

ASJA AMBIENTE ITALIA
Financial Statements As Of
And For The Year Ended December 31, 2021



CONTENTS

CORPORATE BODIES	03
REPORT ON OPERATIONS	04
BALANCE SHEET	17
INCOME STATEMENT	19
CASH FLOW STATEMENT	20
NOTES TO THE FINANCIAL STATEMENTS	21
INDEPENDENT AUDITORS' REPORT	
STATUTORY AUDITORS' REPORT	

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

CORPORATE BODIES

Board of Directors

Agostino Re Rebaudengo (President)

Tommaso Cassata (CEO)

Guido Corbò (CFO)

Emilio Re Rebaudengo

Pace Vincenzo

Board of Statutory Auditors

Pier Vittorio Vietti (President)

Luigi Puddu

Mariella Anfossi

Independent Auditors

BDO Italia spa

Report on Operations

Dear Stakeholders,

the Financial Statements, here submitted to your approval, report profits of euro 23.385.232, net of fiscal year appropriations. It is stated that the herein 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 Code. The Notes to the Financial Statements comprise foreword on criteria and methods applied as well as disclosure pursuant to Articles 2427 and 2428 of the Italian Civil Code.

The Scenario



Over the past seven years temperatures on Earth have reached their highest peak ever and improvements to such condition are nowhere in sight: in fact due to CO₂ emissions that trap heat in the atmosphere they are yet bound to increase.

If 2020 due to the COVID-19 pandemic saw a drop in CO₂ emissions, sadly the following year they increased by +4,8% against 2020 thus backtracking, in just one year, to pre-COVID levels. Likewise, CO₂ concentration in the atmosphere hit historical records of 419 ppm in May 2021.

Over 2021 the oceans absorbed as much heat as seven Hiroshima atomic bombs exploding every second, 24 hours a day, 365 days a year! On one single day, December 27, North America recorded -51°C in Canada and +34°C in Texas, where temperatures kept rising to +37°C subsequently plummeting to -11°C over a 2-day period.

Air pollution in Europe alone kills 365.000 people yearly, with 7 million victims worldwide each year. Climate change is to be held responsible for the Arctic permafrost melting, that part of the soil that used to be perennially frozen. Signs of deterioration can be observed in Russia, Alaska and Canada, where soil is crushing, streets are bending and buildings are cracking. What appears to be an apocalyptic movie set like "Don't look up" (starring Leonardo di Caprio) is in fact the cruel reality that exceeds SF movies. Transition toward renewables and energy efficiency are the solution to both emergencies. To such concern acceleration of decarbonization as well as air quality improvement should be the sole objective to be pursued especially in Italy which records the highest number of premature deaths in Europe caused by air pollution as well as two-fold increase in temperatures as compared to global average ones. Transition to renewables ensures competitiveness, safeguards us from soaring gas and oil prices and allows us to be independent energy-wise.

Asja Ambiente Italia's Core Business

Biogas and Biomasses



First half 2021 saw the start-up of construction works at the Marsala plant for the production of high-quality biomethane and OFMSW-generated compost with capacity equal to 58.000 tons of treated waste yearly. Construction works on the Legnano plant, involved in the production of high-quality biomethane and OFMSW-generated compost, with capacity equal to 40.000 tons of treated waste yearly, were completed second half 2021. Second half 2021 also saw completion of construction works on the biogas section of Tuscania plant aimed at electric power and premium OFMSW-generated compost production with capacity equal to 40.000 tons of treated waste yearly. Over 2021, the landfill biogas upgrading to biomethane plant on Genova Monte

Scarpino facility, produced and injected into the SNAM grid over 3.500.000 mc worth of biomethane.

Wind



Over 2021, ASJA, in addition to managing and performing maintenance operations on own plants as well as on the three plants transferred to ENI subsequent to their completion, sped up the authorization process for the construction of new wind plants. Availing itself of regulations set forth by the Simplification Decree (Law 108 of July 29, 2021), ASJA submitted to MiTE (Ministry of Ecological Transition) a project for the upgrading of the currently operating Baglio Nasco plant located in Marsala (TP) aimed at boosting its installed power from 9,35 MW to 31 MW. Simultaneously feasibility studies on upgrading other operational wind plants in Sicily commenced. Development operations have as well been targeted toward

sourcing already authorized and not yet executed plants; to such concern, throughout 2021, ASJA submitted a binding purchase option for a wind plant located in the province of Avellino. For said plant the Company submitted to MiTE an upgrading project to bring its overall power to 37 MW.

Photovoltaics



Throughout 2021 Asja focused on managing its 14 operational plants spread domestically, with installed power totaling roughly 12 MW. The new development operations have been targeted at sourcing suitable land for installation of photovoltaic plants of at least 10 MWp each. Three areas in Sicily and Basilicata met the criteria thus the design phase for three plants with overall power of roughly 50 MWp commenced.

R&D



Throughout 2021 Asja's Research & Innovation team coordinated, as project leader, SATURNO project, namely "Organic waste and carbon dioxide as fuels, fertilizers and chemical products; hands-on application of the circular economy". The COVID19 pandemic called for prompt actions: virtual meetings early 2021 followed by in-presence contact over the second half, regular catch-up meetings allowed 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 in meeting requirements

set forth by Bando Bioeconomia (Bio-economy tender call). Amongst SATURNO's targets, particular emphasis is worth being 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. 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"), upon its completion was audited by the funding agency early 2021. 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.

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:

- Contained dimensions
- Maintenance every 8.000 hours
- Lower harmful emissions (CO and NO_x) regarding exhaust gases, owing to an efficient system of suppression and to an accurate stoichiometric check of carburation: current

regulations in force impose NO_x 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.

- BT interface protection in the electrical panel on-board the machine;
- Cutting-edge operation system.

Asja Internationally



Throughout 2021, Asja completed the construction of a new 3MW plant under Distributed Generation (Geração Distribuída – GD) via AsjaSabarà GD Ltd. GD allows for direct producer - end-user relations under PPA (Power Purchase Agreement), agreements that regulate energy sale directly with end-users. The plant, having completed commissioning activities, entered into force first days 2022. In addition to the already operational unit, this new one will bring overall rated power of the Sabarà site to 10 MW. Over 2021 the overall power of João Pessoa (State of Paraíba) plant was brought to 5,704 MW. In July 2021 Jaboatão dos Guararapes plant saw completion of enhancement works that featured

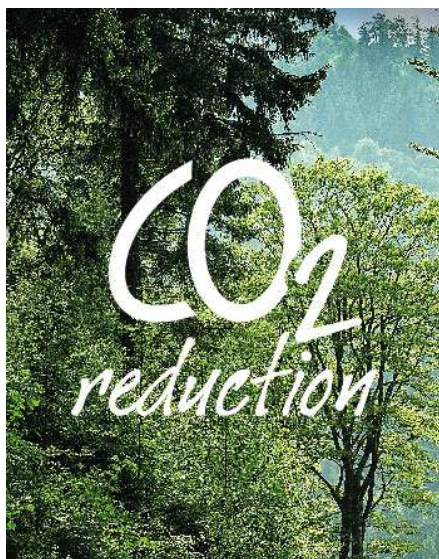
construction of a new electrical substation as well as installation of 5 new generator sets. To date plant capacity amounts to 25,6 MW, making the Jaboatão site one of the greatest in size in Latin America. Over 2022 two additional generator sets are bound to be installed thus bringing overall capacity to 28,5 MW. In 2021 Asja Brasil signed a rental and service agreement with Energias Geração de Energia for the supply of an additional generator set with overall power of 1,4 MW, to be installed on the Uberlândia plant (State of Minas Gerais); over 2022 it is foreseen a feasibility study to increase its power; pending assessment the sale of generated power on the free market or under Distributed Generation (Geração Distribuída – GD). In China, the Shenyang plant proceeds with its upward trend and throughout 2021 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 to the biogas supply agreement of the biodigestion plant, an additional Jenbacher generator set was installed (1,4 MW) and the connection line to the local grid was enhanced so as to fully benefit from the plant's full potential that reached 7,0 MW installed power.

Certificates

Over 2021 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 biomethane plant in Genoa; said certificate will grant the Company access to incentive schemes.

CO₂ Reduction



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 Universiadi 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.

Personnel and Premises

Throughout 2021 Asja delivered training sessions on safety at the workplace and technical issues using the latest training techniques. The Company's premises in Rivoli and Palermo are still operational.

Training courses

	2021	2020
Total number of courses delivered	150	93
Total number of training hours delivered	3.100	1.381

Fixed Assets: Investments and Divestments

The reporting period featured increases in Intangible Assets for euro 1.405.032, mostly due to R&D impacting for euro 174.911, to Property Rights and Software Programs for euro 34.515, to Biowaste Trademark for euro 1.371, as well as to Extraordinary Maintenance on Third-party Assets for euro 1.194.234. FY investment amounts to euro 16.766.277 and is mainly related to construction of the Legnano OFMSW plant, to the biomethane plant from landfill biogas upgrading located at the Genoa Scarpino site as well as to development of new projects for the final and executive design, execution and management of 3 facilities located in Sicily, namely in Castellana Sicula, Mazzarrà Sant'Andrea and Bellolampo. With regard to financial assets it is worth mentioning that over the FY the Company repurchased strategic stakeholding to finalize the transfer of assets to Gruppo SNAM; divestments amount to euro 14.357.321 whilst FY amortization rates to euro 5.903.845.

Personal Data Protection

As far as personal data protection is concerned, the Company avails itself of the Privacy Document for the use of ICT systems at Company level, in accordance with and for the purposes of GDPR 679/2016.

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

		2021	2020
Non-current Assets			
Intangible assets	I	9.717.328	10.364.397
Tangible assets	I	58.266.362	61.761.252
Financial assets	I	140.829.860	87.369.264
Working Capital			
Inventories	C	2.290.608	6.023.980
Deferred cash	C/LD	71.116.976	83.089.882
Available cash	C/LI	6.609.341	4.373.304
Capital invested	K	288.830.476	253.252.079
Shareholders' equity	N	134.211.213	106.281.892
Consolidated liabilities	T	36.102.640	56.003.609
Current liabilities	T/PC	118.516.623	90.966.579
Capital raised	K	288.830.476	253.252.079

Income Statement

	2021	2020
Revenues from sales and services	54.546.154	43.074.176
Changes in finished goods inventories	(496.007)	(551.551)
Changes in commissioned work-in-progress	(3.015.327)	198.116
Asset increases due to internal works	-	1.095.128
Value of Production	51.034.820	43.815.869
Purchase of raw, ancillary and consumption materials and goods	(5.829.847)	(4.296.564)
Changes in inventories of raw, ancillary and consumption materials and goods	208.613	(13.738)
Cost of services	(22.628.080)	(19.953.332)
Cost of use of leasehold assets	(7.154.884)	(1.082.322)
Added Value	15.630.622	18.469.913
Labor cost	(7.993.649)	(7.934.701)
Gross Trading Margin (EBITDA)	7.636.974	10.535.212
Amortization, depreciation and write-downs	(8.877.286)	(9.036.079)
Provision for risks	(43.907)	-
Operating Income (EBIT)	(1.284.219)	1.499.133
Other revenues and income	11.328.029	6.951.271
Other operating expenses	(5.626.664)	(3.715.028)
Other financial income	27.535.983	2.480.214
Interest and other financial expenses	(5.401.780)	(5.615.595)
Exchange gains and losses	48.168	(1.788.246)
Current Income	26.599.517	(188.251)
Adjustments in value of Financial Assets and Liabilities	(2.775.889)	486.512
Income before Tax	23.823.627	298.261
Income, current, prepaid and Irap tax for the period	438.395	(198.953)
Net Worth (NW)	23.385.232	497.214

Ratios

		2021	2020
Burden of fixed assets	I/K	72,30%	63,09%
Burden of current assets	C/K	27,70%	36,91%
Burden of equity	N/K	46,47%	41,97%
Burden of minority equity	T/K	53,53%	58,03%
Availability index	C/PC	0,68	1,03
Cash index	(LI+LD)/PC	0,66	0,96
Self-hedging capital assets index	N/I	0,64	0,67
ROE	RN/N	17,42%	0,47%
ROI	EBIT/K	-0,44%	0,59%
ROS	EBIT/SALES	-2,35%	3,48%

Analysis of key financial and economic indicators shows high levels of capitalization (N/K = 46,47%) thus balanced ratio between equity and minority equity. Increase in the Company's profitability is further confirmed by ROE ratio which passes from 0,47% in 2020 to 17,42% in 2021. The result was

significantly impacted by the disposal of stakeholding, the value of which is recognized under "Miscellaneous financial income".

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 and AXPO; 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, like EGEA SpA, 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.

Performance of Subsidiaries

Particular emphasis has been placed on the following subsidiaries:

- Asja Market srl, in addition to managing the Asja -CO₂ system, is authorized to trading electric power on the free market under Asja.biz Clean Energy trademark, which can be purchased by public or private end-users that share a common concern toward the environment, showed positive results.

- Helios Energy Landolina srl, owned by Asja with 99.60% stake, is proprietor of a photovoltaic plant operating since December 1, 2011; recorded positive results at fiscal year-end.
- Puglia Solar 1 srl, 100% wholly owned by Asja, generates electric power from photovoltaic plants; records positive results at fiscal year-end.
- Puglia Solar 2 srl, 100% held by Asja, generates electric power from photovoltaic plants; records positive results at fiscal year-end.
- Rabbici Solar srl, 100% ownership of Asja, generates electric power from a photovoltaic plant; records positive results at fiscal year-end.
- Specchia Solar srl, 100% ownership of Asja, generates electric power from a photovoltaic plant; records positive results at fiscal year-end.
- Anziobiowaste srl, a company acquired in the summer of 2017, completed construction of an OFMSW plant in Anzio (Rm) that became operational in January 2020; records negative results at fiscal year-end.
- Tuscia Ambiente 2 srl, 98.78% owned by Asja, saw the start up of an AD plant in Tuscania (Vt) that handles 40,000 tons of OFMSW per year and generates roughly 6.400 MWh of electric power yearly; records negative results at fiscal year-end.
- CH4 Energy srl, 100% ownership, proceeds with execution of two AD plants in Marsala (TP) and Biancavilla (CT) and records negative results at fiscal year-end.
- Totem Energy Canada, 100% subsidiary to Asja, was targeted at trading the Totem micro-cogenerators in North America; it was closed down in March 2022.
- Bio Inspire srl, 100% ownership, proprietor of biogas plants located in the municipality of Pianezza, records negative results at fiscal year-end.

Asja's business internationally proceeds, as aforementioned, via the Group's companies namely Asja Brasil Serviços para o Meio Ambiente Ltda, Asja Renewables Shenyang Co. Ltd and Elettrimapiri S.A. that all recorded positive results at FY end. Over the period the Company transferred a number of its branches to sole shareholder newcos pursuant to Article 2465 of the Italian Civil Code. The transferee newcos are wholly owned by Asja Ambiente Italia S.p.A. and are bound to be transferred to Gruppo Snam. Early 2022 saw the transfer of 3 newcos that had been set up over 2021 followed up by further sales over FY 2022.

Relations with Subsidiaries and Associates

Relations with Group's companies featured mostly supply of services from which both the associate and the group benefited, as well as delivery of loans at market-value.

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

As required by Legislative Decree 231/01, over 2021, the Company upgraded its Organization Model and Code of Conduct in order to implement principles, policies procedures and behavioral practices which integrate internal control. Disclosures comprised in the Code of Conduct are herein confirmed albeit not having undergone auditing procedures over the period.

The Supervisory Board (here "OdV"), endowed with autonomous power of initiative and control over the correct application of the Organization Model, was kept within the staff and collocated on the higher hierarchical position possible.

Disclosure Required under Article 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.
- 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, 2021, 53% of debt is at fixed or variable rates, hedged by IRS derivative instruments.
- As at December 31, 2021 the number of shares issued and outstanding amounted to 14.156.000, all subscribed and paid up, bearing the value of € 4 per unit.

The total number of shares issued are ordinary. It is particularly emphasized that, throughout the fiscal year, the Company has not issued any dividend-bearing shares nor convertible bonds and has not owned, acquired 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 the 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



December 13, 2021 marked the agreement between Asja and Snam via the subsidiary Snam4Environment, targeted at acquisition of portfolio of plants and development projects within the framework of OFMSW treatment (Organic Fraction of Municipal Solid Waste) and biomethane production. The first phase involves acquisition by Snam4Environment, of 4 companies each of them proprietor of 4 newly built operational plants with 20-year useful life located in Liguria, Lazio and Umbria, as well as partnership with a company proprietor of an under-construction plant and an under-development one in Sicily. The aforementioned plants have overall capacity of roughly 8,5 MW, of which 6 MW commissioned and operating for an enterprise value of approximately 100 million euro.

On March 3, 2022 the first closings related to the newcos Biowaste CH4 Anzio, Biowaste CH4 Foligno and Biowaste CH4 Group were signed. The latter holds know-how and staff qualified in operational management and supervision of the plants under acquisition. Additionally, the agreement foresees that Snam, under specific conditions shall acquire from Asja further companies proprietors of plants with total capacity of roughly 16 MW, 2 of which under construction in Piedmont and Lombardy, as well as 3 pending authorization in Sicily. Fine-tuning of the operation is bound to be spread over a 5-year period related to the project development stage whose construction shall be executed by Asja.

Furthermore Asja was awarded the tender call by Regione Sicilia for design, construction and startup of an unsorted waste recovery plant aimed at production of hydrogen and methanol on the industrial site of Gela. Notwithstanding the lasting Covid-19 pandemic, the Company, over FY's first months, was not exceptionally impacted, in fact it proceeded with its routine operations in compliance with regulations in force aimed at limiting contamination and spread of the virus. With regard to the conflict between Russia and Ukraine, the Company does not operate on any of the markets thus it is not subjected to any direct consequences of said conflict.

Destination of Earnings

Dear Stakeholders,

You are kindly invited to approve the herein Financial Statements as at December 31, 2021 and to allocate FY earnings as follows:

Legal reserve	euro 1.169.262
Prior fiscal years' earnings	euro 22.215.970
	euro 23.385.232,25

Rivoli, Mar 31, 2022
On behalf of the Board
The President
Agostino Re Rebaudengo



Balance Sheet

Assets	2021	2020
a) Credits to Shareholders for Deposits Not Yet Due	-	-
b) Intangible, Tangible and Long-term Financial Assets		
Intangible Assets		
Start up and expansion costs	-	-
Development costs	374.240	634.296
Industrial patent and intellectual property	1.017.744	1.241.817
Concessions, licenses and similar rights	6.751.571	7.752.665
Other intangibles	1.573.773	1.005.619
Total	9.717.328	10.634.397
Tangible Assets		
Land and building	385.631	310.931
Plant and machinery	33.026.382	48.527.637
Industrial and commercial equipment	41.721	62.176
Other tangibles	441.791	790.970
Tangible assets under construction and advances	24.370.837	12.069.538
Total	58.266.362	61.761.252
Long-term Financial Assets		
<i>Stakeholding in</i>		
Subsidiaries	71.922.022	30.772.629
Associates	134.500	134.500
Other companies	29.010	519.954
Total	72.095.532	31.427.083
<i>Receivables</i>		
Subsidiaries	68.248.038	53.930.419
Associates	496.290	485.290
Other companies	-	1.526.472
Total	68.744.328	55.942.181
Total	140.829.860	87.369.264
Total Intangible, Tangible and Long-term Financial Assets	208.813.550	159.764.913
c) Current Assets		
Inventories		
Raw, ancillary and consumption materials	835.071	626.458
Commissioned work-in-progress	-	3.015.327
Finished products and goods	1.124.489	1.620.495
Advances	331.048	761.700
Total	2.290.608	6.023.980
Receivables		
Trade receivables	14.629.811	15.157.505
from subsidiaries	19.141.501	11.778.233
from associates	882.506	921.452
from parent companies	1.400	200
Tax receivables	7.339.854	8.140.832
Prepaid tax	4.213.171	4.455.272
due from other	924.636	1.312.115
Total	47.132.879	41.765.609
Short-term Investment		
Derivative financial instruments recorded under assets	220.022	486.512
Other securities	15.599.687	22.419.035
Total	15.819.709	22.905.547
Cash and Cash Equivalents		
Bank and postal deposits	6.604.235	4.367.302
Cash	5.107	6.002
Total	6.609.342	4.373.304
Total Current Assets	71.852.538	75.068.440
d) Accrued Income and Prepaid Expenses		
Accrued income and prepaid expenses	8.164.388	18.418.726
Total Accrued Income and Prepaid Expenses	8.164.388	18.418.726
Total Assets	288.830.476	253.252.079

Liabilities	2021	2020
a) Shareholders' Equity		
Common stock	56.624.000	56.624.000
Legal reserve	3.680.796	3.655.935
Other reserves		
Merger surplus reserve	85.656	85.656
Capital contribution reserve	3.260.400	-
Reserve to hedge for expected cash flows	(665.150)	(1.948.838)
Earnings (Loss) carried forward	47.840.278	47.367.925
Earnings (Loss) for the period	23.385.232	497.214
Equity adjustments due to rounding-off	2	-
Total Shareholders' Equity	134.211.214	106.281.892
b) Provision for Risks and Charges		
Provision for taxes, including deferred	887.101	421.230
Derivative financial instruments recorded under liabilities	875.198	2.564.261
Other	70.481	26.574
Total Provision for Risks and Charges	1.832.780	3.012.065
c) Severance Indemnity Payment	246.187	201.359
d) Payables		
Debentures	5.040.000	32.567.509
Payables to banks	41.626.458	66.519.557
Payables to other lenders	2.126.492	1.729.385
Advances	7.175.990	3.420.346
Trade payables	17.173.884	21.183.746
Payables to subsidiaries	13.599.097	7.910.625
Payables to associates	736.442	709.662
Payables to parent companies	60.084.648	-
Tax payables	652.431	426.781
Payables to provident and social security institutions	532.005	538.838
Other payables	2.487.741	2.880.789
Total Payables	151.235.189	137.887.238
e) Accrued Expenses and Deferred Income		
Accrued expenses and deferred income	1.305.106	5.869.525
Total Accrued Expenses and Deferred Income	1.305.106	5.869.525
Total Liabilities	288.830.476	253.252.079

Income Statement

	2021	2020
a) Value of Production		
Revenues from sales and services	54.546.154	43.074.176
Changes in finished goods inventories	(496.007)	(551.551)
Changes in commissioned work-in-progress	(3.015.327)	198.116
Asset increases due to internal works	-	1.095.128
<i>Other Revenues and Income</i>		
operating grants	2.195.285	2.534.205
other revenues and income	9.132.744	4.417.066
Total Other Revenues and Income	11.328.029	6.951.271
Total Value of Production	62.362.849	50.767.140
b) Operating Costs		
Costs of raw, ancillary and consumption materials and goods	(5.829.847)	(4.296.564)
Costs of services	(22.628.080)	(19.953.332)
Costs of use of leasehold properties	(7.154.884)	(1.082.322)
Labor cost	(7.993.649)	(7.934.701)
<i>Amortization, Depreciation and Write-downs</i>		
amortization of intangible assets	(2.319.168)	(2.560.420)
depreciation of tangible assets	(5.903.845)	(6.334.323)
write-downs of receivables in current assets and of cash	(654.273)	(141.336)
Total Amortization, Depreciation and Write-downs	(8.877.286)	(9.036.079)
Changes in inventories of raw, ancillary and consumption materials and goods	208.613	(13.738)
Provision for risks	(43.907)	-
Miscellaneous operating expenses	(5.626.664)	(3.715.027)
Adjustments in FY's earnings due to rounding-off	-	-
Total Operating Costs	(57.945.704)	(46.031.765)
(a-b) Difference between Value of Production and Operating Costs	4.417.145	4.735.377
c) Financial Income and Expenses		
<i>Income from Stakeholding</i>		
in subsidiaries	25.479.775	127.948
in associates	-	-
Total Income from Stakeholding	25.479.775	127.948
<i>Other Financial Income</i>		
from receivables recorded in assets		
from subsidiaries	1.720.361	1.993.984
from associates	-	290
from income other than that listed above		
from other	335.847	357.991
Total Other Financial Income	2.056.208	2.352.265
Total Income	27.535.983	2.480.213
Interest and Other Financial Charges		
from subsidiaries	(121.499)	(74.408)
from parent companies	(1.441.648)	-
from third-parties	(3.838.633)	(5.541.187)
Total Interest and Other Financial Charges	(5.401.780)	(5.615.595)
Exchange Gains and Losses	48.168	(1.788.246)
Total Financial Income and Expenses	22.182.371	(4.923.628)
d) Value Adjustments of Financial Assets and Liabilities		
of derivative financial instruments	179.316	486.512
<i>Write-downs</i>		
of stakeholding	(490.944)	-
of short-term securities	(1.530.556)	-
of derivative financial instruments	(933.705)	-
Total Value Adjustments of Financial Assets and Liabilities	(2.775.889)	486.512
Earnings (Loss) Before Tax	23.823.627	298.261
Income tax for the period	223.314	168.844
Income tax prior periods	-	-
Deferred/prepaid tax	215.081	(367.797)
Earnings (Loss) for the Period	23.385.232	497.214

Cash Flow Statement

	2021	2020
A) Cash Flow from Operating Activities (indirect method)		
Earnings (Loss) for the period	23.385.232	497.214
Income tax	438.395	(198.953)
Interest payables/ (interest receivables)	3.297.308	4.912.097
(Gains)/losses from divestment		(157.107)
1. Earnings (Loss) for the Period Before Income Tax, Interest, Dividends and Gains/(Losses) from Divestment	27.120.935	5.053.251
<i>Adjustments to Non-monetary Items Not Included in the Net Working Capital</i>		
Provisions/(reversals)	701.181	431.300
Asset amortization/depreciation	8.223.013	8.894.743
Devaluation/(revaluation) impairment losses	2.018.164	-
Value adjustments in financial assets and liabilities of derivative financial assets involving no monetary transactions	754.389	
Other adjustments to non-monetary items	(136.748)	-
Total Adjustments to Non-monetary Items	11.559.999	9.326.043
2. Cash Flow Before Changes in Net Working Capital	38.680.934	14.379.294
<i>Changes in Net Working Capital</i>		
Decrease/(increase) in net inventories and related advances	3.596.624	(394.673)
Decrease/(increase) in net third-party clients and intra-group trade receivables	527.694	5.350.549
Increase/(decrease) third-party and intra-group trade payables	(4.009.862)	6.776.438
Decrease/(increase) accrued income and prepaid expenses	10.254.338	(3.425.996)
Increase/(decrease) accruals and deferred charges	(4.564.419)	(2.283.756)
Other changes in net working capital	362.188	1.328.754
Total Adjustments to Changes in Net Working Capital	6.166.563	7.351.316
3. Cash Flow After Changes in Net Working Capital	44.847.497	21.730.610
<i>Other Adjustments</i>		
Interest received/(paid)	118.748	(4.512.261)
(Income tax paid)	(228.379)	(949.142)
(Use of provisions)	(602.132)	(728.326)
Total Cash Flow Adjustments	(711.763)	(6.189.729)
Cash Flow Generated by Business Operations (A)	44.135.734	15.540.881
B) Cash Flow Generated by Investment		
<i>Tangible Assets</i>		
(Investment)	(16.766.277)	(12.425.042)
Disposals	15.996.955	193.107
<i>Intangible Assets</i>		
(Investment)	(1.405.032)	(839.437)
Disposals	9.500	-
<i>Long-term Financial Assets</i>		
(Investment)	(68.153.173)	(7.377.518)
Disposals or Repayments	11.908.954	-
<i>Short-term Investment</i>		
(Investment)	-	(486.512)
Disposals	7.085.838	-
Cash Flow Generated by Investment (B)	(51.323.235)	(20.935.402)
C) Cash Flow Generated by Borrowings		
<i>Third-party Funds</i>		
Increase (decrease) short-term payables to banks and other lenders	(5.428.932)	282.843
Borrowings/(Repayments)	68.749.686	38.249.219
(Loan repayments)	(53.897.215)	(34.741.399)
<i>Own Funds</i>		
Other common stock increase (decrease)	-	-
Cash Flow Generated by Borrowings (C)	9.423.539	3.790.663
Increase (decrease) in Cash And Cash Equivalents (A ± B ± C ± D)	2.236.038	(1.603.858)
Cash and Cash Equivalents at FY start	4.373.304	5.977.162
Cash and Cash Equivalents at FY end	6.609.342	4.373.304

Notes to the Financial Statements

Dear Shareholders,

the herein Notes to the Financial Statements are an integral part of the Financial Statements as at December 31, 2021.

The Financial Statements have been drawn up in accordance with Articles 2423 and subsequent, of the Italian Civil Code, and comply with National accounting principles issued by the National Board of Accountants and Bookkeepers (here "OIC") therefore they reflect truthfully and accurately the Company's financial and economic position, fiscal year's profit (loss) and cash flow statement. The Balance Sheet and the Income Statement comprise disclosure pursuant to Articles 2424 and 2425 of the Italian Civil Code whilst the Cash Flow Statement was drawn up pursuant to Article 2425-ter. Disclosure contained in the Notes to the Financial Statements, prepared pursuant to Article 2427 of the Italian Civil Code, contributes to providing a fair interpretation of the Financial Statements.

Over the period the Company transferred, via contribution in kind, OFMSW to biomethane business units to wholly owned subsidiaries pursuant to the sale agreement signed with Gruppo SNAM.

More specifically the following operations were performed:

- on June 18, 2021 all operations involving final and executive design, execution and management of the facilities located in Contrada Zuppà in the municipality of Mazzarrà Sant'Andrea (ME) were transferred to Biowaste CH4 Mazzarrà S.r.l. subsidiary. The plant is bound to commence production of biomethane. Said transfer was subject to condition precedent; as at the date of approval of the hereby Financial Statements such conditions have not yet been fulfilled in order to make the transfer effective;
- on June 18, 2021 operations involving biomethane production located in the Municipality of Genoa were transferred to Biowaste CH4 Genova S.r.l. subsidiary. With reference to specific condition precedents included in the sale agreement, the plant commenced production as of September 9, 2021;
- on June 18, 2021 operations involving final and executive design, execution and management of the facilities located in Bellolampo, Municipality of Palermo, were transferred to Biowaste CH4 Palermo S.r.l. subsidiary. The plant is bound to produce biomethane, high-quality compost/fertilizer and SOF (Stabilized Organic Fraction) deriving from anaerobic digestion and aerobic treatment of the organic fraction via MBT, OFMSW, green waste, sludge and any other kind of waste delivered to the plant. The transfer became effective June 30, 2021.
- on June 18, 2021 operations related to production of biomethane and fertilizers in Casone di Foligno (PG) were transferred to Biowaste CH4 Foligno S.r.l. subsidiary. With reference to specific condition precedents included in the sale agreement, the plant commenced production as of September 2, 2021;
- on September 10, 2021 operations of design, construction and management of facilities located in Balza di Cetta, municipality of Castellana Sicula (PA) were transferred to Biowaste CH4 Castellana

Sicula S.r.l. subsidiary. The plant is bound to treat sorted and residual waste fraction from 38 municipalities of SRR Palermo EAST Province. Said transfer became effective September 15, 2021;

- on December 22, 2021 activities related to design, execution, maintenance and administration of biomethane plants were transferred to Biowaste CH4 Group S.r.l. subsidiary. With reference to specific condition precedents included in the sale agreement, they took effect as of January 1, 2022.

Transfers were performed under the “transformation model” and financially involved that the transferor was allocated equity interest with the subsidiary purchasing assets and the book balance of the transferred business. Thus transfer operations implied asset stripping on behalf of the transferee, whose sole shareholder was the transferor. From an accounting point of view, transfer operations were performed under an open account basis given the succession nature of the transferor pursuant to Article 176 of Tuir (Italian unified law on income tax). Items payables to/receivables from subsidiaries comprise, amongst others, payables/receivables related to extraordinary transfer operations. As such, as mentioned in each deed of transfer, “changes in elements of assets and liabilities consequent to company dynamics and to any quality differences amongst said elements, that may arise in the period between the date of the assessment and that of the transfer, that refer exclusively to the transferred company, shall be subject to adjustments between the parts by means of recognition of a credit position of the transferor against the transferee in case of positive difference or else of the transferee against the transferor in the reverse case”.

Accounting Principles and Evaluation Criteria

Disclosure shown in the herein Notes correspond to the same order of related items in the Balance Sheet and Income Statement. With reference to the introductory part of the hereby Notes to the Financial Statements, it is stated that, pursuant to Article 2423, third comma of the Italian Civil Code, in case disclosure required under specific legislation proves to be incomplete in terms of providing a truthful and fair view of the Company’s performance, additional information may be provided to serve the purpose. Figures comprised in both Financial Statements and the hereby Notes to the Financial Statements are expressed in euro. Evaluation criteria used in the preparation of the Financial Statements comply with the matching principle and the general concepts of prudence and ongoing concern. Pursuant to Article 2423-bis c.1 point 1-bis C.C., items are shown taking into account the prevailing substance of the transaction or contract. In drawing up the Financial Statements, financial income and expenses have been recorded on an accrual basis notwithstanding their actual date of recognition and solely profits realized as at fiscal year-end. Fiscal year risks and losses have as well been taken into account, even if acquainted with after fiscal year-end. Evaluation of single items recorded under assets or liabilities was performed separately so as to avoid capital gains offsetting lesser values. Cases in which offsetting is permitted by law gross offset amounts shall be recorded in the notes to the financial statements. The Balance Sheet, Income Statement, Cash Flow Statement and miscellaneous financial disclosures comprised in the hereby Notes to the Financial Statements comply with the accounting records that originated them. Neither the Balance Sheet nor the Income

Statement feature grouping of items preceded by Arabic numerals, as optionally set forth by Article 2423 ter of the Italian Civil Code. Pursuant to Article 2424 of the Italian Civil Code, it is hereby confirmed that there are no elements, neither under Assets nor Liabilities recorded under more than one item in the Financial Statements. There have been no exceptional cases for the Company to avail itself of exemptions pursuant to Article 2423, commas 4 and 5 of the Italian Civil Code. There have been no exceptional cases for the Company to avail itself of exemptions pursuant to Article 2423-bis c.2 of the Italian Civil Code. Pursuant to Article 2423 ter of the Italian Civil Code, it is hereby stated that all items comprised in the Financial Statements were comparable to the prior reporting year's hence there was no need for any of them to be adjusted. Evaluation criteria and value adjustments of items comprised in the Financial Statements comply with provisions set forth by the Italian Civil Code as well as with accounting principles set forth by the National Board of Accountants and Bookkeepers; no changes occurred as compared to prior fiscal year. Pursuant to Article 2427 c. 1 no. 1 of the Italian Civil Code, the hereby document illustrates the most impacting evaluation criteria adopted in accordance with provisions set forth by Article 2426 of the Italian Civil Code, with particular reference to those items for which the legislator may accept different evaluation criteria and amendments or else for those that do not feature specific criteria. Book values expressed in foreign currency have been translated in euro as at the Exchange rate on the date of their recognition, i.e. at the Exchange rate applicable at fiscal year-end pursuant to provisions set forth by the accounting principle OIC 26.

Intangible Assets

As envisaged by the accounting principles of reference, intangible assets are recorded in the Balance Sheet under Assets, stated at their cost of acquisition and/or production cost and amortized on a straight-line basis according to their future useful life. Values are shown net of the provision for amortization and write-downs. Amortization is calculated in compliance with the hereafter pre-established scheme that provides a fair cost distribution over the useful life of the aforementioned assets:

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 term
<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 term
Extraordinary maintenance on third-party assets - Rivoli, via Ivrea	20%

Amortization rates - micro-cogenerators production*Intangibles*

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 term

Any disposals occurred over the period resulted in the cancelation of their residual value. The amortization criterion of intangible assets was systematically applied to each FY according to the assets' potential residual use or cost. Pursuant to and for the purposes of Article 10, Law 72 of March 19, 1983 and subsequent amendments, the Company's intangible assets have never undergone currency revaluations. It is noted that on said costs write-downs were not deemed necessary as per ex Article 2426 comma 1 no. 3 of the Italian Civil Code on the basis that, pursuant to OIC 9, no elements indicating potential impairment losses of intangibles had been identified.

Costs of Start up and Expansion

Costs of start up and expansion are recorded in the Balance Sheet under Assets subsequent to the Statutory Board's approval given their multi-annual useful life; such costs have been amortized over a period of no longer than 5 years.

R&D Costs

Costs of development are recorded in the Balance Sheet under Assets, subsequent to the Statutory Board's approval given that they meet provisions set forth by OIC 24: costs are recoverable and involve viable specific development projects for which the Company possesses the required resources. Furthermore the costs are attributable to a clearly defined, traceable and quantified product or process. Given the impossibility to reliably estimate their useful life, said costs are amortized over a period of no longer than 5 years.

Industrial Patent and Intellectual Property Rights

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

Concessions, Licenses, Trademarks and Similar Rights

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

Other Intangible Assets

Intangible assets are recorded at purchase price including any auxiliary costs and are amortized within legal or contractual limits.

Tangible Assets

Tangible assets are stated at their purchase and/or construction cost plus accessory charges incurred up to the date by which the asset may be utilized, and in any case within the limit of its recoverability. The production cost comprises all directly-attributable charges, including overall costs of production, allocated to the reasonably chargeable rate, over the construction period until the asset is ready-to-use. Self-constructed assets have been stated based on directly-attributable charges, allocated to the reasonably chargeable rate, over the construction period until the asset is ready-to-use.

Expenditure that generated significant increase in assets' capacity, productivity and useful life is capitalized thus boosting the value of the related assets. Said assets are shown in the financial statements under Assets net of provision for depreciation and write-downs. The assets' book value, evenly classified by nature and purchase date is allocated over the fiscal years of their presumable use. Such procedure is enacted by means of depreciation rates schemes that become effective when the asset is available for use in relation to the assets' estimated residual useful life. Said schemes, subject to annual audits, refer to gross value of assets and estimated realizable value equal to zero upon process completion.

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

		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% - 4%
<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 production		
<i>Tangibles</i>				
Light constructions				10%
Plant and machinery				10%
Technical and specific plants			12,5%	15%
Equipment, molds and racks				25%

Other Assets

Electronic office machines	20%
Furniture	12%
Motor vehicles	25%
Signage	15%

Any divestments (disposals, scrapping, etc.) occurred over the period involved cancelation of their residual value. Any difference arising from the book value and the divestment is recorded in the Balance Sheet. With regard to assets purchased over the period, the aforementioned rates have been halved given that the depreciation rate and the rate calculated from the moment the asset is available and ready-to-use were not significantly different. Tangible assets' grants are accounted for using the indirect method and recognized in the income statements under the item A5 "Other Revenues and Income" and thus carried forward to subsequent fiscal years under Deferred Income. Pursuant to and for the purposes of Article 10, Law 72 of March 19, 1983 and subsequent amendments, the Company's tangible assets have never undergone currency revaluations. It is noted that on said costs write-downs were not deemed necessary as per ex Article 2426 comma 1 no. 3 of the Italian Civil Code on the basis that, pursuant to OIC 9, no elements indicating potential impairment losses of tangibles had been identified. Assets with a unitary cost of less than € 516, given their rapid obsolescence and consequent poor residual useful life as well as with a view to simplify administrative management, have been completely depreciated over the fiscal year; had the Company applied the rates by category of asset the income statement result would have undergone no changes.

Land and Building

Land, considered to have an infinite useful life, has not been subject to depreciation.

Assets under Construction and Advances

Advances to suppliers for purchase of tangible assets recorded under item B.II.5 are initially recognized at the date such payments are due. Hence advances are not subject to depreciation. Tangible assets under construction recorded under item B.II.5, are initially recognized at the date of the first construction costs and comprise both internal and external costs. Such costs shall be recorded in Assets under Construction and are subject to depreciation upon project completion.

Financial Assets

Stakeholding

The item refers to stakeholding in other companies and comprises investment in subsidiaries and associates pursuant to Article 2359 of the Italian Civil Code as well as investment in other undertakings. Such investment, evaluated using the cost method, is made up by the acquisition cost, the amounts paid for the subscription or by the value attributed to the transferred assets including any accessory charges (commission and bank charges, stamp duties, bank intermediation, etc.).

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

Receivables

Receivables recorded in Financial Assets were recognized in the Balance Sheet using the amortized cost evaluation method, pursuant to Article 2426 c.2 of the Italian Civil Code, taking into account the time factor and the presumed realizable value in compliance with regulations set forth by Article 2426, comma 1, no. 8 of the Italian Civil Code. With concern to the amortized cost evaluation method and/or to discounting of receivables, the Company, aiming to provide truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Such scenario occurred, for instance, with receivables with a less than 12-month due date or, under the amortized cost criteria, in case transaction charges, fees and any differences arising from the initial and due value of minor importance or still, in case of discounting, when the interest rate under contractual terms does not differ substantially from market interest rates.

Financial Lease Transactions

Assets acquired under financial leases are shown, as foreseen by the Legislator, using the equity method by recognizing the leases installments as fiscal year charges.

Inventories

Inventories are carried at the lower of their purchase and/or production cost and their presumed realizable value calculated from the related market trend. The purchase cost comprises directly-attributable accessory charges, if any.

Raw, Ancillary and Consumption Materials

Over the period components no longer used in the production of machinery were written down as they were replaced by better-performing ones for euro 12.701. 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

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 of cost and realizable value calculated based on the related market trend. Such method was adopted as it allows to provide evaluation based on actual data, in compliance with the prudence principle.

Finished Products

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 no. 9 of the Italian Civil Code. Over prior FY writing-down of said item, amounting to euro 124.047, is to be attributed to the lesser value of old generation micro-cogenerators stored in the warehouse. Advances to suppliers for purchase of goods recorded under the item C.1.5 are recognized initially at their due date or, if not present, upon payment date.

Receivables Recorded in Current Assets

Receivables recorded in Current Assets were recognized in the Balance Sheet using the amortized cost evaluation method, pursuant to Article 2426 c.2 of the Italian Civil Code, taking into account the time factor and the presumed realizable value in compliance with regulations set forth by Article 2426, comma 1, no. 8 of the Italian Civil Code. Adjustment to the estimated realizable value was performed by allocation of a provision for write-downs of receivables. The amounts in the provision for write-downs are proportioned to both the risks related to non-performing receivables and to the general risk of not collecting the receivables, prudently estimated taking into account historical experience. With concern to the amortized cost evaluation method and/or to discounting of receivables, the Company, aiming to provide truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Such scenario occurred, for instance, with receivables with a less than 12-month due date or, under the amortized cost criteria, in case transaction charges, fees and any differences arising from the initial and due value of minor importance or still, in case of discounting, when the interest rate under contractual terms does not differ substantially from market interest rates.

Non-current Financial Assets

Derivative Financial Instruments - Assets

The item refers to cash flows or fair value hedging instruments of non-current assets. Said instruments have been evaluated at fair value pursuant to Article 2426, comma 1, no.11 bis and positive or negative fair value difference between two fiscal years are respectively recognized in the income statement under items "D.18.d - Write-ups of derivative financial instruments" and "D.19.d - Write-downs of derivative financial instruments", except for fluctuations in cash flow hedging derivatives recognized

under Shareholders' Equity item "VII - Reserve for hedging expected cash flows". Fair value assessment was performed taking into account the market value.

Other Securities

Non-current securities are recognized in the Balance Sheet with the amortized cost method in compliance with Article 2426, comma 1, no. 9 of the Italian Civil Code. Debt securities for which the application of the amortized cost method was considered irrelevant, were recorded using the purchase cost method including accessory charges. Such scenario occurred for instance related to premiums/subscription or negotiation differential or any other difference between initial and expiration value of minor importance.

Cash and Cash Equivalents

Cash and Cash Equivalents are assessed according to the following criteria:

- Cash and cash equivalents at nominal value;
- Bank deposits and checks at presumable realizable value. Specifically such value coincides with the nominal value.

Accruals and Deferred Income

Composition of the item Accruals and Deferred Income was calculated on an accrual basis by breaking down the revenues and/or common costs over more fiscal years. In recording as well as in reviewing the multi-annual deferred income, the period of applicability of the time condition was ensured.

Equity

Items are recognized in the Balance Sheet at their book value pursuant to regulation envisaged by the accounting principle OIC 28.

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 or due date of which could not be determined at year-end. Composition of the provisions was set up based on the principles of prudence and competence in compliance with the accounting principle OIC 31. Related provisions are recognized in the period based on the "per nature" cost classification criteria.

Provisions for Taxes, Including Deferred

The item comprises liabilities due to potential taxes, uncertain as to amount or as to the date by 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 Other

The item comprises amounts covering for risks prudently recorded.

Employee Severance Indemnity

Such indemnity is determined pursuant to article 2120 of the Italian Civil Code as well as to collective and company-level agreements; it comprises yearly accrued quotas and revaluations calculated by ISTAT (The National Statistics Institute). The amount of the provision is recognized net of advances paid as well as of quotas used for termination of employment over the period, and represents the definite debt towards personnel as at fiscal year-end.

Payables

Payables recorded in Financial Assets were recognized in the Balance Sheet using the amortized cost evaluation method, pursuant to Article 2426 c.2 of the Italian Civil Code, taking into account the time factor and the presumed realizable value in compliance with regulations set forth by Article 2426, comma 1, no. 8 of the Italian Civil Code. With concern to the amortized cost evaluation method and/or to discounting of receivables, the Company, aiming to provide truthful and accurate disclosures, availed itself of the option to not apply the aforementioned method as its effects have proven irrelevant toward providing true and fair views. Such scenario occurred, for instance, with payables with a less than 12-month due date or, under the amortized cost criteria, in case transaction charges, fees and any differences arising from the initial and due value of minor importance or still, in case of discounting, when the interest rate under contractual terms does not differ substantially from market interest rates. Payables were classified as per their nature (or origin) from ordinary management activities regardless of the timeframe within which liabilities must be settled.

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 the purchase date or, if lower, at fiscal year-end's, in case of a reduction deemed lasting.

Accrued Expenses and Deferred Income

Accrued Expenses and Deferred Income were calculated on an accrual basis through allocation of costs and/or revenues common to more fiscal years. In recording as well as in reviewing the multi-annual deferred income, the period of applicability of the time condition was ensured. Timely adjustments were made when such condition featured variations.

Additional Information

Operations with Grant-back Obligation at Expiry Date

The Company, pursuant to Article 2427 no. 6-ter, states that it has not performed any type of operations subject to obligation to grant-back at expiry date. The item Costs of Leasehold Assets comprises leasing installments and exploitation rights returned to landfill owners.

Assets

Composition of the main items in the Balance Sheet is outlined below, pursuant to regulations in force.

Intangible Assets

Subsequent to recording of fiscal year amortization (equal to euro 2.319.168) in the Income Statement, Intangible Assets amount to euro 9.717.328.

Movements of Intangible Assets over the period are broken down as follows:

	As at 31/12/2020	Acquisition	(Disposal)	(Amortization)	Changes in the scope	As at 31/12/2021
<i>Start up and expansion costs</i>						
Gross value	47.110	-	-	-	-	47.110
(Provision for amortization)	(47.110)	-	-	-	-	(47.110)
Net value	-	-	-	-)	-	-
<i>Costs of development</i>						
Gross value	2.722.031	174.911	-	-	-	2.896.942
(Provision for amortization)	(2.087.735)	-	-	(434.967)	-	(2.522.702)
Net value	634.296	174.911	-	(434.967)	-	374.240
<i>Patent and intellectual property</i>						
Gross value	3.897.609	34.515	(9.500)	-	-	3.922.624
(Provision for amortization)	(2.655.792)	-	6.566	(255.654)	-	(2.904.880)
Net value	1.241.817	34.515	(2.934)	(255.654)	-	1.017.744
<i>Concessions, licenses, trademarks and similar</i>						
Gross value	19.086.917	1.371	-	-	-	19.088.288
(Provision for amortization)	(11.334.252)	-	-	(1.002.465)	-	(12.336.717)
Net value	7.752.665	1.371	-	(1.002.465)	-	6.751.571
<i>Other intangible assets</i>						
Gross value	3.258.910	1.194.234	-	-	-	4.453.587
(Provision for amortization)	(2.253.291)	-	-	(626.082)	-	(2.879.815)
Net value	1.005.619	1.194.234	-	(626.082)	-	1.573.773
<i>Total intangible assets</i>						
Gross value	29.012.577	1.405.031	(9.500)	-	-	30.408.110
(Provision for amortization)	(18.378.180)	-	6.566	(2.319.168)	-	(20.690.782)
Net Value	10.634.397	1.405.031	(2.934)	(2.319.168)	-	9.717.328

FY 2021 featured incremental changes in Intangible Assets amounting to euro 1.405.031. The amounts that impacted mostly regard: R&D Costs for euro 174.911, Patent and Property Software for euro 34.515, Registration of "Biowaste" Trademark for euro 1.371, as well as Extraordinary Maintenance on Third-party Assets for euro 1.194.234.

In particular the item Concessions, licenses, trademarks and similar rights, amounting to euro 6.751.571, is broken down as follows:

- Concessions, rights of use and covenants: euro 22.242;
- Know-how: euro 325.077;
- Trademarks: euro 5.119.726;
- Building leases: euro 1.284.527.

Gross values of Intangible Assets still recorded in equity regard mostly directly attributable costs.

Start-up and Expansion

The item is broken down in the table below that highlights differences against the prior period.

Reasons for their recognition as well as amortization criteria are mentioned above.

	2021	2020	D	Difference %
Start-up and expansion Totem merger				
Historical cost	47.109	47.109	-	-
Start-up and expansion Totem merger				
Provision for amortization	(47.109)	(47.109)	-	-

Costs of Development

The item is broken down in the table below that highlights differences against the prior period.

Reasons for their recognition as well as amortization criteria are mentioned above.

	2021	2020	Difference	Difference %
R&D costs Totem	321.988	321.988	-	-
Frame 1 and Frame 2 prototypes	1.639.355	1.602.271	37.084	2
Totem USA prototype	240.841	240.841	-	-
R&D plants	163.567	127.567	36.000	28
Full-thermal prototype	201.895	201.895	-	-
Experimental prototypes	329.554	227.727	101.828	45
Provision for amortization R&D Totem	(258.410)	(194.013)	(64.397)	33
Provision for amortization Frame 1 and frame 2 prototypes	(1.639.355)	(1.449.583)	(189.772)	13
Provision for amortization USA prototype	(240.841)	(192.673)	(48.168)	25
Provision for amortization R&D	(86.827)	(60.487)	(26.340)	44
Provision for amortization Full-thermal prototype	(161.773)	(121.394)	(40.379)	33
Provision for amortization Experimental prototypes	(135.754)	(69.844)	(65.910)	94

Tangible Assets

Composition of Tangible Assets as at December 31, 2021 and as at December 31, 2020 is analytically illustrated in the chart below. Tangible assets, before related provisions for depreciation, amount to euro 150.175.302; provisions for depreciation are equal to euro 91.908.940. Movements of said assets are illustrated hereafter.

	As at 31/12/2020	Acquisition	(Disposal)	(Depreciation)	Other changes	As at 31/12/2021
<i>Land</i>						
Gross value	313.781	74.700	-	-	-	388.481
(Provision for depreciation)	(2.850)	-	-	-	-	(2.850)
Net value	310.931	74.700	-	-	-	385.631
<i>Plant and machinery</i>						
Gross value	141.512.744	2.537.888	(22.236.470)	-	-	121.814.162
(Provision for depreciation)	(92.985.107)	-	9.768.075	(5.570.748)	-	(88.787.780)
Net value	48.527.637	2.537.888	(12.468.395)	(5.570.748)	-	33.026.382
<i>Industrial and commercial equipment</i>						
Gross value	1.257.972	944	(7.300)	-	-	1.251.616
(Provision for depreciation)	(1.195.796)	-	6.709	(20.808)	-	(1.209.895)
Net value	62.176	944	(591)	(20.808)	-	41.721
<i>Other tangible assets</i>						
Gross value	2.776.839	136.625	(563.259)	-	-	2.350.205
(Provision for depreciation)	(1.985.869)	-	389.744	(312.289)	-	(1.908.414)
Net value	790.970	136.625	(173.515)	(312.289)	-	441.791
<i>Assets under construction and advances</i>						
Gross value	12.069.538	14.016.119	(1.714.820)	-	-	24.370.837
Net value	12.069.538	14.016.119	(1.714.820)	-	-	24.370.837
<i>Total Tangible Assets</i>						
Gross value	157.930.874	16.766.276	(24.521.849)	-	-	150.175.302
(Provision for depreciation)	(96.169.622)	-	10.164.528	(5.903.845)	-	(91.908.940)
Net Value	61.761.252	16.766.276	(14.357.321)	(5.903.845)	-	58.266.362

Composition of Tangible Assets as at January 1, 2021 and as at December 31, 2021 is broken down analytically in the table above.

Tangible assets as at December 31, 2021 amount to euro 58.266.362 against euro 61.761.252 as at December 31, 2020 and are broken down as follows:

- Land: euro 385.631;
- Plant and machinery: euro 33.026.382 of which
 - biogas/biomethane plants: euro 6.310.193;
 - wind plants: euro 24.118.153;
 - photovoltaic plants: euro 2.322.319;
 - vegetable oils plants: euro 104.266;
 - generic, specific and other plants: euro 171.450;
- Industrial equipment: euro 41.721;
- Other tangible assets: euro 441.791;
- Tangible assets under construction and advances: euro 24.370.837 of which
 - biomethane plants under development/construction: euro 876.231;
 - wind plants under development/construction: euro 1.351.981;
 - OFMSW plants under development/construction: euro 21.386.649.
 - Prometeo pilot plants: euro 153.796
 - CO₂ Reduction project: euro 602.180

With concern to changes in gross values and adjustments to Tangible Assets, the following is set forth:

- consequent to new investments over the period, changes in gross values are equal to euro 16.766.276. They mostly regard biogas and biomethane plants impacting for euro 2.537.889, OFMSW plants for euro 14.016.119 as well as Assets under Construction and Advances for euro 8.237.882 mainly attributable to development and construction of a new OFMSW plant in Legnano;
- adjustment items regard mostly incremental changes in Depreciation for euro 5.903.845 and decreases for euro 10.164.528 generated by asset disposals.

Pursuant to and for the purposes of Article 10 of Law 72/83, it is hereby stated that gross values still recorded in Tangible Assets comprise directly-incurred costs and that such assets have never undergone economic nor currency revaluations.

Finance Leases

The following chart comprises disclosure as per the Legislator's request with the sole purpose of illustrating, albeit of a non-accounting nature, impact of the accounting difference compared to the financial method under which the lessee would recognize the leased asset under Assets and would apply related depreciation rates to said asset whilst simultaneously recognizing the liability for the capital amount of lease instalments. In such case FY interest and depreciation rates would be recognized in the income statement.

The table bellow illustrates the effects of finance leases accounted for under the financial method:

	2021
Value of Assets (A)	
Assets under finance lease net of overall depreciation at prior FY-end	48.423.514
+ Assets acquired under finance lease over the period	299.218
- Assets under finance lease redeemed over the period	-
- Depreciation rates for the period	(2.515.289)
+/- Impairment losses/reversal of impairment on assets under finance lease	-
Assets under finance lease at FY-end, net of overall depreciation	46.207.443
Current value of instalments not yet due (B)	
Current value of instalments not yet due using the actual interest rate of the finance lease agreement	20.507.340
FY financial charges (C)	
FY financial charges calculated on the basis of the actual interest rate	(1.045.648)

Financial Assets

Stakeholding

Movements in Financial Assets

With regard to stakeholding in subsidiaries, increase is mainly attributable to:

- recording of stakeholding stemming from transfer of business units, as illustrated in the introductory part of the hereby Notes to the Financial Statements, as part of the asset transfer transaction to Gruppo SNAM;
- re purchase of stakeholding deemed strategic in fine-tuning the transfer of several assets to Gruppo SNAM.

The following chart illustrates movements of Stakeholding in Subsidiaries:

	As at 31/12/2020	FY increases	(Divestments)	As at 31/12/2021
		Acquisitions and disposals	Other increases	
Stakeholding in subsidiaries				
Asja Market srl	607.353	-	-	607.353
Anziobiowaste srl	2.121.146	-	-	2.121.146
Tuscia Ambiente 2 srl	7.579.000	-	-	7.579.000
Helios Energy Landolina srl	247.800	-	-	247.800
Specchia Solar srl	1.600.000	-	-	1.600.000
Rabbici Solar srl	1.500.000	-	-	1.500.000
Puglia Solar 1 srl	5.100.000	-	-	5.100.000
Puglia Solar 2 srl	3.800.000	-	-	3.800.000
CH4 Energy srl	15.225	25.750.000	(15.225)	25.750.000
Bio Inspire srl	4.910.000	-	-	4.910.000
Asja Renewables Shenyang Co., Ltd.	2.300.000	-	-	2.300.000
Asja Brasil Servicos para o Meio Ambiente Ltda	556.103	-	-	556.103
Consorzio Horizonte Asja	200.000	-	-	200.000
Asja Sabarà Servicos para o Meio Ambiente Ltda	19.341	-	-	19.341
Asja Sabarà Geracao Distribuida Ltda	436	-	-	436
Asja Pernambuco Servicos Ambientais Ltda	500	-	-	500
Asja Paraiba Servicos Ambientais Ltda	500	-	-	500
Totem Energy Canada Ltd	33.697	-	-	33.697
Electrificadora de Mapiripán	181.529	-	-	181.529
Biowaste CH4 Group srl	-	10.000	-	10.000
Biowaste CH4 Mazzarrà srl	-	2.580.000	-	2.580.000
Biowaste CH4 Foligno srl	-	4.347.618	-	4.347.618
Biowaste CH4 Genova srl	-	4.127.000	-	4.127.000
Biowaste CH4 Palermo srl	-	1.830.000	-	1.830.000
Biowaste CH4 Legnano srl	-	10.000	-	10.000
Biowaste CH4 Castellana Sicula srl	-	2.510.000	-	2.510.000
Total	30.772.629	41.164.618	(15.225)	71.922.022

The following chart illustrates movements of Stakeholding in Associated Companies:

	As at 31/12/2020	FY increases	(Divestments)	As at 31/12/2021
		Acquisitions and disposals	Other increases	
Stakeholding in associated companies				
Elea Utilities	84.500	-	-	84.500
Pianobio srl	50.000	-	-	50.000
Total	134.500	-	-	134.500

The following chart illustrates movements of Stakeholding in Other Companies:

	As at 31/12/2020	FY increases	Divestments Write-downs	As at 31/12/2021
		Acquisitions and disposals	Other increases	
Stakeholding in Other Companies				
Consorzio DI.TNE	5.000	-	(5.000)	-
Fundación Sandretto Re Rebaudengo				
Para El Arte	29.000	-	-	29.000
ETR Oleos SA	485.954	-	-	485.954
Provision for write-downs in other companies			(485.944)	(485.944)
Total	519.954	-	(490.944)	29.010

As far as stakeholding in other companies is concerned, ETR Oleos SA stakeholding was written down given that said company has been subject to liquidation since 2010.

Company stakeholding is broken down as follows:

	Currency	Common Shareholders' stock	Profit(loss) equity	Shareholders' prior FY equity	Stakeholding %	Pro-quota equity	Book value
Stakeholding in Subsidiaries		foreign currency	foreign currency	foreign currency			
Asja Market srl (Torino TO - Italy) C.F. 03032270260	Euro	197.600	-	11.616	459.034	98,00%	607.353
Anziobiowaste srl (Latina LT - Italy) C.F. 02835040599	Euro	10.000	-	(1.383.567)	955.743	100,00%	2.121.146
Tuscia Ambiente 2 srl (Torino - Italy) C.F. 10532420014	Euro	7.617.000	-	(2.282.477)	5.034.388	98,78%	7.579.000
Helios Energy Landolina srl (Rovereto TN - Italy) C.F. 08749260017	Euro	50.000	-	44.623	92.828	99,60%	247.800
Specchia Solar srl (Rovereto TN - Italy) C.F. 05853830825	Euro	50.000	-	79.562	1.013.865	100,00%	1.600.000
Rabbici Solar srl (Rovereto TN - Italy) C.F. 05853800828	Euro	50.000	-	20.011	951.779	100,00%	1.500.000
Puglia Solar 1 srl (Rovereto TN - Italy) C.F. 02782570739	Euro	50.000	-	375.342	3.308.207	100,00%	5.100.000
Puglia Solar 2 srl					2.277.227	2.277.227	

(Rovereto TN - Italy) C.F. 02782580738 CH4 Energy srl (Palermo PA - Italy) C.F. 06510780825	Euro	50.000	-	166.195		100,00%		3.800.000
Bio Inspire srl (Rovereto TN - Italia) C.F. 02567520222	Euro	10.000	-	(24.476)	(33.298)	100,00%	(33.298)	25.750.000
Asja Renewables Shenyang Co., Ltd. (China)	Renminbi	23.794.715	34.913.124	10.458.570	4.852.617	100,00%	4.852.617	2.300.000
Asja Brasil Servicos para o Meio Ambiente Ltda (Brazil)	Real	1.564.500	(125.048.664)	7.984.983	(19.817.224)	99,94%	(19.805.333)	556.102
Consortio Horizonte Asja (Brazil)	Real	-	(2.236.393)	-	(354.415)	5,00%	(17.721)	200.000
Asja Sabarà Servicos para o Meio Ambiente Ltda (Brazil)	Real	575.000	(6.105.533)	(1.558.513)	(967.581)	10,00%	(96.758)	19.341
Asja Sabarà Geracao Distribuida Ltda (Brazil)	Real	20.000	20.000	-	3.170	10,00%	317	436
Asja Pernambuco Servicos Ambientais Ltda (Brazil)	Real	20.000	8.019.000	(83.000)	1.270.820	10,00%	127.082	500
Asja Paraiba Servicos Ambientais Ltda (Brazil)	Real	20.000	(2.916.000)	(2.099.000)	(462.116)	10,00%	(46.212)	500
Totem Energy Canada Ltd (Canada)	Canadian Dollars	50.000	19.482	(5.933)	13.536	100,00%	13.536	33.697
Electrificadora de Mapiripán (Colombia)	Colombian Pesos	360.000.000	1.588.665.000	168.652.000	345.461	83,34%	287.907	181.529
Biowaste CH4 Group srl (Torino - Italy) C.F. 12479080017	Euro	10.000	-	(1.484)	8.516	100,00%	(8.823)	10.000
Biowaste CH4 Mazzarrà srl (Torino - Italy) C.F. 12478670016	Euro	2.580.000	-	(2.255)	2.577.744	100,00%	2.577.744	2.580.000
Biowaste CH4 Foligno srl (Torino - Italy) C.F. 12478690014	Euro	4.347.618	.-	(65.985)	4.426.504	100,00%	4.426.504	4.347.618
Biowaste CH4 Genova srl (Torino - Italy) C.F. 12478700011	Euro	4.127.000	-	258.285	4.385.285	100,00%	4.385.285	4.127.000
BiowasteCH4 Palermo srl (Torino - Italy) C.F. 12488500013	Euro	1.830.000	-	(114.732)	1.715.268	100,00%	1.715.268	1.830.000
Biowaste CH4 Legnano srl (Torino - Italy) C.F. 12536790012	Euro	10.000	-	(1.153)	8.847	100,00%	8.847	10.000
Biowaste CH4 Castellana Sicula srl (Torino - Italy) C.F. 12536820017	Euro	2.510.000	-	(228.620)	2.281.380	100,00%	(228.620)	2.510.000
Total								71.922.022

	Currency	Common Shareholders' stock foreign currency	Shareholders' equity foreign currency	Profit(loss) prior FY (loss) foreign currency	Shareholders' equity in euro	Stakeholding %	Pro- quota equity	Book value
Stakeholding in Associated Companies								
Elea Utilities (Naples Italy)	Euro	10.000	-	(45.972)	123.028	50,00%	61.514	84.500
Pianobio srl (Torino - Italy)	Euro	100.000	-	(38.631)	1.668.658	50,00%	834.329	50.000
Total					83.564			134.500
Stakeholding in Other Companies								
Fundación Sandretto Re Rebaudengo Para El Arte (Spain)	Euro	-	-	-	-	-	-	29.000
ETR Oleos SA (Brazil)	Real	3.700.000	(5.108.373)	-	809.555	10,00%	80.955	10
Total					(805.555)			29.010

The table above illustrates the list of Stakeholding in Subsidiaries and Associates accompanied by disclosure pursuant to Article 2427 point 5 of the Italian Civil Code, integrated by the last approved Financial Statements. Any higher carrying amount of investment against the pro-quota shareholders' equity is subjected to adjustments in case of impairment losses. As far as Italian special-purpose companies are concerned, the higher value refers to authorizations to operate wind and photovoltaic plants.

Long-term Financial Receivables

Long-term Financial Receivables Broken Down by Geographical Area

The item is broken down as follows:

	Italy	Foreign	Total
<i>Receivables Recorded under Long-term Financial Assets</i>			
Receivables from subsidiaries	32.085.278	36.162.760	68.248.038
Receivables from associated companies	496.290	-	496.290
Receivables from other companies	-	-	-
Total Receivables Recorded under Long-term Financial Assets	32.581.568	36.162.760	68.744.328

The table herein illustrates FY movements of Financial Receivables not recorded in Current Assets:

	Collectible within next FY	Residual maturity less/equal to 5 yrs	Residual maturity more than 5 yrs	As at 31/12/2021	As at 31/12/2020	Difference
Receivables from Subsidiaries						
Security deposit Asja Market srl		17.753		17.753	17.744	9
Anziobiowaste srl					11.080.130	(11.080.130)
Tuscia Ambiente 2 srl	6.143.125			6.143.125	4.823.125	1.320.000
Helios Energy Landolina srl			717.029	717.029	717.029	-
Specchia Solar srl			241.395	241.395	241.426	(31)
Rabbici Solar srl			250.740	250.740	250.773	(33)
Puglia Solar 1 srl			1.540.035	1.540.035	1.540.236	(201)
Puglia Solar 2 srl			1.102.080	1.102.080	1.102.224	(144)
CH4 Energy srl	6.424.775			6.424.775	758.160	5.666.615
Asja Brasil Servicos para o Meio Ambiente Ltda	5.414.041			5.414.041	5.202.279	211.762
Consorzio Horizonte Asja	14.810.831			14.810.831	14.357.584	453.247
Asja Sabarà Servicos para o Meio Ambiente Ltda		5.700.621		5.700.621	5.212.872	487.749
Asja Pernambuco Servicos Ambientais Ltda		7.303.765		7.303.765	6.221.279	1.082.486
Asja Paraiba Servicos Ambientais Ltda		2.085.193		2.085.193	1.489.673	595.520
Totem Energy Canada Ltd	35.000			35.000	120.000	(85.000)
Electrificadora de Mapiripán	474			474	23.000	(22.526)
Asja Sabarà Geracao Distribuida Ltda		812.836		812.836	771.586	41.250
Bioinspire srl					1.298	(1.298)
Biowaste CH4 Foligno srl	500.000			500.000		500.000
Biowaste CH4 Genova srl	567.143			567.143		567.143
Biowaste CH4 Palermo srl	30.000			30.000		30.000
Biowaste CH4 Anzio srl	14.551.203			14.551.203		14.551.203
Total	48.476.591	15.920.167	3.851.279	68.248.038	53.930.419	14.317.620
Receivables from Associated Companies						
RTI Asja Ambiente						
Pianobio	385.000	101.290		486.290	485.290	1.000
Elea Utilities		10.000		10.000	-	10.000
Total	385.000	111.290	-	496.290	485.290	11.000

	Collectible within next FY	Residual maturity less/equal to 5 yrs	Residual maturity more tha 5 yrs	As at 31/12/2021	As at 31/12/2020	Difference
Receivables from Other Companies						
ETR Oleos		806.472		806.472	806.472	-
FSRR Madrid				-	720.000	(720.000)
Provision for long-term financial receivables		(806.472)		(806.472)	-	(806.472)
Total		-		-	1.526.472	(1.526.472)
Total Long-term Financial Receivables	48.861.591	16.031.458	3.851.279	68.744.328	55.942.181	12.802.148

Current Assets

Inventories

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.

The Company's Inventories are broken down as follows:

	Stock net value as at 31/12/2021	Stock net value as at 31/12/2020
Raw materials	835.071	626.458
Multi-year workorders	-	3.015.327
Finished products	1.124.489	1.620.495
Advances	331.048	761.700
Total	2.290.608	6.023.980

Receivables Recorded in Current Assets

The table hereafter illustrates changes in receivables recorded in current assets as well as, if deemed significant, information regarding their due date.

	Collectible within next FY	Residual maturity less/equal to 5 yrs	Residual maturity more than 5 yrs	As at 31/12/2021	As at 31/12/2020	Difference
Trade receivables	14.629.811	-	-	14.629.811	15.157.505	(557.694)
Receivables from subsidiaries	17.858.513	947.422	335.566	19.141.501	11.778.233	7.363.268
Receivables from associated companies	882.506	-	-	882.506	921.452	(38.946)
Receivables from parent companies	1.400	-	-	1.400	200	1200
Tax receivables	7.322.032	17.822	-	7.339.854	8.140.832	(800.978)
Prepaid tax receivables	-	-	-	4.213.171	4.455.272	(242.101)
Other receivables	682.209	242.427	-	924.636	1.312.115	(387.479)
Total	41.376.471	1.207.671	335.566	47.132.879	41.765.609	5.367.270

Trade receivables from third parties are recorded at nominal value net of the Provision for Write-down of Receivables equal to euro 650.000, that included fiscal year's provision amounting to euro 654.272, with its use equal to euro 609.285.

Composition of the provision for write-downs of receivables recorded in Current Assets is broken down as follows:

	2021	2020	Difference
Trade receivables - gross value	35.303.819	28.462.203	6.841.616
(Provision for write-down of trade receivables)	(650.000)	(605.013)	(44.987)
Total Trade Receivables - Net Value	34.653.819	27.857.190	6.796.629
Other receivables - gross value	12.479.061	13.908.419	321.602
(Provision for write-down of other receivables)	-	-	-
Total Other Receivables - Net Value	12.479.061	13.908.419	(1.429.358)
Total Receivables - Gross Value	47.782.880	42.370.622	5.412.258
(Total Provision for Write-down of Receivables)	(650.000)	(605.013)	(44.987)
Total Receivables Recorded in Current Assets - Net Value	47.132.879	41.765.609	5.367.271

	2020 Provision		Use	2021	Difference
Provision for write-down of Trade Receivables	605.013	654.272	(609.285)	650.000	(44.987)
Total	605.013	654.272	(609.285)	650.000	(44.987)

The table below illustrates composition of receivables recognized in current assets divided by geographical area.

	Italy	Foreign	Total
Trade receivables	10.782.686	3.847.125	14.629.811
Receivables from subsidiaries	7.563.756	11.577.745	19.141.501
Receivables from associated companies	882.506	-	882.506
Receivables from parent companies	1.400	-	1.400

Tax receivables	7.339.855	-	7.339.855
Prepaid tax receivables	4.213.171	-	4.213.171
Other receivables	907.181	17.455	924.636
Total Receivables	31.690.555	15.442.325	47.132.880

Intragroup Receivables

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

	2021	2020	Difference
<i>Receivables from Subsidiaries</i>			
Trade receivables	17.858.513	11.778.233	6.080.280
Other receivables	1.282.988	-	1.282.988
Total	19.141.501	11.778.233	7.363.268
<i>Receivables from Associated Companies</i>			
Trade receivables	882.506	921.452	(38.946)
Total	882.506	921.452	(38.946)
<i>Receivables from Parent Companies</i>			
Trade receivables	1.400	200	1.200
Total	1.400	200	1.200

The item Receivables from Subsidiaries regards trade activities, or related to such, performed over the period, particularly concerning invoices issued to the Brazilian companies due to the resale of Jenbacher engines for the new Biogas plants.

Tax Receivables

The item is broken down as follows:

	2021	2020	Difference
Irap on account	260.593	265.593	(5.000)
Ires on account	3.599.075	3.097.820	501.255
VAT on account	1.435.964	2.934.584	(1.498.620)
Receivables from grants	271.152	1.289.176	(1.018.024)
Other tax receivables	1.773.069	553.659	1.219.410
Total	7.339.854	8.140.832	(800.978)

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, R&D tax receivable. The VAT receivable is to be attributed to the extension (pursuant to the 2015 Stability Law) in the application of the Reverse Charge mechanism to energy sale. Tax Receivables comprise, amongst others, investment bonuses on instrumental assets (Tax Credit Law 178/2020) related to purchase of automated warehouses interconnected with factory software operational systems (E-bike automatic docking stations,

inductive-charged, wireless, multimedia and plug&play). The docking stations fall under functional assets aimed at technological and digital transformation of enterprises under Transizione 4.0 Model (ex Art.1, comma 1062 of Law 178/2020).

Prepaid Tax Receivables

Prepaid taxes amount to euro 4.213.171, of which euro 4.455.272 regard mostly tax loss carryforward eligible for use in future years.

Other Receivables

The item comprises the following:

	2021	2020	Difference
Receivables from insurance companies	200.823	175.858	24.965
Receivables from employees	17.710	25.517	(7.807)
Receivables from social security institutions	1.148	7.634	(6.486)
Advances	235.787	393.108	(157.321)
Security deposits	242.427	303.181	(60.754)
Other receivables	226.741	406.817	(180.076)
Total	924.636	1.312.115	(387.479)

Short-term Financial Assets

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

	2021	2020	Difference
Derivative financial instruments under assets	220.022	486.512	(266.240)
Other securities	356	356	-
Other	15.599.331	22.418.679	(6.819.348)
Total	15.819.709	22.905.547	(7.085.838)

The item comprises mostly receivables due from the company Ago Ren stemming from transfer of stakeholding in Poligrow (euro 15.599.331).

The item comprises as follows:

Financial instrument	Risk	Notional	Positive fair value
Cross Currency Swap w/ Knock Out - Deutsche Bank	Exchange rate	5.500.000	220.022
Total		5.500.000	220.022

Cash and Cash Equivalents

The following chart illustrates fluctuations in the item.

	2021	2020	Difference
Bank and postal deposit accounts	6.604.235	4.367.302	2.236.932
Cash and cash equivalents	5.107	6.002	(895)
Total	6.609.342	4.373.304	2.236.038

The item comprises cash and cash equivalents and current bank accounts.

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

Accrued Income and Prepaid Expenses

Fluctuations in the item are broken down as follows:

	2021	2020	Difference
<i>Accrued Income</i>			
Financial	43	15.747	(15.704)
Trade	11.506	13	11.493
Other	2.790	4.587.163	(4.584.373)
Total	14.339	4.602.923	(4.588.584)
<i>Prepaid Expenses</i>			
Lease instalments	5.571.889	10.457.954	(4.886.064)
Financial	887.890	1.217.077	(329.187)
Trade	306.382	488.034	(181.652)
Insurance	236.052	372.191	(136.139)
Other expenses	1.147.836	1.280.548	(132.712)
Total	8.150.049	13.815.803	(5.665.754)
Total	8.164.388	18.418.726	(10.254.338)

The item Prepaid Expenses comprises, amongst others: share of leasing contracts on Matera wind plant amounting to euro 3.070.396, on Alia Sclafani wind plant to euro 1.247.900, on Castelluccio wind plant to euro 252.837, on the photovoltaic plants of Cava San Giorgio and Fiera del Levante to euro 660.664; share of substitute tax equal to euro 919.407 owed from tax recognition of "Asja" trademarks recorded in Assets; accrued contributions regarding multi-year trade agreements amounting to euro 675.589 as well as leasehold on multi-year agreements totaling euro 55.752.

Capitalized Financial Charges

All interests and other financial charges have been wholly paid for over the FY. Pursuant to Article 2427, c. 1, no. 8 of the Italian Civil Code it is hereby stated that the Company has no capitalized financial charges.

Liabilities and Shareholders' Equity

Composition of balance sheet items is broken down hereafter, pursuant to regulation in force.

Shareholders' Equity

The following tables illustrate changes in composition of Shareholders' Equity items as well as Other Reserves, if any.

	Common stock	Legal reserve	Hedging op. reserve for expected cash flows	Other reserves	Profit (loss) carried forward	FY profit (loss)	Total
Changes in Equity as at 31/12/2021							
As at 31/12/2020	56.624.000	3.655.935	(1.948.838)	85.656	47.367.925	497.214	106.281.892
Allocation of prior FY's profit (loss)	-	24.861	-	-	472.353	(497.214)	-
Other changes	-	-	(1.283.688)	3.260.400	-	-	4.544.088
FY profit (loss)	-	-	-	-	-	23.385.232	23.385.232
Changes in Equity due to rounding-off	-	-	-	2	-	-	-
As at 31/12/2021	56.624.000	3.680.796	(665.150)	3.346.056	47.840.278	23.385.232	134.211.214

All subscribed shares have been fully paid up. It is herein stated that there are no common stock reserves and that over the past three fiscal years no reserves have been used, except for those to hedge for common stock increment amounting to euro 42.468.000, as approved by the extraordinary Board Meeting of December 10, 2015. Increase in Shareholders' Equity is to be attributed to allocation of FY 2018 earnings, as approved by the Board. The contribution reserve stems from transfers to the subsidiary companies Biowaste CH4 Castellana S.r.l. and Biowaste CH4 Palermo S.r.l. Said reserve was set up subsequent to subsidiaries' recognition of the item "Goodwill" arising from transfer of values subject to appraisal pursuant to ex Article 2465 of the Italian Civil Code. Deferred taxes were calculated on said amounts.

Availability and Use of Shareholders' Equity

The following tables analytically illustrate items in the Shareholders' Equity by indicating their origin, potential use and distribution as well as their use over the 3 prior fiscal years.

	Amount	Origin	Potential use	Available share
Common stock	56.624.000	Common stock buffer	-	
Legal reserve	3.680.796	Earnings reserve	B	3.680.796
Merger surplus reserve	85.656	Earnings reserve	A, B, C	
Contribution reserve	3.260.402			
Reserve for hedging expected cash flows	(665.150)		-	-
Earnings (loss) carried forward	47.840.278	Earnings reserve	A, B, C	47.840.278
Total	110.825.982			51.521.074
				3.680.796

Non-distributable share

Residual distributable share

47.840.278

Key:

A – for capital increase

B – for loss hedging

C – for distribution to shareholders

D – for other statutory restrictions

Other Reserves

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

	2021	2020
Merger surplus reserve Asja Engineering	34.429	34.429
Merger surplus reserve Asja Agricole	3.101	3.101
Merger surplus reserve Totem Energy	48.126	48.126
Contribution reserve	3.260.400	-
Total	3.346.056	85.656

Reserve for Hedging Expected Cash Flows

Pursuant to Article 2427-bis, comma 1b-quater of the Italian Civil Code, the following table illustrates movements in fair value reserves over the period.

As at FY-start	Positive (negative) fair value variation	Deferred tax effect	As at 31/12/2021
(1.948.838)	(1.689.063)	(405.375)	(665.150)

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

Provision for Risks and Charges

The following table illustrates changes in provisions for risks and charges:

	2020	Provisions	2021
Provision for deferred taxes	421.230	465.871	887.101
Derivative financial instruments under liabilities	2.564.261	(1.689.063)	875.198
Other provisions	26.574	43.907	70.481
Total	3.012.065	(1.179.285)	1.832.780

Other Provisions

Legal risks Asja Ambiente Italia is exposed to derive from the variety and complexity of laws and by-laws to which the Group's industrial operations are subjected, mostly as far as environment, safety and competition are concerned. Although it not possible to foresee nor determine precisely the outcome of each provision, the Management assumes that the final conclusion will not impact the Group's financial condition negatively. Instead where the Group deemed likely a disbursement of resources to fulfill obligations and such amount can be estimated reliably, specific provisions for risks and charges

have been set aside. The Company, whilst awaiting the outcome of proceedings, recognized a specific provision for risks in the balance sheet amounting to euro 70.481.

Provision for Taxes, Including Deferred

Changes in the item is to be attributed to assessment of future taxes subsequent to tax changes.

Employee Severance Indemnity

The following chart illustrates composition of the provision for employee severance indemnity and related movements.

	2020	Increase	(Use)	2021
Provision for employee severance indemnity	201.359	576.709	(531.881)	246.187

Fluctuations are attributable to staff leaving the Company over the period, mostly to staff transferred to the subsidiary Biowaste CH4 Foligno S.r.l.

Payables

The table below illustrates changes in payables and any disclosures regarding their due date:

	Amounts collectible within next FY	Amounts collectible beyond subsequent FY residual maturity less/equal to 5 yrs	Amounts collectible beyond subsequent FY residual maturity more then 5 yrs	As at 31/12/2021	As at 31/12/2020	Difference
Debentures	2.400.000	-	2.640.000	5.040.000	32.567.509	(27.527.509)
Payables to banks	21.600.592	20.025.866	-	41.626.458	66.519.557	(24.893.099)
Payables to other lenders	1.534.499	591.994	-	2.126.492	1.729.385	397.108
Advances	7.175.990	-	-	7.175.990	3.420.346	3.755.644
Trade payables	17.173.884	-	-	17.173.884	21.183.746	(4.009.862)
Payables to subsidiaries	4.280.153	9.318.944	-	13.599.097	7.910.625	5.688.472
Payables to associated companies	736.442	-	-	736.442	709.662	26.780
Payables to parent companies	60.084.648	-	-	60.084.648	-	60.084.648
Tax payables	652.431	-	-	652.431	426.781	225.650
Payables to providence and social security institutions	532.005	-	-	532.005	538.838	(6.833)
Other payables	1.040.871	1.446.870	-	2.487.741	2.880.789	(393.048)
Total	117.211.515	31.383.674	2.640.000	151.235.189	137.887.238	13.347.951

Debenture Loans

Debenture loans feature the following characteristics:

Debenture loan	ISIN code	Date of issue	Original amount	Residual amount	Due date	Reimbursement scheme
Mini bond	IT0005091035	March 2015	12.000.000	5.040.000	31/10/2023	Half-yearly repayment plan

Payables to Banks

The item is broken down as follows:

	2021	Of which secured by collateral	2020	Difference
due to current accounts	5.112.311	-	7.361.733	(2.249.422)
due to loans	36.514.148	27.151.865	59.157.824	(22.643.676)
Total	41.626.458	27.151.865	66.519.557	(24.893.099)

Since there are no special purpose vehicles, medium- and long-term loans from credit institutions were granted as partial Project Financing. All loans for the construction of biogas, wind, photovoltaic and biomethane from OFMSW plants were granted specifically so as to cover entirely for the project and construction costs and are guaranteed by the transfer of receivables from the sale of generated electric power. Payables to Banks went down by 23,8 million Euro owing to:

- reimbursement over the period of 19,44 million Euro worth of capital on existing loans, offset by new loans totaling 3,25 million Euro (-16,19 million Euro against prior FY);
- transfer of the B.P. Sondrio loan (-5,36 million Euro against prior FY) to the Company branch owner of Genoa plant;
- reduction in the use of short-term credit lines with credit institutions (-2,25 million Euro against prior FY).

Payables to Other Lenders

The item is broken down as follows:

	2021	2020	Difference
Other lenders	2.126.492	1.729.385	397.108
Total	2.126.492	1.729.385	397.108

Advances

The item comprises as follows:

	2021	2020	Difference
Advances on commissioned works	7.175.990	3.420.346	3.755.644
Total	7.175.990	3.420.346	3.755.644

The item is mostly made up by advances to AXPO on energy sale over FY 2022.

Trade Payables

The item is broken down as follows:

	2021	2020	Difference
Trade payables	17.173.884	21.183.746	(4.009.862)
Total	17.173.884	21.183.746	(4.009.862)

Intragroup Payables

The item Payables to Group's Companies is broken down as follows:

	2021	2020	Difference
<i>Payables to Subsidiaries</i>			
Trade payables to subsidiaries	3.302.869	2.235.049	1.067.820
Financial payables to subsidiaries	3.251.499	2.129.410	1.122.089
Miscellaneous payables to subsidiaries	7.044.730	3.546.166	3.498.564
Total	13.599.097	7.910.625	5.688.472
<i>Payables to Associated Companies</i>			
Trade payables to associated companies	736.442	709.662	26.780
Total	736.442	709.662	26.780
<i>Payables to Parent Companies</i>			
Financial payables to parent companies	60.084.648	-	60.084.648
Total	60.084.648	-	60.084.648
Total Payables to Group's Companies	74.420.187	8.620.287	65.799.900

Tax Payables

The item is broken down as follows:

	2021	2020	Difference
Due to Ires	140.516	59.895	80.621
Due to Irap	223.314	168.844	54.470
Due to withholdings to be paid	284.292	191.207	93.085
Due to taxes to be paid	-	840	(840)
Other payables	4.309	5.995	(1.686)
Total	652.431	426.781	228.176

Other Payables

The item is broken down as follows:

	2021	2020	Difference
Other payables	2.487.742	2.880.789	(393.047)
Total	2.487.742	2.880.789	(393.047)

The item Other Payables comprises mostly payables due to leaseholds based on 30-year wind plant agreements amounting to euro 689.623 as well as to staff accruals for euro 862.900.

The following table illustrates payables apportioned by geographical area:

	Italy	Foreign	Total
Debentures	5.040.000	-	5.040.000
Payables to banks	41.626.458	-	41.626.458
Payables to other lenders	2.126.492	-	2.126.492
Advances	6.980.450	195.540	7.175.990
Trade payables	16.914.896	258.988	17.173.884
Payables to subsidiaries	12.744.726	854.371	13.599.097
Payables to associated companies	736.442	-	736.442
Payables to parent companies	60.084.648	-	60.084.648
Tax payables	652.431	-	652.431
Payables to providence and social security institutions	532.005	-	532.005
Other payables	2.487.742	-	2.487.742
Total Payables	149.926.291	1.308.899	151.235.190

Shareholders' Loans

The Company has not received any shareholders' loans.

Payables Secured by Collateral on Corporate Assets

The following table illustrates payables secured by collateral on corporate assets divided as per nature of collateral.

	Payables secured by mortgages, lien and/or special privilege	Payables secured by collateral	Payables not secured by collateral	Total
Debentures			5.040.000	5.040.000
Payables to banks	27.151.865		14.474.594	41.626.459
Payables to other lenders			2.126.492	2.126.492
Advances			7.175.990	7.175.990
Trade payables			17.173.884	17.173.884
Payables to subsidiaries			13.599.097	13.599.097
Payables to associated companies			736.442	736.442
Payables to parent companies			60.084.648	60.084.648
Tax payables			652.431	652.431
Payables to providence and social security institutions			532.005	532.005
Other payables			2.487.742	2.487.741
Total	27.151.865		124.083.325	151.235.189

It is worth mentioning that the total amount of payables secured by collateral is equal to euro 27.151.865, comprises, as shown in the table above, euro 19.805.262 secured by mortgages and euro 7.346.603 by lien on current account and/or special privilege.

Accrued Expenses and Deferred Income

The item is broken down as follows:

	2021	2020	Difference
<i>Accrued Expenses</i>			
Trade	235.483	6.342	229.141
Financial	262.457	746.406	(483.949)
Other	-	1.198	(1.198)
Total	497.940	753.946	(256.006)
<i>Deferred Income</i>			
Plant grants	524.976	4.889.364	(4.364.388)
Research and innovation grants	184.047	117.640	66.407
Other deferred income	98.144	108.575	(10.431)
Total	807.166	5.115.579	(4.308.413)
Total Accrued Expenses and Deferred Income	1.305.106	5.869.525	(4.564.419)

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

Income Statement

The Income Statement highlights FY's Earnings (Loss). It provides an illustration of management operations by summarizing positive and negative components of the income that were determinant to profit and loss. The positive and negative components of income recorded in the Balance Sheet pursuant to Article 2425-bis of the Italian Civil Code, are broken down according to the type of activity they fall into: core-business, accessory and financial. Core-business activity identifies income elements generated by operations that occur on an ongoing basis within the relevant sector of operation. Financial activity comprises operations that generate financial income and charges. Residually, the accessory activity is made up by operations that generate income that are part of ordinary operations but not included amongst the core-business nor the financial activities.

Value of Production

Revenues are recorded in the FY Balance Sheet and are recognized on an accrual basis, net of returns, discounts, allowances, bonuses as well as directly-attributable taxes. As far as disposal of assets is concerned, related revenues are recorded when the actual and not formal transfer of ownership is enacted.

Revenues from services are recorded when such service is provided; regular services are accounted for on an accrual basis. Asset increases due to internal works are recorded at production cost that includes directly-attributable costs (materials and direct labor, design, external supplies, etc.) and general production costs, reasonably attributed to the asset over its production period until it is ready to use; the same criteria applies to any charges related to funding for its construction.

Revenues

The following table illustrates composition of revenues from sales and services divided by category of activity.

	2021	2020	Difference
<i>Revenues from Sales</i>			
Electric power and services sold to other companies	43.017.365	30.932.467	12.084.898
Total	43.017.365	30.932.467	12.084.898
<i>Revenues from Services</i>			
Other services	11.528.789	12.141.709	(612.920)
Total	11.528.789	12.141.709	(612.920)
Total	54.546.154	43.074.176	11.471.978

It is highlighted that the item Revenues from Sales and Services comprises revenues deriving from incentives from power generation from renewables, including subsidies totaling euro 13.942.429.

The following table illustrates geographical division of revenues from sales and services.

	2021	2020	Difference
<i>Geographical Division</i>			
Italy	39.190.609	37.638.586	1.552.023
Foreign	15.355.544	5.435.590	9.919.954
Total	54.546.154	43.074.176	11.471.977

Other Revenues and Income

The item is broken down as follows:

	2021	2020	Difference
Operating grants	1.941.283	2.126.944	(185.661)
Research and innovation grants	254.002	407.261	(153.259)
Total	2.195.285	2.534.205	(338.920)
Capital gains	140.825	43.451	97.374
Compensation for damage	-	503.463	(503.463)
Other revenues and income	8.991.918	3.870.152	5.121.766
Total	9.132.743	4.417.066	4.715.677
Total Other Revenues and Income	11.328.029	6.951.271	4.376.758

Operating Costs

Costs and charges are recognized on an accrual basis according to the nature of goods, net of returns, rebates, discounts and bonuses in accordance with the principle of matching the revenues, recorded under specific items pursuant to the accounting principle OIC 12.

With concern to purchase of assets, related costs are recorded when the substantial rather than formal transfer of assets has occurred that implies transfer of risks and benefits.

Regarding purchase of services, related costs are recorded when service is received or else when it is concluded; in case of ongoing services rendered, related costs are recorded on an accrual basis.

Costs of Raw, Ancillary and Consumption Materials and Goods

The item is broken down as follows:

	2021	2020	Difference
Raw, ancillary and consumption materials and goods	5.777.589	4.259.738	1.517.851
Other purchases	52.258	36.828	15.430
Total	5.829.847	4.296.566	1.533.281

The difference is attributable to major purchase of assets for intercompany plants, against prior FY.

Costs of Services

The item is broken down as follows:

	2021	2020	Difference
Costs of services	22.628.080	19.953.332	2.674.748
Total	22.628.080	19.953.332	2.674.748

The item comprises maintenance costs of renewable-energy plants equal to euro 3.751.935, third-party plants maintenance amounting to euro 2.005.310, costs of disposal and landfilling of green OFMSW and sludge equal to euro 5.347.311, commercial insurance equal to euro 884.943, legal and notarial consultancy amounting to euro 3.692.244, administrative and financial consultancy to euro 607.651, bank charges to euro 694.542 as well as donations to euro 553.000.

Leases and Rentals

The item is broken down as follows:

	2021	2020	Difference
Leases and rentals	1.103.205	989.523	113.682
Financial charges and rentals	3.654.336	4.167.846	(513.510)
Royalties and building leases	2.321.878	(4.075.047)	6.396.925
Other leases and rentals	75.466	-	75.466
Total	7.154.884	1.082.322	6.072.562

The item Leases and Rentals comprises, amongst others, leasing instalments and exploitation rights granted back to landfill owners.

Personnel Costs

The item is broken down as follows:

	2021	2020	Difference
Salaries and wages	5.872.830	5.824.083	48.747
Social security	1.730.803	1.734.034	(3.232)
Severance payment	380.853	376.434	4.419
Other costs	9.163	150	9.013
Total	7.993.649	7.934.701	58.948

Amortization, Depreciation and Write-downs

The item is broken down as follows:

	2021	2020	Difference
<i>Amortization, Depreciation and Write-downs</i>			
Amortization of Intangible Assets	2.319.168	2.560.420	(241.252)
Depreciation of Tangible Assets	5.903.845	6.334.323	(430.478)
Total	8.223.014	8.894.743	(671.729)
<i>Write-downs</i>			
Write-downs of receivables in Current Assets	654.273	141.336	512.937
Total	654.273	141.336	512.937
Total	8.877.286	9.036.079	(158.793)

Miscellaneous Operating Costs

The item is broken down as follows:

	2021	2020	Difference
Contributions to trade associations	1.130.088	1.167.055	(36.967)
Other burdens	4.496.576	2.547.973	1.948.603
Total	5.626.664	3.715.028	1.911.636

The item is mainly made up by membership fees and collaboration expenses that the Company recedes to its own partners/collaborators under contractual terms. It is highlighted that, amongst others, the burden of the Municipal Property Tax (here "IMU") is recorded at euro 249.710.

Financial Income and Expenses

Financial income and expenses are recorded on an accrual basis related to the amount accrued over the period. Contributions aimed to lower the interest on loans are recorded as a reduction of item C 17 as they were granted over the same FY as interest payables. Contributions aimed to lower interest payables on loans are recorded under the item C16 d as they were granted over the subsequent FY after interest payables were accounted for.

Income from Stakeholding

Dividends are recognized over the period in which their distribution was approved.

The following table illustrates the amount and type of income from stakeholding, other than dividends, pursuant to Article 2425, no. 15 of the Italian Civil Code.

	Income other than dividends
Income from stakeholding - subsidiaries	25.479.775

Income comprised in the table above regards the operation of controlling stake sale.

Interest and Financial Charges

The following table highlights interest and other financial charges pursuant to Article 2425, no. 17 of the Italian Civil Code, comprising bonds, payables to banks and the like.

	2021	2020	Difference
Bonds	1.538.572	1.907.910	(369.338)
Payables to banks	1.222.680	2.347.390	(1.124.710)
Other	1.077.381	1.285.887	(208.506)
Interest payables to subsidiaries	121.499	74.408	47.091
Interest payables to parent company	1.441.648	-	1.441.648
Total	5.401.780	5.615.595	(213.815)

Exchange Gains and Losses

The hereafter disclosure regards exchange gains (losses) highlighting the part generated by foreign currency evaluations of assets and liabilities recorded in the balance sheet at fiscal year-end.

	Recognized amount	Evaluative part	Realized part
<i>Exchange Gains and Losses</i>	<i>48.168</i>		
Exchange gains		3.531.257	(35)
Exchange losses		(3.482.994)	(131)
Total		48.263	(96)

Over the period no revenues nor other positive components stemmed from non-recurrent events.

FY Income, Current, Deferred and Prepaid Taxes

The Company provided to the allocation of FY taxes based on the application of tax regulations in force. Current taxes regard taxes for the period resulting from the tax returns; prior fiscal years' taxes comprise direct taxes of prior periods including interests and sanctions and refer to positive/(negative) difference between the amount owed subsequent to litigation or tax assessment and the provision accrued over past fiscal years. Deferred and prepaid taxes regard positive/(negative) income components subject to taxation or deduction of fiscal years other than those subject to statutory reporting.

Current taxes mostly regard IRAP. To such concern, IRES taxable base, albeit being positive, was zeroed out as per the effect of ACE that was not charged against the consolidated tax return.

Prepaid and Deferred Taxes

The item comprises effects of deferred taxation on the hereby balance sheet. Said item refers to temporary differences between values attributed to assets or liabilities under statutory criteria and related values recognized for tax purposes.

The Company determined deferred taxation with reference to IRES and IRAP under the following rates:

Rates	Es. n+1	Es. n+2	Es. n+3	Es. n+4	Excess
Ires	24%	24%	24%	24%	24%
Irap	3,9%	3,9%	3,9%	3,9%	3,9%

The hereafter tables comprise analytical information with concern to:

- the description of temporary differences that led to recognition of prepaid and deferred taxes, with indication of the rate applied and differences compared to the prior FY, amounts credited or charged to the income statement/equity;
- The amount of prepaid taxes accounted for in the balance sheet related to current/prior FY losses and reasons for their recording, the amount not yet accounted for and reasons for its non-recognition;
- The items not included in the calculations and reasons for such exclusion.

Recognition of Prepaid and Deferred Taxes and Consequent Burden

	Ires	Irap
<i>A) Temporary Differences</i>		
deductible temporary differences	17.269.422	1.756.648
taxable temporary differences	3.531.257	-
Total Net Temporary Differences	(13.738.165)	(1.756.648)
<i>B) Tax Burden</i>		
Provision for deferred (prepaid) tax at FY-start	3.965.394	68.645
Deferred (prepaid) tax for the period	(668.235)	(136)
Provision for Deferred (prepaid) Tax at FY-end	3.297.159	68.509

Composition of Deductible Temporary Differences

Description	As at prior FY end	Difference over the period	As at FY end	IRES	IRES tax burden	IRAP	IRAP tax burden
Tax losses carried forward	10.202.814	420.929	10.623.743	24,00	2.549.698	3.90	-
Write-down of receivables exceeding limits under Art. 106 TUIR	-	486.934	486.934	24,00	116.864	3.90	-

Derivative liabilities							
Equity reserve	2.564.259	(1.689.063)	875.196	24,00	210.047	3,90	-
Negative exchange rate differences	3.531.842	(48.849)	3.482.993	24,00	835.918	3,90	-
Taxed provision for risks	-	43.907	43.907	24,00	10.538	3,90	-
Contributions Fondazione Sandretto	714.800	(508.000)	206.800	24,00	49.632	3,90	8.065
Miscellaneous provisions - Stock write-downs	218.551	136.748	355.299	24,00	85.272	3,90	13.857
Excess depreciation wind plants	1.045.342	149.208	1.194.549	24,00	286.692	3,90	46.587
Total	18.277.608	(1.008.187)	17.269.421	24,00	4.144.661	3,90	68.509

Composition of Taxable Temporary Differences

Description	As at prior FY end	Difference over the period	As at FY end	IRES	IRES tax burden	IRAP	IRAP tax burden
Positive exchange rate differences	1.755.128	1.776.129	3.531.257	24,00	847.501	-	-
Deferred tax on contribution reserve	-	165.000	165.000	24,00	39.600	-	-
Total	1.755.128	1.939.149	3.694.277	24,00	887.101	-	-

Disclosure on Tax Losses

	Amounting to (current FY)	Tax rate (current FY)	Prepaid taxes recognized (current FY)	Amounting to (prior FY)	Tax rate (prior FY)	Prepaid taxes recognized (prior FY)
Tax losses for the period	620.577	-	-	-	-	-
Tax losses prior periods	10.003.166			10.202.814		-
Total tax losses	10.623.743			10.202.814		-
Tax losses carried forward recoverable beyond any reasonable doubt	10.623.743	24,00	2.549.698	-	-	-

Reconciliation between actual and theoretical tax burden as well as IRAP taxable base are set forth below in the following chart:

Reconciliation between Actual and Theoretical Tax Burden

	Value	Taxes
Earnings (Loss) before Tax	23.823.627	
Theoretical tax rate		24%
Theoretical tax burden		5.717.670
<i>Tax effect on:</i>		
Temporary differences taxable over subsequent fiscal years	(1.824.978)	
Temporary differences deductible over subsequent fiscal years	3.045.096	
Temporary differences from prior fiscal years	(714.800)	
Differences with no effect on subsequent fiscal years	(24.949.522)	
Taxable income	(620.577)	
Use of share of tax losses from prior fiscal years/Use of ACE	-	
Ires	(620.577)	

Irapp Calculation

	Value	Taxes
Difference between production value and costs under IRAP	13.108.974	
Upward fluctuations	2.503.257	
Downward fluctuations	(2.407.526)	
Total	13.204.705	
<i>IRAP Deductions</i>		
Insurance contributions and tax wedge	(7.611.098)	
IRAP tax	5.593.608	
Current IRAP on FY income		223.314

IRAP tax amount is calculated on differentiated rates according to the region in which they incur.

Further Disclosure

Cash Flow Statement

The Company has drawn up the cash flow statement that comprises financial-wise fluctuations in company assets; the aforementioned statement highlights values of financial resources the Company availed itself of over the FY as well as their related uses. Pursuant to OIC 10, the Company applied the indirect method, whereby FY earnings (loss) are adjusted for the effects of non-monetary items.

Average Payroll

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

	2021	2020
Executives	4	3
Managers, white collars and equivalent	97	99
Blue collars and apprentices	13	14
Project workers	3	2
Total	117	118

Difference is due to increase in average payroll over the period.

At fiscal year-end staff totaled 109, of whom 5 executives, 92 managers and white collars, 10 blue collars and apprentices and 2 project workers.

Emoluments of Corporate Bodies

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

- Directors' emoluments: euro 166.667;
- Statutory auditors' emoluments: euro 47.861.

Independent Auditors' Compensations

Compensations regarding auditing services are illustrated herein:

	Entity providing the service	Compensations FY 2021
Legal audit	BDO ItaliaSpa	29.400

The following table illustrates the number and nominal value of Company shares as well as any movements occurred over the period.

Initial amount, no.	Initial amount, nominal value	Final amount, no.	Final amount, nominal value
14.156.000	56.624.000	14.156.000	56.624.000

Securities Issued by the Company

The Company has neither issued securities nor the kind, as envisaged by 2427 no. 18 of the Italian Civil Code.

Disclosure on Additional Financial Instruments Issued by the Company

The Company has not issued any additional financial instruments pursuant to Article 2346, comma 6 of the Italian Civil Code.

Guarantees, Commitments and Contingent Liabilities

The following chart features disclosure pursuant to Article 2427 no. 9 of the Italian Civil Code. The hereafter table comprises guarantees granted by the Company to insurance and non-insurance companies related to third-party sureties and guarantees granted to subsidiaries. Company's commitments comprise solely lease commitments on buildings, plants, equipment.

	Difference
Guarantees	64.888.777
Commitments	20.507.340

Assets Intended for Specific Business Operations

It is hereby stated that, as at FY end, there are no assets intended for specific business operations pursuant to Article 2427 no. 20 of the Italian Civil Code.

Loans Intended for Specific Business Operations

As at fiscal year-end the Company has no loans intended for specific business operations, pursuant to Article 2427 no.21 of the Italian Civil Code.

Related Parties

Over the period the Company performed transactions with related parties; such transactions were concluded at market conditions hence, pursuant to regulations in force, no additional disclosure is provided hereby. The operations, mainly ordinary, have been charged for under common market conditions on the basis of free competition. Particularly it is highlighted that Asja availed itself of Ago Renewables S.p.A. for the 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.

Agreements Not Recorded in the Balance Sheet

Current fiscal year did not feature any agreements that were not recorded in the Balance Sheet.

Information on Relevant Events Occurred after Fiscal Year-end



December 13, 2021 marked the agreement between Asja and Snam via the subsidiary Snam4Environment, targeted at acquisition of portfolio of plants and development projects within the framework of OFMSW treatment (Organic Fraction of Municipal Solid Waste) and biomethane production. The first phase involves acquisition by Snam4Environment, of 4 companies each of them proprietor of 4 newly built operational plants with 20-year useful life located in Liguria, Lazio and Umbria, as well as partnership with a company proprietor of an under-construction plant and an under-development one in Sicily. The aforementioned plants have overall capacity of roughly 8,5 MW, of which 6 MW commissioned and operating for an enterprise value of approximately 100 million euro. On March 3, 2022 the first

closings related to the newcos Biowaste CH4 Anzio, Biowaste CH4 Foligno and Biowaste CH4 Group were signed. The latter holds know-how and staff qualified in operational management and supervision of the plants under acquisition. Additionally, the agreement foresees that Snam, under specific conditions shall acquire from Asja further companies proprietors of plants with total capacity of roughly 16 MW, 2 of which under construction in Piedmont and Lombardy, as well as 3 pending authorization in Sicily. Fine-tuning of the operation is bound to be spread over a 5-year period related to the project development stage whose construction shall be executed by Asja. Furthermore Asja was awarded the tender call by Regione Sicilia for design, construction and startup of an unsorted waste recovery plant aimed at production of hydrogen and methanol on the industrial site of Gela. Notwithstanding the lasting Covid-19 pandemic, the Company, over FY's first months, was not exceptionally impacted, in fact it proceeded with its routine operations in compliance with regulations in force aimed at limiting contamination and spread of the virus. With regard to the conflict between Russia and Ukraine, the Company does not operate on any of the markets thus it is not subjected to any direct consequences of said conflict.

Undertakings that draw up the financial statements of the largest/smallest body of undertakings of which the undertaking forms part as a subsidiary

Pursuant to Article 2427, numbers 22-quinquies and 22-sexies of the Civil Code it is herewith stated the name and registered office of the company that draws up the consolidated statements of the largest/smallest body of undertakings of which the undertaking forms part as a consolidated company is as follows:

Company name	AGO HUB SRL
City (if in Italy) or foreign country	Torino
Tax code (Italian companies)	12381900013
Registered office where the Consolidated Financial Statements are held	C.so Vittorio Emanuele II, 6

Disclosure Regarding Derivative Financial Instruments former Article 2427-bis of the Italian Civil Code

In accordance with provisions envisaged by Article 2427-bis of the Italian Civil Code, the Company, committed to providing true and fair views, submits the hereafter disclosure. Derivative financial instruments are utilized, in order to cut back on exchange risk, to financially hedge for interest rate and market price fluctuations. Pursuant to OIC 32 – Derivative financial instruments are estimated at fair value. Transactions that, in compliance with the Company's risk management policies, meet requirements imposed by the hedge accounting principle, are considered hedging, involving in particular Cash flow hedge operations; the others, instead, although targeted at risk management, were classified as "negotiation" transactions. Derivative financial instruments can be accounted for according to hedge accounting methods solely when formal designation and documentation is provided and presumably hedging is reliably estimated as being highly effective with regard to all fiscal years for which it is intended. When derivative financial instruments meet the characteristics to be accounted for according to hedge accounting principles, the following is applied: Cash flow hedge: if a derivative financial instrument is designated as a hedge for the exposure to future cash flows fluctuations of assets, liabilities or highly probable foreseen transactions that may impact the Income Statement, the effective portion on any gain or loss on the derivative financial instrument is directly recognized in Equity under the item A) VII Reserve for Hedging Expected Cash Flows, subsequent to having considered the deferred tax assets and liabilities. Accrued profit (loss) is accounted for in the Income Statement over the same period in which the related effect of the hedged transaction is recognized, and adjusted to the value of the hedged item. Profit (loss) associated with an ineffective hedge (portion of a hedge) is promptly recorded in the income statement under the item D) 18 d) Write-up of Derivative Financial Instruments and D) 19 d) Write-down of Derivative Financial Instruments. If a hedging instrument or relationship is terminated but the related operation has not yet been realized, profit (loss) accrued as at that moment, recorded in an allocated Equity reserve, is recognized in the Income Statement when the related operation is realized in connection with recognition of the hedged transaction effects. If the hedged transaction is no longer deemed likely, accrued and not yet realized profit (loss) recognized in Equity is promptly recorded in the Income Statement under D 18 d) or D 19 d). Derivative financial instruments with positive fair value are classified under Current Assets (item C.III.5 Derivative Financial Instruments – Assets) otherwise in the Provision for Risks if the fair value is negative (item B3 Provision for Derivative Financial Instruments – Liabilities). In the event that hedge accounting cannot be applied, profit (loss) generated by valuation of the derivative instrument is promptly recognized in the income statement under items D 18 d) or D 19 d).

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

Financial instrument	Financial risk	Notional	Positive fair value	Negative fair value
IRS - Intesa Sanpaolo	Interest rate [-0,05%]	6.322.219	-	(27.083)
IRS - Intesa Sanpaolo	Interest rate [0,81%]	1.271.906	-	(48.960)
IRS - Intesa Sanpaolo	Interest rate [0,81%]	2.055.768	-	(77.417)
IRS - Deutsche Bank	Interest rate [0,78%]	12.366.001	-	(473.756)
IRS - Deutsche Bank	Interest rate [0,12%]	2.154.042	-	(10.311)

IRS - Banco BPM	Interest rate [0,15%]	7.111.109	-	(46.422)
IRS - Credit Agricole Cariparma	Interest rate [0,825%]	3.699.802	-	(150.225)
IRS - Banco BPM	Interest rate [0,28%]	3.888.889	-	(41.023)

Summary of Financial Statements of the Company Exercising Management and Coordination Authority

Pursuant to Article 2497-bis c. 4 of the Italian Civil Code Code, it is herewith certified that the Company is not subject to third-party management and coordination authority.

Disclosure Under Law 124 of August 4, 2017 Article 1 comma 125

Pursuant to provisions set forth by Article 1, comma 125-bis, of Law 124/2017, with concern to obligation to include in the Notes to the Financial Statements any sums of money granted over the period as subsidies, incentives, contributions, in cash or in kind, not being of a general, consideration, remuneration nor compensation nature of any kind, from public administration to entities referred to in paragraph comma 125-bis of the aforementioned article, the Company states that in addition to disclosure included in the State Aid Register, Transparency section, the following disbursements have been collected:

Collection date	Contributing entity	Amount received	Reason
2021	GSE - Agreement GRIN_000373	152.300,55	IncentiveTariffs contrib. Grin
2021	GSE - Agreement GRIN_000721	1.117.860,77	IncentiveTariffs contrib. Grin
2021	GSE - Agreement GRIN_000409	4.379.482,88	IncentiveTariffs contrib. Grin
2021	GSE - Agreement GRIN_000410	614.926,10	IncentiveTariffs contrib. Grin
2021	GSE - Agreement GRIN_000726	1.203.271,11	IncentiveTariffs contrib. Grin
2021	GSE - Agreement GRIN_000720	1.480.410,94	IncentiveTariffs contrib. Grin
2021	GSE - Agreement L06F26587707	175.703,13	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement L06D06713407	344,33	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement L06M241422007	348.463,94	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement L06T262496007	399.666,07	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement L06B00199006	21.901,36	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement L06A00007206	2.123,36	IncentiveTariffs contrib. Photovoltaics
2021	GSE - Agreement FER001616	1.478.018,24	IncentiveTariffs contrib. FER - Construction of an electric power plant from renewables
2021	GSE - Agreement FER101910	100.192,40	IncentiveTariffs contrib. FER - Construction of an electric power plant from renewables
2021	GSE - Agreement BMI_010025	1.008.750,00	Certificates of release for consumption - Construction of a biomethane/advanced biofuels plant

Motion for Allocation of Fiscal Year's Earnings (Loss)

The herein statements, submitted to the Board's approval, report profits recorded in the Balance Sheet totaling euro 23.385.232,00 and in book records totaling euro 23.385.232,25; it is motioned, pursuant to Article 2427, comma 1 number 22-septies of the Italian Civil Code, to allocate fiscal year's Earnings (loss) to the Legal Reserve for euro 1.169.262 and to Earnings (loss) Carried Forward for euro 22.215.970.

Dear Stakeholders,

We are confirming that the herein Financial Statements comprising the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements provide true and fair views on the Company's financial situation as well as that fiscal year's profit and loss matches book records. Therefore you are kindly invited to approve the herein Financial Statements as at December 31, 2021 and to allocate fiscal year's Earnings as drawn up by the Board.

The herein Financial Statements provide true and fair views and match the accounting records.

Rivoli, May 27, 2022

On behalf of the President of the Board,

Agostino Re Rebaudengo





ASJA AMBIENTE ITALIA S.P.A.

Independent auditor's report
pursuant to article 14 of
Legislative Decree n. 39

Financial Statements as at 31 December 2021

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39

To the shareholders of
Asja Ambiente Italia S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of Asja Ambiente Italia S.p.A. (the "Company"), which comprise the balance sheet as at 31 December 2021, the income statement and the cash flow statement for the year then ended and the explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of the result of its operations and its cash flows for the year then ended in accordance with the Italian regulations and accounting principles governing financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this report. We are independent of the company in accordance with ethical requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations and accounting principles governing financial statements and, within the limits of the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures in response to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made by the management;
- Conclude on the appropriateness of management's use of the going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level as required by the ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10.

The directors of Asja Ambiente Italia S.p.A. are responsible for the preparation of the report on operations of Asja Ambiente Italia S.p.A. as at 31 December 2021, including its consistency with the financial statements and the compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, with the financial statements of Asja Ambiente Italia S.p.A. as at 31 December 2021 and on its compliance with the applicable laws and regulations, and in order to assess whether it contain material misstatements.

In our opinion, the report on operations is consistent with the financial statements of Asja Ambiente Italia S.p.A. as at 31 December 2021 and is compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Turin, 27 May 2022

BDO Italia S.p.A.

Signed by Anna Maria Bongiovanni
Partner

ASJA AMBIENTE ITALIA S.p.A.
Sede in Torino, Corso Vinzaglio n.24
Capitale sociale Euro 56.624.000,00 - versato
Registro Imprese di Torino e codice fiscale n. 06824320011
C.C.I.A.A. di Torino n. 817531 R.E.A.

BILANCIO AL 31 DICEMBRE 2021
RELAZIONE DEL COLLEGIO SINDACALE
AI SENSI DELL'ART. 2429 DEL CODICE CIVILE

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All' Assemblea degli Azionisti della Asja Ambiente Italia S.p.A.

Nel corso dell'esercizio chiuso al 31 dicembre 2021 la nostra attività è stata ispirata alle disposizioni di legge e alle Norme di comportamento del collegio sindacale di società non quotate emanate dal Consiglio Nazionale dei Dottori commercialisti e degli Esperti contabili, pubblicate a dicembre 2020 e vigenti dal 1° gennaio 2021.

Di tale attività e dei risultati conseguiti Vi portiamo a conoscenza con la presente relazione.

E' stato sottoposto al Vostro esame il bilancio d'esercizio della società Asja Ambiente Italia S.p.A. al 31 dicembre 2021, redatto in conformità alle norme italiane che ne disciplinano la redazione, che evidenzia un risultato d'esercizio pari ad euro 23.385.232. Il bilancio è stata messo a nostra disposizione nel termine di legge.

L'attività di revisione legale dei conti, di cui all'art. 14 del D.Lgs. 39/2010, è invece demandata, nel rispetto della norma, alla società di revisione BDO Italia S.p.A..

Il soggetto incaricato della revisione legale dei conti BDO Italia S.p.A. ci ha consegnato la propria relazione datata 27 Maggio 2022 contenente un giudizio senza rilievi.

Da quanto riportato nella Relazione del soggetto incaricato della revisione legale il bilancio d'esercizio al 31 dicembre 2021 rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico ed i flussi di cassa della Vostra Società oltre a essere stato redatto in conformità alle norme italiane che ne disciplinano la redazione.



Il Collegio sindacale, non essendo incaricato della revisione legale, ha svolto sul bilancio le attività di vigilanza previste - norma 3.8 delle norme di comportamento del Collegio sindacale di società non quotate - , consistenti in un controllo sintetico complessivo volto a verificare che il bilancio sia stato correttamente redatto. La verifica della rispondenza ai dati contabili spetta, infatti, all'incaricato della revisione legale.

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

Attività di vigilanza ai sensi degli artt. 2403 ss. c.c.

In ottemperanza ai doveri di cui all'art. 2403 del codice civile in particolare:

- abbiamo vigilato sull'osservanza della legge e dello statuto e sul rispetto dei principi di corretta amministrazione e, in particolare, sull'adeguatezza degli assetti organizzativi, del sistema amministrativo e contabile, sul loro concreto funzionamento;
- abbiamo partecipato alle assemblee degli azionisti e alle riunioni del Consiglio di Amministrazione, che si sono svolte nel rispetto delle norme statutarie, legislative e regolamentari che ne disciplinano il funzionamento; le deliberazioni assunte in tali sedi sono risultate conformi alla legge e allo statuto sociale e non sono risultate imprudenti, azzardate, in potenziale conflitto d'interesse o tali da compromettere l'integrità del patrimonio sociale; a tale proposito segnaliamo che sono state poste in essere operazioni con parte correlata in potenziale conflitto di interessi e che in tali casi, in conformità al disposto di cui all'articolo 2391 del codice civile, l'amministratore portatore di un interesse ha preventivamente informato il Consiglio di Amministrazione il quale ha deliberato previa valutazione delle ragioni che rendevano l'operazione comunque conveniente per la società;
- sulla base delle informazioni disponibili non abbiamo rilevato violazioni della legge e dello statuto sociale, né operazioni manifestamente imprudenti, azzardate, o nelle quali sia emerso un interesse proprio di qualche amministratore, o comunque tali da compromettere l'integrità del patrimonio sociale;
- abbiamo acquisito conoscenza e vigilato, anche tramite la raccolta di informazioni dai responsabili delle funzioni, sull'adeguatezza dell'assetto organizzativo della società e a tale riguardo non abbiamo osservazioni particolari da riferire;
- abbiamo valutato e vigilato sull'adeguatezza del sistema amministrativo e contabile, nonché

- sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'esame dei documenti aziendali, senza rilevare criticità meritevoli di segnalazione;
- per quanto riguarda il controllo analitico sul contenuto del bilancio, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire.
1. Durante le riunioni degli organi sociali e nel corso di incontri informali, abbiamo ottenuto dagli amministratori informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione nonché sulle operazioni di maggior rilievo, per le loro dimensioni o caratteristiche, effettuate dalla società e dalle sue controllate.
 2. Non sono pervenute, nel corso dell'esercizio né denunce ai sensi dell'art. 2408 c.c. né esposti.
 3. Non abbiamo rilasciato pareri previsti dalla legge se non relativamente all'iscrizione all'attivo di costi di impianto ed ampliamento, e di sviluppo, aventi utilità pluriennale.
 4. Abbiamo collaborato con il soggetto incaricato della revisione legale, scambiandoci tempestivamente le informazioni rilevanti per l'espletamento dei rispettivi mandati; in esito a tale scambio di informazioni non sono emersi dati ed informazioni rilevanti che debbano essere segnalati nella presente relazione.

OSSERVAZIONI E PROPOSTE SUL BILANCIO (art. 2429, c. 2, c.c.).

Da quanto riportato nella Relazione del soggetto incaricato della revisione legale, *“il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2021, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità alle norme italiane che ne disciplinano i criteri di redazione.”*

L'organo amministrativo, nella redazione del progetto di bilancio, trasmessoci nei termini di legge, non ha derogato alle norme di legge ai sensi dell'art. 2423, c. 4, c.c.

Per quanto a nostra conoscenza, l'organo amministrativo, nella redazione del progetto di bilancio, trasmessoci nei termini di legge, non ha derogato alle norme di legge ai sensi dell'art. 2423, c. 5, c.c.

Abbiamo ricevuto conferma dai responsabili delle attività di revisione contabile in merito alla corretta applicazione, nella redazione del bilancio, dei principi di cui all'articolo 2423-bis del codice civile. Dall'attività di vigilanza e di controllo non sono emersi fatti significativi suscettibili di segnalazione o menzione nella presente relazione.

Ai sensi dell'art. 2426, n. 5, c.c. abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello stato patrimoniale di costi di impianto e di ampliamento per euro 47.110 interamente ammortizzati e per costi di sviluppo per euro 2.897.200 al netto di un fondo ammortamento pari ad euro 2.522.960 e così per un valore netto contabile pari ad euro 374.240.

Alla luce di quanto sopra e considerate le risultanze dell'attività svolta dal soggetto incaricato della revisione legale, così come contenute nell'apposita relazione sul bilancio medesimo, rilasciata da BDO Italia S.p.A. senza alcuna eccezione in data odierna (27 maggio 2022), esprimiamo parere favorevole in merito all'approvazione del progetto di bilancio, così come predisposto dall'organo amministrativo, e alla proposta di destinazione dell'utile di esercizio.

OSSERVAZIONI E PROPOSTE SUL BILANCIO CONSOLIDATO

Gli amministratori hanno predisposto il bilancio consolidato di gruppo, ricorrendo i presupposti di cui agli articoli 25 e seguenti del D.lgs. 127/1991; per quanto riguarda il controllo analitico sul contenuto del bilancio consolidato, abbiamo vigilato sull'impostazione generale data allo stesso, sulla sua generale conformità alla legge per quel che riguarda la sua formazione e struttura e, a tal riguardo, non abbiamo osservazioni particolari da riferire; ci limitiamo a segnalare che BDO Italia S.p.A., quale soggetto incaricato della revisione legale, ha emesso in data odierna (27 maggio 2022) una relazione sul predetto bilancio consolidato, senza alcuna eccezione.

Torino, 27 maggio 2022

I SINDACI

(dott. Pier Vittorio VIETTI)

(Prof. Luigi PUDDU)

(dott. Mariella ANFOSSI)



