decree 139/2015 and pursuant to OIC 29 - Changes in Accounting Standards, Changes in Accounting Estimates, Error Corrections, Events Occurring Subsequent to Fiscal Year-end amendments with regard to derivative financial instruments were applied retrospectively.

Inventories

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

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

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

Receivables

Receivables are recorded at their presumable realizable value that corresponds to the difference between the nominal value of receivables and adjustments recorded in the provision for write-downs of receivables, as a direct reduction of the items they refer to.

Cash and Cash Equivalents

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

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

Accrued and Deferred Income

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

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

Provisions for Risks and Charges

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

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

Provision for Taxes, including Deferred

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

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

Provision for Derivative Financial Instruments - Liabilities

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

Employee Severance Indemnity

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

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

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

Payables

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

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

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

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

Translation Criteria

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

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

Income Taxes

Current Taxes

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

Deferred Taxes

Prepaid tax assets and deferred tax liabilities are calculated based on the temporary difference between the carrying amount of an asset or liability used for reporting purposes and the amount used for tax purposes, at the rate expected to apply when the liability is settled or the assets realized. Prepaid tax is recognized in current assets under the relevant item and is reported, based

on the principle of prudence, when there is a reasonable certainty that in the fiscal years, when temporary differences are recorded, there is a taxable income of the same amount or higher than the differences to be written off. Deferred tax and untaxed provisions are recorded when appropriation or use of such reserves and untaxed provisions is expected and will lead to tax charges. Prepaid and deferred taxes are offset, if conditions apply.

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

Revenues and Expenses

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

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

Assets

Intangible Assets

	2020	2019	Difference
Start-up and expansion costs	3.084.268	932.000	2.152.268
Development costs	634.296	951.762	(317.466)
Industrial patent and intellectual property	1.244.162	1.452.439	(208.277)
Concessions, licenses, trademarks and similar rights	14.694.811	15.482.821	(788.010)
Goodwill	4.371.462	4.853.947	(482.485)
Intangible assets under development and advances	-	77.439	(77.439)
Other intangibles	1.380.733	1.770.079	(389.346)
Total	25.409.732	25.520.487	(110.755)

Annex B shows changes in Intangible Assets over the period. Increase in the item "Start-up and expansion costs" is to be attributed to recognition of Anziobiowaste S.r.l.'s start-up costs so as to ensure that the plant's first production cycles are fully efficient.

Tangible Assets

	2020	2019	Difference
Land and building	8.246.989	7.165.873	1.081.116
Plant and machinery	169.928.887	151.838.595	18.090.292
Industrial and commercial equipment	108.624	111.194	(2.569)
Other tangible assets	1.424.418	787.042	637.376

Tangible assets under construction and advances	18.550.200	36.417.560	(17.867.360)
Total	198.259.118	196.320.264	1.938.854

Annex C shows Tangible Assets and changes occurred over the current fiscal year. Increase in land and buildings as well as in plant and machinery is mostly due to the entry into force of the Anzio plant.

Long-term Financial Assets

Stakeholding

	2020	2019	Difference
Associated companies	342.371	335.493	6.878
Other companies	523.954	523.954	-
Total	866.325	859.447	6.878

List of companies included in the consolidated accounts is provided by Annex A.

Financial Receivables

	2020	2019	Difference
Receivables from associated companies	492.162	300.000	192.162
Receivables from other	4.885.869	3.850.053	1.035.815
Total	5.378.031	4.150.053	1.227.978

Increase in the item Receivables from Other is mostly attributed to registration of receivables related to Brazilian companies from ConsorzioEcopesa with regard to advances on royalties.

Current Assets

Inventories

	2020	2019	Difference
Raw materials	626.458	640.051	(13.593)
Finished products and goods	1.885.354	2.394.586	(509.232)
Advances	761.700	-	761.700
Total	3.273.512	3.034.637	238.875

Inventories are recorded at the lesser value between the latest purchase and/or production cost and the estimated realizable value based on the market trend. The purchase cost comprises any directly attributable accessory charges.

Over the period, components no longer used in the production of machinery were written down as they were replaced by more innovative ones. The cost of inventories was determined, pursuant to Article 2426 co. 1 no. 10 of the Italian Civil Code, according to the LIFO method (Last In First Out); consequently remote purchases or production, recognized at their cost, are likely to remain in the warehouse.

Commissioned work-in-progress are measured on the completed contract method based on which revenues and contract margin are recognized solely upon contract completion i.e. at the date when

the produced asset's transfer of risks and benefits occurs. Application of such method involves that commissioned work-in-progress is measured at the lower value between cost and realizable value, calculated from the related market trend. Such method was adopted as it allows to provide evaluation based on actual data, in compliance with the prudence principle.

Cost of inventory of finished products and goods with heterogeneous features and not exchangeable was calculated at specific costs i.e. each asset was allocated its specific cost incurred. The value obtained is subsequently compared against the realizable value based on the market trend, pursuant to Article 2426 n. 9 of the Italian Civil Code. Fiscal year 2020 featured write-down of said item amounting to € 52.452, to be attributed to the lesser value of old-generation micro-cogenerators stored in the warehouse.

Receivables

	2020	2019	Difference
Trade receivables	18.889.815	27.204.777	(8.314.962)
Receivables from associated companies	1.003.667	1.112.489	(108.822)
Receivables from parent companies	200	-	(200)
Tax receivables	12.847.545	14.569.418	(1.721.873)
Prepaid tax	5.818.722	4.636.378	1.182.344
Other receivables	2.979.394	4.662.184	(1.682.790)
Total	41.539.343	52.185.246	(10.645.903)

The item Trade Receivables comprises short-term trade receivables from third parties. Trade receivables from third parties are recorded at their nominal value, net of the reserve for bad loans equal to € 612.325 and are broken down hereafter.

2019	Scope fluctuation	Provision	Use	2020
924.864	-	141.616	(454.155)	612.325

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

Tax Receivables

	2020	2019	Difference
Corporate Income Tax (Ires) on account	3.123.070	2.500.535	622.535
Regional Tax on Production (Irap) on account	315.537	303.559	11.978
Art. 8 Law 388 - Law 296/06 on account	3.950.324	4.639.507	(689.183)
VAT receivable on account	4.748.184	6.153.421	(1.405.237)
Other tax receivables on account	553.658	879.860	(326.202)
Miscellaneous tax receivables on account from subsidiaries	156.772	92.536	64.236
Total	12.847.545	14.569.418	(1.721.873)

The amount of tax receivables is a direct consequence of the Company's numerous and large investments in tangible assets mostly in those areas where tax incentives can be used to offset income tax, local taxes and social security payments. There is no doubt such tax receivables will be

recovered, mainly and foremost because they bear no expiry date.

The item Receivables from Grants includes, amongst other, the share of the R&D tax credit.

Decrease is to be attributed mostly to Anziobiowaste's 2018 VAT reimbursement in May 2020.

Prepaid Tax Receivables

Prepaid Tax, amounting to € 5.818.722, refers to tax losses carried forward to be used over future fiscal years.

Other Receivables

	2020	2019	Difference
Receivables from personnel	28.705	14.923	13.782
Advances to suppliers	455.108	25.066	430.042
Security deposits	1.263.844	1.152.960	110.884
Miscellaneous receivables	1.231.738	3.469.235	(2.237.497)
Total	2.979.394	4.662.184	(1.682.790)

The item Other Receivables includes invoiced advances on supply, installation and start-up costs of the biogas plants as well as security deposits on leasing contracts and other receivables. Drop in the item is mostly to be attributed to reversal of receivables from Brazilian companies related to advances on supplies.

Short-term Financial Assets

The following table illustrates changes in short-term financial assets.

		2020	2019	Difference
Derivative financial instruments - assets		486.512	-	486.512
Other securities		22.419.035	22.419.035	-
Total		22.905.547	22.419.035	486.512
Financial instrument	Risk	Notional	Positive fair value	
Cross Currency Swap w/ Knock Out - Deutsche Bank	Exchange rate	6.000.000		445.807
Cross Currency Swap w/ Knock Out - Deutsche Bank	Exchange rate	5.500.000		40.706
Total		11.500.000		486.512

Cash and Cash Equivalents

	2020	2019	Difference
Bank and postal deposit accounts	8.857.064	11.061.362	(2.204.298)
Cash and cash equivalents	17.623	17.507	115
Total	8.874.687	11.078.869	(2.204.182)

The item includes cash and current bank accounts.

A large part of cash was used to compensate for the Company's significant investments over the period, mostly regarding the OFMSW/biomethane sector.

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

Accrued Income and Prepaid Expenses

	2020	2019	Difference
Accrued income and prepaid expenses	10.554.631	7.232.486	3.322.145
Total	10.554.631	7.232.486	3.322.145

Prepaid Expenses comprise mostly prepaid royalties to the Municipality of Belo Horizonte (Brazil), pursuant to the agreement signed by Consorzio Horizonte Asja and the Municipality itself, with concern to the tender the Company won in Brazil for the construction of a biogas upgrading and combustion plant; the share of substitute tax equal to € 1.072.642, owed for tax recognition of "Asja" trademarks recorded in Assets.

The item Accrued Income mostly comprises amounts owed by AMIU Genova S.p.A. to Asja as compensation for the lesser production due to AMIU's delay in granting the areas onto which the biogas production was bound to commence.

Liabilities

Shareholders' Equity

	2020	2019	Difference
Common stock	56.624.000	56.624.000	-
Share premium reserve	-	-	-
Legal reserve	3.655.935	3.317.148	338.787
Other reserves	(29.944.126)	(20.593.619)	(9.350.507)
Reserve for hedging expected cash flows	(3.125.526)	(2.700.237)	(425.288)
Earnings (loss) prior fiscal years	48.903.813	42.770.082	6.133.731
Group's earnings (loss) current fiscal year	4.375.774	4.323.737	52.037
Group Equity	80.489.870	83.741.111	(3.251.240)
Earnings (loss) minority interest	128.318	140.062	(11.743)
Minority equity	4.215	(2.514)	6.729
Total Consolidated Shareholders' Equity	80.622.403	83.878.659	(3.256.254)

At December 31, 2020, Total Shareholders' Consolidated Equity amounted to € 80.622.403, including the Group's net profit of € 4.375.774. Movements in single items over the period, specifically those in the Equity and Earnings (loss) attributable to the Group and to minority interest, are further illustrated in Annex D.

Common Stock

At December 31, 2020 the subscribed and paid-in common stock amounts to € 56.624.000 divided by 14.156.000 shares of € 4 each.

Legal Reserve

The item refers to the Parent Company's reserve and amounts to € 3.655.935.

Other Reserves

The item is broken down as follows:

- € (1.320.364) related to translation reserve;
- € (28.709.418) related to consolidation reserve;
- € 85.656 related to merger surplus from Asja Engineering srl for € 34.429, to merger surplus from Asja Agricole Sarl for € 3.102, as well as to the merger surplus from Totem Energy srl for € 48.127 and rounding off for € 2.

Difference in Other Reserves is mainly due to the translation reserve concerning the exchange rate Euro/Brazilian Real as well as to the drop in the consolidation reserve as a result of accrued losses of Brazilian companies.

Reserve for Hedging Expected Cash Flows

The item is broken down as follows:

As at 01/01/2019	Positive /(negative) fair value variation	Released to the income statement	Other movements	Deffered tax effect	As at 12/31/2020
(2.700.237)	(2.784.126)	-	1.690.647	668.990	(3.125.526)

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

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

	Equity	Operating income
Financial Statements Asja Ambiente Italia spa	106.281.892	497.214
Contribution of subsidiaries, net of related stakeholding	(28.934.917)	2.679.232
Recording of lease pursuant to IAS 17 (net tax effect)	3.275.428	1.203.543
Consolidated Financial Statements	80.622.403	4.379.989
Minority interest in equity and earnings (loss)	132.533	4.215
Consolidated Financial Statements Asja Ambiente Italia Group	80.489.870	4.375.774

Provision for Risks and Charges

	2020	2019	Difference
Provision for taxes, including deferred	2.834.972	2.462.104	372.869
Other provisions	204.414	224.086	(19.672)
Derivative financial instruments - liabilities	4.112.535	3.552.943	559.591
Total	7.151.921	6.239.133	912.788

Other Provisions features an amount equal to € 204.414 to cover for controversies arisen over prior fiscal years. Variation of Derivative Financial Instruments Liabilities stems from hedging derivative financial instruments, broken down as follows:

Financial instrument	Risk	Notional	Positive fair value	Negative fair value
IRS - Intesa Sanpaolo	Interest rate [-0,05%]	9.378.941	-	(76.655)
IRS - Intesa Sanpaolo	Interest rate [0,81%]	1.380.929	-	(92.953)
IRS - Intesa Sanpaolo	Interest rate [0,81%]	2.243.871	-	(146.620)
IRS - Deutsche Bank	Interest rate [0,78%]	13.506.466	-	(885.810)
IRS - Deutsche Bank	Interest rate [0,12%]	3.850.006	-	(32.609)
IRS - Banco BPM	Interest rate [0,15%]	10.666.665	-	(121.521)
IRS - Deutsche Bank	Interest rate [0,825%]	12.566.803	-	(828.309)
IRS - Credit Agricole Cariparma	Interest rate [0,825%]	3.978.512	-	(282.300)

IRS - Banco BPM	Interest rate [0,28%]	5.000.000	-	(97.484)
IRS - Intesa Sanpaolo	Interest rate [0,895%]	5.072.260	-	(347.535)
IRS - Intesa Sanpaolo	Interest rate [1,045%]	6.283.219	-	(481.013)
IRS - Unicredit	Interest rate [0,709%]	15.315.300	-	(719.726)
Total 31/12/2020		89.242.972	-	(4.112.535)

Employee Severance Indemnity

	2020	2019	Difference
Provision for severance payment	434.752	411.755	22.997
Total	434.752	411.755	22.997

The following is a summary of movements over FY 2020:

2019	Scope fluctuations	Provision	Use	2020
411.755	-	621.380	(598.383)	434.752

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

Payables

Payables to Banks

	2020	2019	Difference
Short-term payables	10.483.200	23.137.031	(12.653.831)
Medium-/long-term payables	88.131.566	77.545.157	10.586.409
Total	98.614.766	100.682.188	(2.067.422)

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

At December 31, 2020, the Group's net financial position was broken down as follows:

	2020	2019	Difference
Cash and cash equivalents	8.874.687	11.078.869	(2.204.182)
Securities	22.905.547	22.419.035	486.512
Total Cash and Cash Equivalents (a)	31.780.234	33.497.904	(1.717.670)
Payables due to debentures within next FY	(27.527.509)	(3.250.755)	(24.276.754)
Payables due to debentures after next FY	(5.040.000)	(27.286.261)	22.246.261
Payables to banks within next FY	(10.483.200)	(23.137.031)	12.653.831
Payables to banks after next FY	(88.131.566)	(77.545.157)	(10.586.409)
Payables to other lenders within next FY	(4.573.866)	(8.992.145)	4.418.279
Payables to other lenders after next FY	(46.110.837)	(45.544.933)	(565.904)
Financial Position (b)	(181.866.978)	(185.756.282)	3.889.303
Net Financial Position (a+b)	(150.086.745)	(152.258.378)	2.171.633

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

Trade Payables

	2020	2019	Difference
Trade payables	25.545.318	19.255.850	6.289.468
Total	25.545.318	19.255.850	6.289.468

The item refers to third parties for short-term purchase of goods and services; trade payables have been stated at par value.

Payables to Other Lenders

The item is broken down as follows:

	2020	2019	Difference
Payables to other lenders	50.684.703	54.537.078	(3.852.375)
Total	50.684.703	54.537.078	(3.852.375)

Drop in the item is mostly due to payment of instalments on leasing contracts taken out for plant construction.

Payables to Associated Companies

	2020	2019	Difference
Payables to associated companies	709.662	626.087	83.575
Total	709.662	626.087	83.575

The item refers to trade-related payables.

Tax Payables

	2020	2019	Difference
Tax payables	1.314.053	1.817.174	(503.121)
Total	1.314.053	1.817.174	(503.121)

The item is broken down as follows:

	2020	2019	Difference
Due for Ires (Corporate Income Tax)	294.000	51.970	242.030
Due for Irapp (Regional Tax on Production)	210.551	151.382	59.169
Due for VAT	537	5.677	(5.140)
Other tax payables	808.964	1.608.145	(799.181)
Total	1.314.053	1.817.174	(503.121)

The item Other Tax Receivables comprises tax withholding on compensations paid to freelance collaborators, on personal income taxes employees and self-employed as well as taxes regarding foreign companies.

Payables to Social Security Institutions

	2020	2019	Difference
Payables to social security institutions	657.920	774.252	(116.332)
Total	657.920	774.252	(116.332)

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

Other Payables

	2020	2019	Difference
Within FY-end	2.284.772	10.354.526	(7.409.630)
After FY-end	4.845.420	989.314	3.195.982
Total	7.130.192	11.343.840	(4.213.648)

The item is broken down as follows:

	2020	2019	Difference
Credit notes to be issued	3	8.600	(8.597)
Payables for land lease	737.847	786.845	(48.998)
Due to credit card providers	4.863	38.665	(33.803)
Payables to others	6.387.479	10.509.730	(4.122.251)
Total	7.130.192	11.343.840	(4.213.649)

The item is mostly impacted by payables due to wind plants' building leases under 30-year agreements, to personnel expenses as well as to the payable related to stakeholding acquisition in Bio.PolSpA, subsequently merged into Tuscia Ambiente 2 Srl.

Accrued Expenses and Deferred Income

	2020	2019	Difference
Accrued expenses and deferred income	8.189.510	10.352.901	(2.163.391)
Total	8.189.510	10.352.901	(2.163.391)

Accrued expenses refer mainly to interest paid on loans.

Deferred income includes all capital gains against plant investment subsidies, recognized in the income statement over the useful life of the relevant asset.

Further Disclosure

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

Income Statement

Value of Production

	2020	2019	Difference
Revenues from sales and services	51.656.184	54.607.277	(2.951.092)
Changes in work-in-progress, finished and semi-finished goods	(551.551)	(205.642)	(345.909)
Changes in commissioned work-in-progress	198.116	161.101	37.015
Asset increases due to internal works	1.576.551	1.071.241	505.310
Other revenues and income	9.844.885	7.259.864	2.585.021
Total	62.724.185	62.893.841	(169.656)

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

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

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

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 € 15.629.106 and incentives for photovoltaic plants equal to € 2.600.365.

The item Other Revenues is broken down as follows:

	2020	2019	Difference
Plant subsidies	2.718.420	3.127.401	(408.981)
Miscellaneous income	7.126.465	4.132.463	2.994.002
Total	9.844.885	7.259.864	2.585.021

The item Plant Subsidies refers mainly to subsidies pursuant to Law 388 and 488 of Art. 8, to Law 296/06 in addition to R&D contributions. Miscellaneous Income comprises revenues stemmed from partners' fees, rental income as well as from legal expenses and insurance reimbursements.

Operating Costs

Costs of Raw, Ancillary Consumption Materials and Goods

	2020	2019	Difference
Raw, ancillary consumption materials and goods	3.728.144	7.157.820	(3.429.676)
Total	3.728.144	7.157.820	(3.429.676)

Costs of Services

	2020	2019	Difference
Costs of services	19.445.577	16.971.326	2.474.251
Total	19.445.577	16.971.326	2.474.251

The main items comprised in Costs of Services refer to expenses related to plant and motor management and to their related costs, amongst which the most relevant being those concerning renewable energy plant maintenance, technical/legal/sales/administration consultancy, trade insurance, bank charges, contributions/sponsorships as well as Directors' emoluments.

Leases and Rentals

	2020	2019	Difference
Leases and rentals	(2.349.149)	4.198.806	(6.547.955)
Total	(2.349.149)	4.198.806	(6.547.955)

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

FY 2020 recorded negative results subsequent to, as previously mentioned, the out-of-period income related to reduction in future Royalties to AMIU.

Labor Costs

	2020	2019	Difference
Wages and salaries	7.160.469	7.412.229	(251.760)
Social security	2.188.789	2.314.988	(126.199)
Severance payment	427.136	484.529	(57.393)
Other costs	286.415	128.096	158.319
Total	10.062.809	10.339.842	(277.033)

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

	2020	2019	Difference
Executives	6	6	-
Managers and white collars	131	151	(20)
Blue collars	70	36	34
Project workers	8	5	3
Total	215	198	17

Amortization, Depreciation and Write-downs

	2020	2019	Difference
Amortization of intangible assets	4.133.222	3.658.039	475.182

Depreciation of tangible assets	13.860.436	12.111.543	1.748.893
Write-down of receivables in current assets	141.616	383.355	(241.739)
Total	18.135.274	16.152.937	1.982.337

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

Other Operating Costs

	2020	2019	Difference
Other operating costs	3.992.978	5.475.123	(1.482.145)
Total	3.992.978	5.475.123	(1.482.145)

The item is broken down as follows:

	2020	2019	Difference
Collaboration expenses	1.262.838	1.615.672	(352.834)
Travel expenses	453.375	771.331	(317.956)
Membership fees	74.367	83.393	(9.026)
Other operating costs	2.202.398	3.004.727	(802.329)
Total	3.992.978	5.475.123	(1.482.145)

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

Financial Income and Expenses

	2020	2019	Difference
Income from stakeholding in subsidiaries	127.948	5.014.420	(4.886.472)
Income from stakeholding in associated companies	-	2.286.619	(2.286.619)
Income from stakeholding in other companies	6	-	6
Financial income from long-term receivables	290	513.972	(513.682)
Financial income from locked-up stocks	-	973.647	(973.647)
Other financial income	1.673.783	27.799	1.645.983
Interest and other financial expenses	(7.442.382)	(6.452.345)	(990.037)
Exchange gains and losses	(63.022)	6.503	(69.525)
Total	(5.703.383)	2.370.616	(8.073.993)

In addition, the item Financial Income comprises interest income from loans to associated companies and others. The item Interest and Financial Expenses breaks down as follows:

	2020	2019	Difference
Interest payable to banks	1.371.818	1.445.239	(73.421)
Interest paid on loans	1.124.382	957.569	166.813
Other financial charges	4.946.182	4.049.538	896.644
Total	7.442.382	6.452.346	990.036

Value Adjustments in Financial Assets and Liabilities

	2020	2019	Difference
<i>Write ups</i>			
Of stakeholding	347.681	-	347.681
Of financial assets not stakeholding	-	132.777	(132.777)
Of derivative financial instruments	486.512	-	486.512
<i>Write downs</i>			
Of stakeholding	(3.061)	(3.620)	559
Of financial assets not stakeholding	-	(84.742)	(84.742)
Of derivative financial instruments	(336.645)	(91.995)	(244.651)
Total	494.487	(47.580)	542.065

Current, Prepaid and Deferred Taxes

	2020	2019	Difference
Current taxes	(566.413)	(488.091)	(78.322)
Prepaid/deferred taxes	491.640	(71.398)	563.038
Total	(74.773)	(559.490)	484.716

Current tax refers mainly to Italian companies, primarily related to the parent's Ires and Irap. The drop in the tax burden originates from negative taxable income and consequent recording of a receivable for prepaid taxes.

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

		2019		Taxable Scope of differenceconsolidation		Tax burden		2020	
		Taxable	Prepaid tax credit			Income statement balance	Taxable	Prepaid tax credit	
<i>Prepaid Taxes</i>									
Contributions assessed	27,90%	479.800	133.864	235.000	-	65.565	-	714.800	199.429
Tax excess amortization/depreciation	27,90%	896.134	250.022	149.208	-	41.629	-	1.045.342	291.650
Exchange gains on valuations	24,00%	1.536.137	368.673	1.995.705	-	478.969	-	3.531.842	847.642
Tax credits fair value derivatives	24,00%	2.944.440	706.666	448.367	-	-	107.608	3.392.807	814.274
Taxed provisions for risks	24,00%	400.000	96.000	(400.000)	-	(96.000)	-	-	-
Tax losses Asja Ambiente Italia spa		10.375.930	2.490.223	1.131.762	-	271.623	-	11.507.692	2.761.846
Write down of inventories	24,00%	218.551	52.452	-	-	-	-	218.551	52.452
Write down tax excess receivables	24,00%	210.748	50.579	(210.748)	-	(50.579)	-	-	-

Gains on engines	27,90%	358.717	100.082	246.757	-	68.845	-	605.474	168.927
ACE	24,00%	-	-	500.977	-	120.234	-	500.977	120.234
Interest payables	24,00%	-	-	423.171	-	101.561	-	423.171	101.561
Other differences	27,90%	1.390.025	387.817	261.249	-	72.889	-	1.651.275	460.706
		18.810.48							
Total		24.636.378	4.781.449		-	1.074.736	107.608	23.591.930	5.818.722

		2019		Taxable difference	Scope of Tax burden consolidation	2020			
		Taxable	Provision deferred taxes			Income statement balance	Equity balance	Taxable	Provision deferred taxes
Deferred Taxes									
Exchange differences from valuations	24,00%	(1.443.017)	(346.323)	(312.111)	-	(74.907)	-	(1.755.128)	(421.231)
Lease installments	27,90%	(3.263.204)	(910.434)	(1.669.268)	-	(465.726)	-	(4.932.472)	(1.376.160)
Biogas plants	27,90%	(4.320.240)	(1.205.347)	601.308	-	167.765	-	(3.718.932)	(1.037.582)
Total		(9.026.641)	(2.462.105)	(1.380.071)	-	(372.867)	-	(10.406.532)	(2.834.972)
Total net prepaid and deferred taxes		9.784.021	2.174.274	3.401.378	-	701.868	107.608	13.185.398	2.983.750

Disclosure under Law 124 of August 4, 2017, Art. 1 comma 125

With regard to allocation of funds, and based on the interpretation of Assonime Circular 5/2019, the scope of Law 124/2017 does not comprise the following:

- amounts received in consideration for public works services supplies;
- remunerated charges that are part of the Company's routine operations;
- types of incentives/subsidies received pursuant to a general aid scheme to all parties entitled;
- public resources referable to foreign public persons (EU/Non-EU) and to European institutions;
- contributions for training granted by inter-professional funds under the legal form of association. Disbursements are recognized on a cash basis; pursuant to regulation in force, disbursements for less than 10,000 Euro per contributing entity are not comprised.

In addition to disclosure included in the State Aid Register, Transparency section, the following disbursements have been collected:

Collection date	Entity	Amount delivered	Reason	Company
2020	GSE - Agreement GRIN_000373	165.344,71	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000721	944.446,62	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000384	20.493,37	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000410	1.255.354,82	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000726	1.136.364,40	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000409	4.396.058,18	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement GRIN_000720	1.247.793,49	Incentive tariffs contributions Grin	Asja Ambiente Italia spa
2020	GSE - Agreement L06F26587707	215.382,18	Incentive tariffs contributions Photovoltaics	Asja Ambiente Italia spa
2020	GSE - Agreement L06M241422007	375.282,36	Incentive tariffs contributions Photovoltaics	Asja Ambiente Italia spa
2020	GSE - Agreement L06T262496007	289.301,94	Incentive tariffs contributions Photovoltaics	Asja Ambiente Italia spa
2020	GSE - Agreement L06B00199006	26.580,37	Incentive tariffs contributions Photovoltaics	Asja Ambiente Italia spa
2020	GSE - Agreement FER001616	2.472.811,18	Incentive tariffs contrib. FER – Construction of an electric power plant from renewables	Asja Ambiente Italia spa
2020	GSE - Agreement FER101910	286.772,86	Incentive tariffs contrib. FER – Construction of an electric power plant from renewables	Asja Ambiente Italia spa
2020	GSE - Agreement BMI_010025	1.291.620,81	Certificates of release for consumption – Construction of a biomethane/advanced biofuels plant	Asja Ambiente Italia spa
2020	Fondimpresa	3.624,00	Piano Attitude 4.0 - Training Program cod. 238546	Asja Ambiente Italia spa
2020	Fondimpresa	3.960,00	Piano Attitude 4.0 - Training Program cod. 274234	Asja Ambiente Italia spa
2020	Fondimpresa	8.428,80	Piano Attitude 4.0 – Training Program cod. 230990	Asja Ambiente Italia spa
2020	SA.51716 - Regione Piemonte - Dept of Competitiveness of the Regional System	43.928,62	SATURNO - Organic scraps and CO2 to fuels, fertilizers and chemical products; practical implementation of the circular economy	Asja Ambiente Italia spa
2020	Banca del Mezzogiorno MedioCredito Centrale S.p.A.	3.600.000,00	COVID-19: National Guarantee Fund for SMEs SA. 56966 (2020/N)	Asja Ambiente Italia spa
2020	GSE Agreement O06L235194407	252.291,40	Incentive tariffs contributions Photovoltaics	Helios Energy Landolina srl
2020	GSE Agreement O06F23365707	295.533,20	Incentive tariffs contributions Photovoltaics	Rabbici Solar srl

2020	GSE Agreement O06F29614407	303.894,35	Incentive tariffs contributions Photovoltaics	Specchia Solar srl
2020	GSE Agreement M05F27073307	514.295,18	Incentive tariffs contributions Photovoltaics	Puglia Solar 2 srl
2020	GSE Agreement L06L236139707	392.904,74	Incentive tariffs contributions Photovoltaics	Puglia Solar 2 srl
2020	GSE Agreement M05L230041907	381.963,35	Incentive tariffs contributions Photovoltaics	Puglia Solar 1 srl
2020	GSE Agreement M05F25653807	364.696,88	Incentive tariffs contributions Photovoltaics	Puglia Solar 1 srl
2020	GSE Agreement M05F25657007	504.778,19	Incentive tariffs contributions Photovoltaics	Puglia Solar 1 srl
Total		20.793.906		

Additional Information

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

- Board of Directors: € 318.334;
- Board of Statutory Auditors: € 53.962.

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

Independent Auditors' Compensations

Compensations regarding auditing services are illustrated herein:

	Entity providing the service	Compensations FY 2020
Legal audit	BDO Italia Spa	29.400
Legal audit	BDO Brazil	32.408
Legal audit	BDO China	9.857
Legal audit	DSP Audit S.r.l.	20.500

Annexes

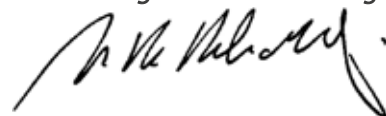
The accompanying annexes are an integral part of the Notes to the Accounts:

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

Rivoli, July 22, 2021

President of the Board

Agostino Re Rebaudengo



List of Companies Included in the Scope of Consolidation on a Line-by-line Method

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

Parent Company	Common stock	Share holder s' equity	Profit /loss prior FY	Directl y-owned stake %	Currency	FY-end
Asja Ambiente Italia spa Corso Vinzaglio, 24 Torino – Italy	56.624.000	106.281.892	497.214	-	Euro	31/12
National Subsidiaries						
Asja Market srl Corso Vinzaglio, 24 Torino – Italy	197.600	447.416	18.780	98,00	Euro	31/12
Helios Energy Landolina srl Corso Bettini, 58 Rovereto (Tn) – Italy	50.000	48.206	1.075	99,60	Euro	31/12
Tuscia Ambiente 2 srl Corso Vinzaglio, 24 Torino – Italy	7.617.000	7.035.441	214.083	98,78	Euro	31/12
Anziobiowaste srl Via dei Sicani, 2 Latina (Lt) – Italy	10.000	(604.694)	(71.071)	100,00	Euro	31/12
Puglia Solar 1 srl Corso Bettini, 58 Rovereto (Tn) – Italy	50.000	2.932.864	179.335	100,00	Euro	31/12
Puglia Solar 2 srl Corso Bettini, 58 Rovereto (Tn) – Italy	50.000	2.111.034	51.026	100,00	Euro	31/12
Rabbici Solar srl Corso Bettini, 58 Rovereto (Tn) – Italy	50.000	921.769	90.011	100,00	Euro	31/12
Specchia Solar srl Corso Bettini, 58 Rovereto (Tn) – Italy	50.000	944.306	53.343	100,00	Euro	31/12
CH4 Energy – srl Via Principe di Belmonte 103/cPalermo – Italy	10.000	(8.822)	(18.852)	100,00	Euro	31/12
BiolInspire–srl Corso Bettini, 58 Rovereto– Italy	100.000	3.517.352	(191.644)	100,00	Euro	31/12
Foreign Subsidiaries						
AsjaBrasilServiços para o Meio Ambiente Ltda. Av. Getúlio Vargas, 456, 10º andarEdifício London Offices, Bairro Funcionários - 30.112-020 Belo Horizonte (MG) –Brazil	556.103	(22.562.150)	(10.642.428)	99,94	Real	31/12
Asja Renewables Shenyang Co., Ltd. 312, Building Room, Diwang Maison, 21 - 1 Wenyi Road Shenhe District, Shenyang (LN) P.R. – China	2.517.546	3.087.766	699.834	100,00	Renminbi	31/12
Electrificadora de Mapiripan S.A. E.S.P. Calle 16 n° 3-63 Sector Merio Mapairipan-Meta – Colombia	118.932	361.573	47.950	83,34	Colombian Pesos	31/12
Totem Energy Canada Ltd. Vancouver- 666 Burrard Street Canada	33.690	16.257	(31.182)	100,00	Canadian Dollar	31/12

	Historical Value					Provision for Amortization				Net Value	
	31/12/2019	Increase	Decrease	Changes in the Scope	31/12/2020	31/12/2019	Increase	Decrease	Changes in the Scope	31/12/2020	31/12/2020
Start-up and expansion costs	1.757.329	2.570.841	-	9.102	4.337.273	825.330	427.675	-	-	1.253.004	3.084.268
Plant R&D	147.432	72.000	-	-	219.432	133.212	19.140	-	-	152.352	67.080
Prototypes	2.445.846	148.875	-	-	2.594.722	1.508.304	518.944	-	257	2.027.505	567.216
Research, development and publicity costs	2.593.278	220.875	-	-	2.814.154	1.641.516	538.084	-	257	2.179.857	634.296
Property Software	863.792	82.336	-	3.501	949.629	639.604	149.458	-	-	789.062	160.567
Industrial patent and intellectual property	2.953.160	3.160	-	-	2.956.320	1.724.909	147.816	-	-	1.872.725	1.083.595
Industrial patent and intellectual property	3.816.952	85.496	-	3.501	3.905.949	2.364.513	297.274	-	-	2.661.787	1.244.162
Concessions and royalties	9.093.342	772.932	-	(5.990)	9.860.284	3.368.877	560.941	-	-	3.929.817	5.930.467
Building leases	2.784.507	-	-	-	2.784.507	1.183.178	94.093	-	-	1.277.271	1.507.235
Trademarks	15.333.168	7.227	-	-	15.340.395	7.664.146	852.834	-	-	8.516.981	6.823.414
Know-how	976.793	-	-	-	976.793	488.788	54.310	-	-	543.098	433.695
Concessions, licenses, trademarks and similar	28.187.810	780.159	-	(5.990)	28.961.978	12.704.989	1.562.178	-	-	14.267.167	14.694.811
Goodwill	6.743.250	-	-	64.837	6.808.087	1.889.303	547.322	-	-	2.436.625	4.371.462
Intangible assets under development and advances	77.439	-	-	(77.439)	-	-	-	-	-	-	-
Extraordinary maintenance on leasehold	588.571	146.638	-	(52.349)	682.860	285.774	110.289	-	-	396.063	286.797
Extraordinary maintenance on leasehold – Rivoli	2.163.969	379.902	-	52.351	2.596.221	1.273.512	603.445	-	443	1.877.399	718.823
Other intangibles	969.458	-	(3.322)	(151.434)	814.702	392.632	46.955	-	-	439.587	375.115
Other intangibles	3.721.998	526.540	(3.322)	(151.432)	4.093.784	1.951.918	760.689	-	443	2.713.050	1.380.733
Intangible Assets	46.898.057	4.183.911	(3.322)	(157.421)	50.921.226	21.377.569	4.133.222	-	700	25.511.491	25.409.732

	Historical Value					Provision for Depreciation					Net Value
	31/12/2019	Increase	Decrease	Changes in the Scope	31/12/2020	31/12/2019	Increase	Decrease	Changes in the Scope	31/12/2020	31/12/2020
Land and building	7.693.703	846.697	(93.364)	644.455	9.091.491	527.830	316.672	-	-	844.502	8.246.989
Production and filtration plants	59.564.048	3.359.081	(1.760.401)	4.750.494	65.913.222	42.164.914	3.234.434	(948.750)	-	44.450.599	21.462.623
Wind plants	107.609.160	365.155	-	-	107.974.315	51.000.879	4.393.714	-	-	55.394.593	52.579.722
Phoyovoltaic plants	32.896.980	-	-	-	32.896.980	7.279.596	1.539.929	-	-	8.819.525	24.077.455
Vegetable oils plants	1.889.297	18.362	-	-	1.907.659	1.519.279	170.863	-	-	1.690.142	217.517
OFMSW plants	38.612.572	1.857.209	(17.876)	23.586.878	64.038.783	1.382.049	2.616.951	-	-	3.999.000	60.039.783
TOTEM equipment and machinery	351.464	12.705	-	-	364.168	155.683	36.404	-	-	192.086	172.082
Generic plants	41.142	-	-	-	41.142	30.483	390	-	-	30.873	10.269
Specific plants	17.806.718	3.017.813	(5.249.968)	-	15.574.563	3.558.745	1.135.653	(428.945)	-	4.265.453	11.309.109
Radio-mobile systems	-	-	-	-	-	-	-	-	-	-	-
Machinery	1.204.913	-	-	(431.694)	773.219	1.046.071	13.815	-	(346.994)	712.892	60.327
Plant and machinery	259.976.293	8.630.324	(7.028.245)	27.905.678	289.484.050	108.137.698	13.142.154	(1.377.695)	(346.994)	119.555.163	169.928.887
Wind sector equipment	564.542	-	-	-	564.542	528.026	9.626	-	-	537.652	26.890
Equipment	426.393	22.076	-	-	448.469	364.818	25.901	-	-	390.719	57.750
Miscellaneous equipment and TOTEM molds	286.999	23.048	-	-	310.047	273.897	12.166	-	-	286.063	23.984
Industrial and commercial equipment	1.277.934	45.124	-	-	1.323.058	1.166.740	47.693	-	-	1.214.433	108.625
Motor vehicles	873.016	385.954	(10.871)	895.692	2.143.791	434.028	290.037	(7.390)	346.994	1.063.669	1.080.122
Ordinary office furniture and machinery	74.352	20.203	-	14.068	108.623	65.296	6.286	-	73	71.655	36.968
Electronic office machines	766.713	17.628	-	-	784.341	662.612	42.786	-	(73)	705.325	79.016
Furnishings	867.249	2.295	-	-	869.544	639.968	12.158	-	-	652.126	217.418
Other tangibles	10.839	5.930	-	-	16.769	3.225	2.651	-	-	5.875	10.894
Other tangibles	2.592.171	432.010	(10.871)	909.760	3.923.069	1.805.129	353.918	(7.390)	346.994	2.498.652	1.424.418
Tangible assets under construction and advances	36.417.560	11.408.014	(53.272)	(29.222.103)	18.550.200	-	-	-	-	-	18.550.200
Tangible Assets	307.957.662	21.362.169	(7.185.752)	237.790	322.371.869	111.637.398	13.860.436	(1.385.084)	-	124.112.750	198.259.118

	Common stock	Legal reserve	Other reserves	Reserve for cash flows hedging	Earnings (loss) prior years	Earnings (loss) for the year	Group equity	Minority interest	Earnings (loss) for the year minority interest	Consolidated equity
As at December 31, 2019	56.624.000	3.317.148	(20.593.619)	(2.700.237)	42.770.082	4.323.737	83.741.111	140.062	(2.514)	83.878.659
Allocation of FY 2019 earnings (loss)	-	338.787	-	-	-	(4.323.737)	(3.984.950)	(2.514)	2.514	(3.984.950)
Earnings (loss) FY 2020	-	-	-	-	-	4.375.774	4.375.774	-	4.215	4.321.224
Other changes	-	-	(9.350.507)	(425.288)	6.133.730	-	(3.642.065)	(9.230)	-	(3.651.295)
As at December 31, 2020	56.624.000	3.655.935	(29.944.126)	(3.125.525)	48.903.813	4.375.774	80.489.870	128.318	4.215	80.622.403



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