

STI SRL

Financial statement at 31/12/2018

Personal data of the company	
Headquarter	VIA DELL'ARTIGIANATO IV TRAV. – 63076 MONTEPRANDONE (AP)
Fiscal code	01515300448
Chambre of commerce code	AP
Vat number	01515300448
Number chambre of commerce	000000151748
Legal form	Limited Liability Company
Social capital	1.335.000,00 i.v.
Prevalent business sector (ATECO)	332002
Company with a single member	No
Company in liquidation	No
Company subject to other management activities	No

The amounts presented are expressed in euros

Balance sheet		
	2018	2017
ACTIVE		
A) Receivables from shareholders for payments still due	-	-
B) Assets		
I - Intangible assets	316.658	384.944
II - Tangible fixed assets	315.806	353.994
III - Financial fixed assets	400.293	402.188
Total fixed assets (B)	1.032.757	1.141.126
C) Active circulating		
I - Inventories	1.289.788	1.211.851
tangible fixed assets held for sale, year-end value	-	
II – Credits		
due within the next financial year	3.508.267	3.154.960
payable beyond the following financial year	6.482	6.482
advance taxes	1.111	1.111
Total credits	3.515.860	3.162.553
III - Financial assets that do not constitute fixed assets	-	
IV - liquidity	15.207	9.154
Total active circulating (C)	4.820.855	4.383.558
D) Accrued income and prepayments	169.165	172.244
TOTAL ACTIVE	6.022.777	5.696.928
PASSIVE		
A) Shareholders' equity		
I – Capital	1.335.000,00	1.335.000,00
II - Share premium reserve	-	
II - Revaluation reserve	-	
IV - Legal reserve	25.479	25.016
V - Statutory reserve	325.344	316.541
VI - Other reserves	14.131	14.131
VII - Reserve for hedging operations of expected cash flows	-	
VIII - Retained earnings (losses)	-	
IX - Profit (loss) for the year	12.716	9.267
Loss covered in the financial year	-	
X - Negative reserve for treasury shares in portfolio	-	
Total equity	1.712.670	1.699.955
B) Provisions for risks and charges	-	
C) Employee termination indemnity	141.622	128.686
D) Payables		
Required within the next financial year	3.000.085	2.804.394
Exemptable beyond the following year	1.088.833	982.702
Total debts	4.088.918	3.787.096
E) Accrued expenses and deferred income	79.567	81.191
TOTAL PASSIVE	6.022.777	5.696.928
A) Value of production		
1) revenues from sales and services	2.636.466	2.187.745
2), 3) changes in inventories of work in progress, semi-finished and finished products and work in progress on order		
2) changes in inventories of work in progress, semi-finished and finished products	40.350	-11.018

3) change in contract work in progress	0	
4) increases in fixed assets for internal works	0	100.067
5) other revenues and income		
Operating grants	31.617	37.050
Others	3.980	1.624
Total other revenues and income	35.597	38.674
Total Value of production	2.712.413	2.315.468
B) Production costs		
6) raw materials, ancillary materials, consumables and goods	1.055.100	559.766
7) for services	467.830	491.673
8) for the enjoyment of third party assets	155.654	161.753
9) for the staff		
a) wages and salaries	623.947	669.940
b) social charges	110.279	119.917
c), d) e) termination treatment, retirement treatment, other personnel costs	35.977	25.315
c) termination treatment	27.413	22.272
d) quiescence treatment and the like	-	
e) other personnel costs	8.564	3.043
Total personnel costs	770.203	815.172
10) depreciation and write-downs		
A) b) c) amortization of intangible and tangible fixed assets, other writedowns of fixed assets	107.827	111.136
a) amortization of intangible assets	68.286	69.068
b) depreciation of tangible fixed assets	39.541	41.916
c) other writedowns of fixed assets	-	
d) devaluation of receivables included in current assets and liquid assets	0	152
Total depreciation and write-downs	107.827	111.136
11) changes in inventories of raw materials, ancillary materials, consumables and goods	-37.587	-15.657
12) provisions for risks	-	
13) other provisions	-	
14) different management charges	41.964	49.363
Total production costs	2.560.991	2.173.205
Difference between value and costs of production (A-B)	151.422	142.263
C) Financial income and expenses		
15) income from investments		
from controlled companies	-	
from related companies	-	
from controlling companies	-	
from companies subject to control by the parent companies	-	
Others	-	21
Total income from investments	-	21
16) other financial income		
a) from receivables recorded under fixed assets		
from controlled companies	-	
from related companies	-	
from controlling companies	-	
from companies subject to control by the parent companies	-	
others	1	5

Total financial income from receivables recorded under fixed assets	1	5
B) C) from securities registered in fixed assets that do not constitute equity investments and securities included in current assets that do not constitute equity investments	-	
b) from securities registered in fixed assets that do not constitute equity investments	-	
c) from assets registered in current assets that do not constitute equity investments	-	
d) income other than the previous ones	-	
from controlled companies	-	
from related companies	-	
from controlling companies	-	
from companies subject to control by the parent companies	-	
others	-	
Total income other than the previous ones	-	
Total other financial income	-	
17) interest and other financial charges		
to subsidiaries	-	
towards related companies	-	
towards controlling companies	-	
towards companies subject to control by the parent companies	-	
others	97.156	77.354
Total interest and other financial charges	97.156	77.354
17-bis) exchange gains and losses	37	-1.260
Total financial income and expenses (15 + 16- 17 + - 17-bis)	-97.118	-78.588
D) Value adjustments to assets and financial assets		
18) revaluations		
a) of investments	-	
b) of financial fixed assets that do not constitute investments	-	
c) of securities in current assets that do not constitute equity investments	-	
d) derivative financial instruments	-	
of financial assets for centralized treasury management	-	
Total revaluations	-	
19) devaluations	-	
a) of investments	3.450	-
b) of financial fixed assets that do not constitute investments	-	
c) of securities in current assets that do not constitute equity investments	-	
d) derivative financial instruments	-	
of financial assets for centralized treasury management	-	
Total devaluations	3.450	-
Total Value adjustments to assets and financial assets (18 – 19)	-3450	-
Result before the taxes (A – B + - C + - D)	50.854	63.675
20) Income taxes for the year, current. deferred and anticipated		
Current taxes	38.138	54.408
Taxes relating to previous years	-	
Total Income taxes for the year, current, deferred and anticipated	38.138	54.408
21) Profit (loss) for the year	12.716	9.267

Notes to the Financial Statements as at 31/12/2018

EXPLANATORY NOTES INITIAL PART

Dear Shareholders, these financial statements have been prepared in accordance with the provisions of the civil code and are composed of the following documents:

- 1) Balance Sheet;
- 2) Profits & Loss;
- 3) Explanatory note.

The financial statements for the year ended December 31, 2018 correspond to the accounting records regularly held and are prepared in accordance with art. 2423 and following of the civil code.

The financial statements are prepared with the amounts expressed in euro. In particular, pursuant to art. 2423, last paragraph, of the Italian Civil Code:

the balance sheet and the income statement are prepared in euros. The transition from account balances, expressed in euro cents, to financial statement balances, expressed in units of euro, occurred by rounding up or down in accordance with the provisions of the EC Regulation.

The notes to the financial statements, such as the balance sheet and the income statement, have been prepared in euros, without decimals, as required by art. 16, paragraph 8, Legislative Decree n. 213/98 and by art. 2423, last paragraph, of the Civil Code: all amounts expressed in euro units have been rounded, to the lower unit if they are less than 0.5 euro and higher if they are equal to or higher than 0.5.

COMPILATION CRITERIA

The following were respected: the general clause for the preparation of the financial statements (Article 2423 of the Civil Code), its drafting principles (Article 2423-bis of the Italian Civil Code) and the evaluation criteria established for the individual items (Article 2423 of the Civil Code). In particular:

- the valuation of the items was carried out according to the precaution and in the perspective of the continuation of the activity;
- the entry and presentation of the items is carried out taking into account the existence of the transaction or the charge;
- income and expenses have been considered in accordance with the accrual principle regardless of the date of collection or payment;
- the risks and losses pertaining to the year have been considered even if known after the closure of this;
- profits were included only if realized at the date of closure of the financial year according to the principle of competence;
- for each item in the balance sheet and income statement, the amount of the corresponding item of the previous year was indicated, in compliance with the provisions of art. 2423-ter of the Italian Civil Code .

It is also specified that:

- pursuant to art. 2435-bis, paragraph 1 of the civil code, the financial statements have been prepared in abridged form since the limits set by the same article are not exceeded for two consecutive financial years;
- the criteria used in the formation and assessment of the financial statements for the year ended 31.12.2018 take into account the notices introduced in the national system by the Legislative Decree. n. 139/2015, through which Directive 2013/34 / EU was implemented. As a result of Legislative Decree no. 139/2015 the national accounting standards were changed;
- pursuant to the provisions of art. 2423-ter of the Civil Code, in the drafting of the financial statements, the formats provided for by art. 2424 of the Civil Code for the Balance Sheet and by art. 2425 of the civil code for the Economic Report. These schemes are able to provide sufficient information to give a true and fair view of the Company's financial position and financial performance;

- the company has maintained the same valuation criteria used in previous years to which reference is made to the individual items of the financial statements, so that the financial statement values are comparable with those of the previous financial statements without having to make any adjustments.

Pursuant to art. 2435-bis, paragraph 7, of the Civil Code:

- 1) Own shares are not owned, nor are shares or shares of controlling companies, not even through a third party or a defense company;
- 2) Neither own shares nor shares or parent company shares have also been acquired or repaid, even through a third party or trust company.

PERFORMED ACTIVITY

The company carries out the following activities:

- a) construction, assistance and maintenance of industrial automations, civil and industrial electrical systems, photovoltaic systems, security and telephony systems, industrial electronics and installation of fire-fighting systems, limited to the electrical and electronic parts, with ATECO activity code 2007 332002;
- b) manufacture of equipment for electricity distribution and control networks with ATECO code 2007 271200.

VALUATION CRITERIA APPLIED

Pursuant to art. 2427 paragraph 1 no. 1, the evaluation criteria adopted and which are illustrated below, comply with the requirements of art. 2426 of the civil code, with particular reference to those items in the financial statements for which the legislator admits different evaluation and adjustment criteria or for which no specific criteria are provided.

INTANGIBLE ASSETS

Intangible fixed assets, using the assumptions provided for by the accounting principles, are recorded at purchase or production cost and are systematically amortized according to their residual possibility of use and taking into account the provisions contained in point 5) of art. 2426 of the civil code.

The **depreciation rates** used for the individual asset classes are:

Costs of planting and expansion and development	20%
Extraordinary works on third party assets	6.67%

The item extraordinary work on third-party assets, are costs incurred for the construction of systems placed on publicly owned surfaces leased, therefore they are amortized according to the duration of the contract.

MATERIAL IMMOBILISATIONS

Property, plant and equipment are recorded at purchase cost, including ancillary costs and costs directly attributable to the asset.

No portion of interest expense was charged to the cost of the assets.

Ordinary maintenance costs are charged in full to the income statement. Maintenance costs of an incremental nature are attributed to the assets to which they refer and amortized in relation to their residual possibility of use.

Tangible fixed assets are amortized on a straight-line basis according to rates commensurate with their residual possibility of use and also taking into account the physical use of the asset, which coincide with the ordinary rates envisaged by tax legislation (table attached to Ministerial Decree 31.12.1988, updated with modification with Ministerial Decree of 17.11.1992), and for the first year of entry into operation of the assets, they are reduced by 50 per cent as representative of the effective participation in the production process which can be considered as average at half year.

For the goods purchased at the beginning or end of the year, the period of use was taken into account.

The **depreciation rates** used for the individual asset classes are:

Industrial and commercial buildings	3%
Generic plants	10%
Industrial and commercial equipment	15%
Electron machines of office	20%
Furniture	15%
Truck / car	20-25%
Ordinary office machines	12%

In the event that, regardless of the depreciation already recorded, there is a permanent loss in value, the asset is correspondingly devalued; if the assumptions of the write-down no longer apply in subsequent financial years, the original value is restored.

Capital goods of modest unit cost of less than € 516.46 and of reduced useful life are fully expensed in the year of acquisition, those with a multi-year useful life (at least three years) are charged to the reference asset group and amortized with the same rules .

Assets under construction and advances to suppliers are recorded under assets on the basis of the cost incurred including directly attributable expenses.

FINANCIAL FIXED ASSETS

INVESTMENTS VALUED AT THE COST PRICE

The investments held by the company, recorded among the fixed assets as they represent a long-term and strategic investment, are valued at purchase or subscription cost (article 2426 n.1) and / or at the value of conferment (Maltignano Energy Srl)

CIRCULATING ACTIVE

Inventories

Raw materials inventories are recorded at the average purchase cost, as they are lower than the replacement cost derived from market trends.

Work in progress that has not yet been completed is instead evaluated on the basis of specific costs and share of general industrial costs already incurred on individual sites.

Credits

They are recorded in the balance sheet at the realizable value, taking into account the actual and concrete causes of non-collection; the receivables from customers subject to bankruptcy proceedings were also carefully assessed, bypassing those considered definitively uncollectable, also on the basis of the information and recovery actions of the legal department in charge.

The Company does not have any claims against foreign customers.

Liquid availability

Cash and cash equivalents are recorded for their actual amount.

Bank statements have been reconciled.

Accrued and deferred income and prepayments

They have been entered according to correct accounting practice to record the economic and temporal competence of costs and revenues.

Employee termination indemnity

The severance indemnity payable has been calculated in accordance with the provisions in force governing the employment relationship for employees and corresponds to the actual commitment of the company to individual employees at the balance sheet date.

Debts

Payables are recorded at nominal value and divided between those with a short maturity (within the following year) and a medium / long term maturity (more than the following year).

Costs and revenues

Costs and revenues have been accounted for on an accruals basis regardless of the date of collection and payment, net of returns, discounts, rebates and premiums.

Taxes

Taxes are allocated based on the forecast of the charge for the year.

Income taxes for the year amounted to € 38.138,00, of which € 25.166,00 for IRAP and € 12.972,00 for IRES.

No deferred taxes were recorded. The company, as the parent company, applies the tax consolidation with the subsidiary "Energy" companies (Maltignano Energy Srl and Campus Energy Srl).

Fixed assets

Movements of fixed assets

	Intangible assets	Tangible fixed assets	Financial immobilizations	Total fixed assets
Start value of the year				
Cost	501.837	801.367	402.188	1.705.392
Devaluations made during the year	116.893	447.373		564.266
Book value	384.944	353.994	402.188	1.141.126
Variations in the year				
Increases for acquisitions	-	2.335	1.140	3.475
Ammortization for the year	68.286	38.898		107.184
Writedowns made during the year	-	1.625	3.035	4.660
Total variations	(68286)	(38.188)	(1.895)	(108.369)
End of year value				
Cost	501.837	801.103	400.293	1.703.233
Depreciation (amortization provision)	185.179	485.297		670.476
Book value	316.658	315.806	400.293	1.032.757

Intangible fixed assets

Movements of intangible fixed assets

	Installation and expansion costs	Development costs	Costs of other intangible assets	Total intangible assets
Start value of the year				
Cost	17.781	333.764	150.291	501.837
Devaluations made during the year	7.373	46.739	62.781	116.893
Book value	10.408	287.025	87.510	384.944
Variations in the year				

Increases for acquisitions	-	-	-	-
Ammortization for the year	-	46.739	21.546	68.286
Writedowns made during the year	-	-	-	-
Total variations		(46.739)	(21.546)	(68.286)
Cost	17.781	333.764	150.291	501.836
Devaluations made during the year	7.373	93.478	84.327	185.179
Book value	10.408	240.286	65.964	316.658

The **intangibile fixed assets** consist of:

Costs of installations	€	1.689,48
Expansion costs	€	16.091,32
Development costs	€	333.764,39
Extraordinary works on third party assets	€	150.291,33
	€	501.836,52

Tangible fixed assets

Movements of tangible fixed assets

	Lands and buildings	Plant and machinery	Industrial and commercial facilities	Other tangible assets	Total Tangible assets
Start value of the year					
Cost	339.623	16.728	139.175	305.841	801.367
Depreciation (Amortization fund)	61.426	16.202	123.920	245.825	447.373
Book value	278.197	526	15.255	60.016	353.994
Variations in the year					
Decreases due to disposals and divestments	-	-	-	1.625	1.625

Increases for acquisitions	-	-	-	2.335	2.335
Ammortization for the year	7.463	400	6.391	24.644	38.898
Total variations	(7.463)	(400)	(6.391)	(23.934)	(38.188)
Value at the end of year					
Cost	339.623	16.728	139.175	305.577	801.103
Depreciation (amortization fund)	68.889	16.602	130.311	269.494	485.297
Book value	270.734	126	8.864	36.082	315.806

The **tangible fixed assets** consists of:

Land	€	58.000,00
Industrial and commercial buildings	€	248.768,00
Surface rights	€	32.855,24
Generic installations	€	10.173,53
Specific plants (photovoltaics plants)	€	6.553,97
Industrial and commercial facilities	€	139.175,22
Ordinary office furnitures and machines	€	16.551,03
Electronic office machines	€	173.356,16
Lorries/cars	€	65.788,53
Furniture	€	48.953,05
	€	800.174,73

No financial charges have been charged to the aforementioned items.

The building is represented by an office, located in the province of Milan, which was conferred following the merger with PHP Equipment Srl and on it weighs a mortgage to guarantee a fortnightly loan turned on in 2010, whose debt is better highlighted in the appropriate section.

Financial leasing transactions

The Company has a financial lease contract acquired following its takeover due to the merger with Appignano Energy Srl concerning the photovoltaic plants built in the municipality of Appignano (AP); on 22/05/2013 with the MPS Leasing expiring on 22/05/2028 for a value of € 566.968,00 for a total of 180 monthly installments of € 3,725.84.

Financial fixed assets

The Company holds equity investments, recorded under financial fixed assets, as they are destined to remain permanently in assets:

Name and location	CAMPUS PESARO ENERGY SRL UNIPERSONA VIA DELL'ARTIGIANATO IV TRAV 5 63076 MONTEPRANDONE AP
Social Capital	10.000
Reserves net of losses	216.098
Profit or loss	8.709
Share held directly	100,000 %
Share held indirectly	0,000 %
Total share held	100,000 %
Value on balance sheet	20.000
Corresponding credit	0

Name and location	MALTIGNANO ENERGY SRL VIA DELL'ARTIGIANATO IV TRAV 5 63076 MONTEPRANDONE AP
Social Capital	100.000
Reserves net of losses	340.123
Profit or loss	1.706
Share held directly	100,000 %
Share held indirectly	8,300 %
Total share held	100,000 %
Value on balance sheet	355.800
Corresponding credit	0

All the companies are directly controlled by STI SRL; they are all purpose companies for the construction and management of photovoltaic plants with municipalities and provinces.

Current assets: Loans

Changes in receivables recorded under current assets

	Receivables from customers registered under current assets	Receivables from subsidiaries registered under current assets	Tax receivables included under current assets	Assets for prepaid taxes included under current assets	Receivables from others included under current assets	Total receivables included under current assets
Start value of the year	1.579.936	679.990	12.462	1.111	896.585	3.162.553
Variation during the year	881.309	(71)	(892)	-	(532.513)	348.274
End of year value	2.461.245	676.919	12.072	1.111	364.513	3.515.860
Quote that expire within the year	2.461.245	676.919	5.590		364.513	3.508.267
Quote that expire beyond the year	-	-	6.482		-	6.482

The time classification of credits has been reviewed and better structured. The final balance of receivables **due within one year** is the algebraic sum of the following accounting items:

Receivables from customer	€	1.191.558,41
Cash order subject to clearance	€	477.174,46
Customer account for prepaid expenses	€	5.404,35
Invoice to be issued	€	
		281.429,41
Tasca prepaid card	€	2.428,56
Invoices to be issued on a Laterina photovoltaic system	€	504.000,00
Withholding tax termination indemnities	€	222,56
Other tax credits	€	5.367,10
Inps repayments account	€	1.240,00
To contract to supplier	€	338.326,39
Providers of prepaid expenses	€	1.755,17
Credits for deposits	€	23.928,86

Receivables from subsidiaries	€	676.918,84
Credit notes to be issued	€	-749,81
Debts towards pension fund	€	2.772,65
Total	€	3.508.267,07

The final balance of **receivables due after one year** is represented by the residual receivable due from the Tax Authority for the request for reimbursement of IRES for IRAP which has become deductible, measured on personnel costs for the period 2008/2011, equal to € 6,482. 24.

Liquid availability

	Start value of the year	Variation during the year	Endo of year value
Bank and post office deposits	703	3.423	4.126
Checks	6.865	-	6.865
Money and other cash values	1.587	2.629	4.216
Total cash and cash equivalents	9.154	6.052	15.207

The final balance of **cash and cash** equivalents consists of the sum of the following items:

Banca Monte dei Paschi di siena	€	3.399,83
Banca popolar di puglia e basilicata	€	99,32
Banca Intesa c/c USD	€	525,97
Btp savings deposit booklet	€	100,14
Interest account banks to be credited	€	1,12
Bank checks	€	6.865,00
	€	
Money in cash box	€	4.215,72
Total	€	15.207,10

Prepayments and accrued income

Prepayments consist of costs of future competence already recorded relative mainly to lease payments, financial charges and interest to suppliers.

	Accrued income	Prepaied expenses	Total prepayments and accrued income
Start value of the year	17.249	154.995	172.244
Variation during the year	1.419	(4.498)	(3.079)
End of year value	18.668	150.497	169.165

Changes in net equity items

	Legal reserves	Statutory reserves	Total Net Assets
Start value of the year	25.016	316.541	341.557
Destination of the result of previous year			
Other destinations	463	8.803	9.266
Other variations			
End of year value	25.479	325.344	350.823

Origin, possibility of use and distribution of net equity items

	Amount	Possibility of use	Quota available
Capital	1.335.000	B	1.335.000
Legal Reserve	25.479	B	25.479
Statutory Reserve	325.344	A-B-C	325.344
Other reserve			

Various other reserve	14.131	A-B-C	14.131
Totale oteher riserve	14.131		14.131
Total	1.699.954		1.699.954
Non distributable quota			1.360.479
Residual distributable share			339.475

Information on provisions for risks and charges

The provision provision represents the effective debt of the Company at the end of the year to employees in force at that date, net of advances paid.

Endo of work relationship tratemente

Infomation on the employment termination

	Employee termination indemnity
Start up value	128.686
Variations in the exercise	
Provision during the year	25.823
Use in the exercise	12.887
Total variations	12.936
Endo of year value	141.622

Debts

Variations and expiry of debts

Payables to shareholders for loans	Debts to bank	Debts to others	Advances to suppliers	Debts to subsidiaries	Tax debts	Payales to social security institutes	Other debts	Totale debts
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Start up valuse	69.955	1.188.148	0	584.657	870.579	82.580	698.154	65.958	227.067	3.787.098
Variations in the exercise	19.097	(20.997)	652	76.345	361.608	(317)	5.095	24.432	(164.096)	301.819
End of year value	89.052	1.167.151	652	661.002	1.232.187	82.263	703.249	90.390	62.971	4.088.917
Poor amount within the financial year	-	656.410	652	661.002	1.178.112	82.263	268.284	90.390	62.971	3.000.084
Poor amount over the year	89.052	510.741	-	-	54.075	-	434.965	-	-	1.088.833

The final balance of payables due within the following year is made up of the algebraic sum of the following items:

Withholding tax	€	-5.714,20
Tax credit	€	-4.284,75
Credit notes to be received	€	768,62
Different credits	€	2,55
Banca del Piceno	€	123.751,28
Banca Intesa	€	45.198,86
Banca Popolare di Milano	€	143.446,11
BCC di Milano	€	87.936,99
Banca Reale	€	46.180,83
BCC di Milano advance bill invoice	€	48.549,56
Banca Pop. Di Milano advance bill invoice	€	20.000,00
Banca c/Serv. Inter.	€	6.760,35
Banca debit interests account to be debited	€	35.586,87
Other financial debts	€	652,10
Account advance customers	€	655.839,10

Deposits from customers	€	5.163,26
Payable to suppliers	€	1.143.643,30
Invoice to be received	€	35.130,55
Payable to subsidiaries	€	82.263,21
Debts for Ires tax	€	42.082,00
Debts for tax on termination indemnity	€	540,36
Debts for VAT	€	71.016,89
Debts for income tax on the employees	€	54.487,80
Debts for income tax on the collaborators	€	44.687,50
Debts for income tax on the self-employed	€	12.824,98
Debts for IRAP tax	€	48.291,20
Debts for additional regional tax	€	5.641,71
Debts for additional municipal tax	€	2.916,94
Tax debts	€	815,00
Inps employees contribution	€	56.465,63
Inps self-employed contribution	€	17.605,82
Other payables to social security institutions	€	16.318,26
Payables to workers for salaries	€	51.642,78
Differents Debts	€	4.565,14
Bank loans	€	105.759,88
	€	3.000.084,81

Mortgage loans receivables and advances to the tax authorities are offset as a reduction of tax debts, with the same technique that uses the Unified tax return model approved by the Revenue Agency.

Accrued expenses and deferred income

The item accrued expenses consists of portions of costs accrued during the year, whose financial manifestation occurred in the subsequent year, and are mainly

represented by salaries, social security charges and financial charges.

	Accrued expenses	Deferred incomes	Totale ratei e risconti passivi
Start value of the year	80.651	540	81.191
Variation during the year	(2.572)	948	(1.624)
End of year value	78.079	1.488	79.567

Notes to the accounts Income statement

The costs and revenues have been accounted for on the basis of the principle of competence regardless of the date of collection and payment, net of returns, discounts, rebates and premiums. Revenues related to services are recorded in the financial statements when the service is actually performed.

Value of production

To summarize the economic performance of the year we specify the following:

	Current Year	Previous Year	Variation
Revenue from sales and services	2.636.466	2.187.745	448.721
Changes in inventories of work in progress, semi-finished and finished products	40.350	(11.018)	51.368
Changes in contract work in progress			
Increases in fixed assets for internal works		100.067	-100.067
Other	35.597	38.674	-3.077
Total	2.712.413	2.315.468	396.945

Explanatory note other informations

Summary statement of the financial statements of the company that carries out management and coordination activities. Information pursuant to 2497 - bis of the Italian Civil Code

In compliance with the art. 2497-bis, paragraph 4, it should be noted that the company's activity is not subject to the direction and coordination of companies and entities.

FINANCIAL CHARGES CHARGED TO THE VALUES OF THE BALANCE SHEET

ASSETS During the year, no financial charges were charged to any asset item in the balance sheet.

INCOME FROM EQUITY INVESTMENTS

The Company did not receive any dividend rights, bonds convertible into shares, securities or similar values issued by the company.

SHARES OF ENJOYMENT, CONVERTIBLE BONDS AND OTHERS.

There are no dividend rights, bonds convertible into shares, securities or similar values issued by the company

FINANCING MADE BY MEMBERS.

During the year 2018, the Company did not benefit from new loans from the shareholders.

TRANSACTIONS WITH RELATED PARTIES (Art. 22-bis)

The Company has not directly or indirectly realized significant new transactions and / or non-market conditions pursuant to art. 2427 n. 22-bis with related parties (directors, statutory auditors, majority shareholders, parent companies, etc.)

CREDITS AND PAYABLES

The balance sheet does not show receivables and payables of a duration of more than five years, with the exception of the ex PHP mortgage loan due to expire in 2025

RECEIVABLES FOR TRANSACTIONS WITH OBLIGATION FOR THE DEBT BUYER (Art. 2427 number 6-ter)

The Company does not have any receivables relating to repurchase agreements.

PAYABLES FOR TRANSACTIONS WITH OBLIGATION FOR THE DEBT BUYER (art. 2427 number 6-ter)

The Company has no debts relating to repurchase agreements.

Explanatory note, final part.

We reiterate that the evaluation criteria presented here comply with civil law.

This integrative note, as well as the entire financial statements of which it is an integral part, truthfully and correctly represents the financial position of the company and the economic recovery of the year.

The presentation of the values required by Article 2435 bis of the Civil Code has been prepared in compliance with the principle of clarity.

It should be noted that the 2018 profit for the year of € 12,716 is the result of a careful corporate development policy based on an efficient management of human and financial resources and aimed at consolidating the company in its reference market, creating new profit prospects.

With regard to the operating profit of € 12.716, it is proposed to allocate it to statutory reserves.

Based on the information provided, we invite you to approve the financial statements at 31.12.2018 and the aforementioned profit allocation proposal.

It obviously remains available to provide clarifications and necessary information at the meeting.

Monteprandone, 26.03.2019

The chairman of the board of directors