

EDAC BIELLA SRL

Financial statements as at 31-12-2017

| Company details | |
|---|--------------------------------|
| Registered Office in | VIA FILIPPO TURATI 29 MILAN MI |
| Tax Code | 02603290020 |
| REA (Index of Economic and Administrative Information) number | MI 2082275 |
| VAT No. | 02603290020 |
| Share Capital Euros | 50,000 |
| Legal structure | LIMITED LIABILITY COMPANY |
| Main business sector (ATECO) | 439909 |
| Company in liquidation | no |
| Single-member company | no |
| Company subject to the direction and coordination of others | no |
| Member of a group | no |

Balance sheet

| | 31-12-2017 | 31-12-2016 |
|--------------------------------------|------------|------------|
| Balance sheet | | |
| Assets | | |
| B) Fixed assets | | |
| 1 - Intangible fixed assets | 17,231 | 34,429 |
| II - Tangible fixed assets | 2,896 | 503 |
| Total tangible fixed assets (B) | 20,127 | 34,932 |
| C) Current assets | | |
| 1 - Inventories | 68,646 | 18,418 |
| II - Receivables | | |
| due within the next financial year | 488,576 | 164,483 |
| Total receivables | 488,576 | 164,483 |
| IV - Cash and cash equivalents | 28,477 | 46,494 |
| Total current assets (C) | 585,699 | 229,395 |
| Total assets | 605,826 | 264,327 |
| Liabilities | | |
| A) Shareholders' equity | | |
| I - Capital | 50,000 | 50,000 |
| IV - Legal reserve | 1,154 | 832 |
| VI - Other reserves | 15,805 | 15,805 |
| VIII - Profit (loss) carried forward | 7,787 | 1,669 |
| IX - Profit (loss) for the year | 111,510 | 6,440 |
| Total shareholders' equity | 186,256 | 74,746 |
| C) Employee severance indemnities | - | 1,142 |
| D) Payables | | |
| due within the next financial year | 419,570 | 188,439 |
| Total payables | 419,570 | 188,439 |
| Total liabilities | 605,826 | 264,327 |

Income statement

31-12-2017 31-12-2016

| Income statement | | |
|---|-----------|----------|
| A) Value of production | | |
| 1) revenue from sales and services | 1,059,528 | 314,920 |
| 5) other revenue and proceeds | | |
| others | 24,139 | 709 |
| Total other revenue and proceeds | 24,139 | 709 |
| Total value of production | 1,083,667 | 315,629 |
| B) Costs of production | | |
| 6) for raw and ancillary materials, consumable goods and merchandise | 240,594 | 85,912 |
| 7) for services | 317,426 | 146,015 |
| 8) for use of leased assets | 37,822 | 50,095 |
| 9) for staff | | |
| a) salaries and wages | 169,532 | 11,418 |
| b) social security costs | 135,872 | 6,451 |
| c), d), e) severance indemnity, retirement benefits, other staff costs | 43,047 | 960 |
| c) employee severance indemnity | 10,923 | 767 |
| e) other costs | 32,124 | 193 |
| Total personnel costs | 348,451 | 18,829 |
| 10) amortisation/depreciation and write-downs | | |
| a), b), c) amortisation/depreciation of tangible and intangible fixed assets, other write-downs of fixed assets | 17,605 | 17,325 |
| a) amortisation of intangible fixed assets | 17,198 | 17,198 |
| b) depreciation of tangible fixed assets | 407 | 127 |
| Total amortisation/depreciation and write-downs | 17,605 | 17,325 |
| 11) change in inventories of raw and ancillary materials, consumables and goods | (50,229) | (16,116) |
| 14) other operating expenses | 2,682 | 892 |
| Total production costs | 914,351 | 302,952 |
| Difference between production value and costs (A - B) | 169,316 | 12,677 |
| C) Financial income and charges | | |
| 17) interest and other financial charges | | |
| others | - | 7 |
| Total interest and other financial charges | - | 7 |
| Total financial income and charges (15 + 16 - 17 + - 17-bis) | - | (7) |
| Pre-tax profit/loss (A - B + - C + - D) | 169,316 | 12,670 |
| 20) Income taxes for the year, current, deferred and prepaid | | |
| current taxes | 57,806 | 6,230 |
| Total income taxes for the year, current, deferred and prepaid | 57,806 | 6,230 |
| 21) Profit (loss) for the year | 111,510 | 6,440 |

Explanatory notes to the Financial Statements as at 31-12-2017

Explanatory notes, first part

Dear Shareholders, these Explanatory Notes are an integral part of the financial statements as at 31/12/2017.

The financial statements are drawn up in condensed form as the limits have not been exceeded for two consecutive financial years as per art. 2435-bis of the Italian Civil Code.

These financial statements are in compliance with the provisions of articles 2423 et seq. of the Italian Civil Code and national accounting standards as published by the Italian Accounting Body. Therefore they clearly, truly and fairly represent the financial position and operating result of the year.

The contents of the Balance Sheet and Income Statement are those envisaged by articles 2424 and 2425 of the Italian Civil Code. The explanatory notes, drafted pursuant to art. 2427 of the Italian Civil Code, also contain all information useful for providing a correct interpretation of the financial statements.

Also provided herein is the information required by numbers 3 and 4 of art. 2428 of the Italian Civil Code, since, as permitted by art. 2435-bis of the Italian Civil Code, the Management Report was not prepared.

These financial statements for the year ended 31/12/2017 show an operating result of €111,510.00.

The year of reference of the financial statements saw a substantial increase in revenues compared to the previous year. Production costs also saw an increase, closely related to higher company operations, though to a lesser extent compared to revenues, and this led to an improvement in the result for the year.

Content criteria

Preparation of the financial statements

The information included in this document is presented in the order in which the related items are specified on the balance sheet and income statement.

With regard to that which was mentioned in the introduction to these explanatory notes, note that, in accordance with art. 2423, 3rd paragraph of the Italian Civil Code, where the information required by specific provisions of law is insufficient for providing a true and correct portrayal of the company's situation, all additional information deemed necessary to this purpose is also supplied.

There were no exceptional cases that required recourse to exceptions pursuant to art. 2423, paragraphs 4 and 5 and art. 2423-bis, paragraph 2 of the Italian Civil Code.

The financial statements, as well as these explanatory notes, have been prepared in euros.

Drafting principles of the financial statements

The valuation of the items of the financial statements was performed in compliance with the general principles of prudence and on a going-concern basis. In accordance with art. 2423-bis, para. 1, point 1-bis of the Italian Civil Code, the items are recognised and presented taking into account the substance of the transaction or contract.

In preparing the financial statements, income and charges were booked on an accrual basis regardless of the actual date of payment and/or of the document. Risks and losses pertaining to the year were taken into account, even if awareness of such was only gained after year-end.

Structure and contents of the Financial Statements

The balance sheet, income statement and all accounting information contained in these notes comply with the accounting records from which they have been directly disclosed.

In presenting the balance sheet and income statement, no items preceded by Arabic numerals were grouped together, as is instead permitted by art. 2423-ter of the Italian Civil Code.

In accordance with art. 2423-ter of the Italian Civil Code, all items of the financial statements are comparable with the previous year, so there has been no need to adapt any item from last year.

In accordance with art. 2424 of the Italian Civil Code, there are no elements of assets or liabilities that fall under more than one item of the financial statements.

Measurement criteria

The criteria applied for the valuations of the items of the financial statements and value adjustments are in compliance with the provisions of the Italian Civil Code and instructions within the accounting standards issued by the Italian Accounting Body. These have not changed from last year.

In compliance with art. 2427, para. 1, no. 1 of the Italian Civil Code, the most important measurement criteria are presented, adopted in compliance with the provisions of art. 2426 of the Italian Civil Code, with particular reference to those items of the financial statements for which the law allows different measurement and adjustment criteria or for which no specific criteria are envisaged.

Other information**Valuation of items in foreign currency**

As at the end of the financial year the company had no assets or liabilities in foreign currency.

Forward repurchase transactions

Pursuant to art. 2427, no. 6-ter, the company certifies that no transaction subject to forward repurchase agreements was executed during the year.

Disclosure pursuant to art. 1, paragraph 125 of Italian Law 124/2017

With respect to the provisions of art. 1, paragraph 125 of Italian Law 124/2017 regarding the obligation to disclose in the notes to the financial statements any sums of money received during the financial year by way of grants, contributions, paid assignments and in any case economic benefits of any kind from public administrations and from the parties referred to in paragraph 125 of said article, the Company states that during the financial year in question it received an amount equal to €7,800.00 from the Municipality of Trino

Condensed explanatory notes - Assets

The figures booked among the assets of the balance sheet were assigned a value pursuant to the provisions of article 2426 of the Italian Civil Code and in compliance with the national accounting standards. The specific criteria applied are detailed within the sections related to the individual entries.

Fixed Assets

Intangible fixed assets

The conditions being met as per accounting standards, intangible fixed assets are reported in balance sheet assets at purchase cost, and are amortised on a straight-line basis according to their residual useful life.

The value of the fixed assets is shown net of accumulated amortisation.

Amortisation has been calculated in accordance with the following plan, which is deemed to provide a correct division of the cost borne throughout the useful life of the relevant fixed assets:

| Intangible fixed assets | Period |
|--|---------------|
| Start-up and expansion costs | 5 years |
| Concessions, licences, trademarks and similar rights | 3 years |

Any disposals of intangible assets during the year resulted in the elimination of their residual value.

The amortisation criterion for intangible fixed assets was systematically applied in each financial year in relation to the residual possibility of economic use of each individual asset.

Pursuant to and for the purposes of art. 10 of Italian Law no. 72 of 19 March 1983, and as also mentioned by the subsequent monetary revaluation laws, it is noted that no monetary revaluation has been made for existing intangible fixed assets.

Note that there was no need to impair said fixed assets pursuant to art. 2426, paragraph 1, no. 3 of the Italian Civil Code insofar as, as envisaged by accounting standard OIC 9, no indications of potential permanent losses of value of intangible fixed assets were found.

Start-up and expansion costs

Start-up and expansion costs were included among balance sheet assets because they have a useful life spanning several years. These costs were amortised within a period of no more than five years.

Intangible assets

Intangible assets are stated at purchase cost including ancillary costs and are amortised within the statutory or contractual limits envisaged.

Tangible fixed assets

Assets belonging to the category of tangible fixed assets, recognised at the date of transfer of the risks and benefits of the acquired asset, are entered in the balance sheet at purchase cost plus any ancillary costs incurred until the assets are ready for use, and in any case within the limits of their recoverable amount. These assets are recognised among balance sheet assets net of accumulated depreciation

Any disposals of assets (transfers, scrapping, etc.) that took place during the year result in the elimination of their residual value. Any difference between the book value and the disposal value has been recognised in the income statement.

For assets acquired during the year, the above rates were reduced by half since the depreciation thus obtained does not significantly differ from the amount calculated from the moment in which the asset is available and ready for use.

The criteria for the depreciation of tangible fixed assets has not changed compared to last year.

Pursuant to and for the purposes of art. 10 of Italian Law no. 72 of 19 March 1983, and as also mentioned by the subsequent monetary revaluation laws, it is noted that no monetary revaluation has been made for existing tangible fixed assets.

Note that there was no need to impair said fixed assets pursuant to art. 2426, paragraph 1, no. 3 of the Italian Civil Code insofar as, as envisaged by accounting standard OIC 9, no indications of potential permanent losses of value of tangible fixed assets were found.

Changes in fixed assets

This paragraph of the explanatory notes analyses the changes to intangible, tangible and financial fixed assets.

The following has been specified for each item of the fixed assets:

- Historical cost
- Any previous revaluations, write-downs and amortisation/depreciation of the fixed assets existing at the start of the year
- Purchases, changes from one item to another, sales and disposals that took place during the year
- Revaluations, write-downs and amortisation/depreciation during the year

The final balance of the fixed asset

| | Intangible fixed assets | Tangible fixed assets | Total fixed assets |
|--|-------------------------|-----------------------|--------------------|
| Value at year start | | | |
| Cost | 52,664 | 636 | 53,300 |
| Depreciation/amortisation (Accumulated depreciation/amortisation) | 18,235 | 133 | 18,368 |
| Balance sheet value | 34,429 | 503 | 34,932 |
| Changes during the year | | | |
| Increases for purchases | - | 2,800 | 2,800 |
| Depreciation/amortisation for the year | 17,198 | 407 | 17,605 |
| Total changes | (17,198) | 2,393 | (14,805) |
| Value at year end | | | |
| Cost | 52,664 | 3,436 | 56,100 |
| Depreciation/amortisation (Accumulated depreciation/amortisation) | 35,433 | 540 | 35,973 |
| Balance sheet value | 17,231 | 2,896 | 20,127 |

Finance lease transactions

As at the year-end date, the company has no financial lease contracts in place.

Current assets

Elements of working capital are valued in accordance with the provisions from numbers 8 to 11-bis of article 2426 of the Italian Civil Code. The criteria used are listed in the sections corresponding to the respective items in the financial statements.

Inventories

Raw, ancillary and consumable materials

The cost of inventories of raw, ancillary and consumable materials with heterogeneous characteristics and which are not interchangeable has been calculated at specific costs, i.e. attributing individual goods with the costs specifically incurred for them. The value thus determined was appropriately compared, as explicitly required by art. 2426, no. 9 of the Italian Civil Code, with the realisable value based on the current market.

Receivables recorded in current assets

Receivables recorded under current assets were valued at their presumed realisable value using the option granted by art. 2435-bis of the Italian Civil Code.

Capitalised financial charges

All the interest and the other financial charges have been expensed in full during the year. In accordance with art. 2427, paragraph 1, no. 8 of the Italian Civil Code, it is therefore certified that there are no capitalisations of financial charges.

Condensed explanatory notes - Liabilities and shareholders' equity

Shareholders' equity and liabilities in the balance sheet were booked in compliance with national accounting standards. The specific criteria applied are detailed in the sections relating to the individual items.

Shareholders' equity

The items are recorded at their book value in compliance with the instructions contained in accounting standard OIC 28.

Payables

Payables were shown in the financial statements at nominal value, using the option granted by art. 2435-bis of the Italian Civil Code.

Payables with a duration of over five years and payables secured by collateral on company assets

Pursuant to and for the purposes of art. 2427, paragraph 1, no. 6 of the Italian Civil Code, it is certified that there are no payables with a duration of more than five years or payables secured by collateral on corporate assets.

Condensed explanatory notes - Income statement

The income statement shows the profit/loss for the year.

It provides a representation of operations, using a summary of positive and negative income components that contributed to the profit or loss. Positive and negative income components recognised in the financial statements in compliance with article 2425-bis of the Italian Civil Code are broken down according to which type of operations they belong to: core, ancillary and financial.

Core operations consist of income components generated by transactions that occur on a continuous basis and related to the company's core business, the activity for which it was founded.

Financial operations consist of transactions that generate financial income and charges.

On a residual basis, ancillary activities involve transactions that generate income components which form part of the ordinary activities but that do not fall under the core and financial activities.

Value of production

Revenues are recognised in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as directly related taxes.

Revenues from the provision of services are recognised when the service is rendered. For the provision of continuous services, the related revenues are recognised for the amount accrued.

Cost of production

Costs and expenses are recognised on an accrual basis and by nature, net of returns, allowances, discounts and bonuses, in compliance with the principle of correlation with revenues, and recorded under the corresponding items in compliance with accounting standard OIC 12. As regards the purchase of goods, the related costs are recognised when the material and non-formal transfer of ownership occurs, taking the transfer of risks and benefits as the parameter of reference for the material transfer. In the case of purchase of services, the related costs are recognised when the service is received or concluded, while for continuous services the related costs are recognised for the amount accrued.

Financial income and charges

Financial income and charges are recognised on a pro tempore basis in relation to the amount accrued during the financial year.

Amount and nature of individual items of income/expenditure of exceptional magnitude or incidence

During the year under review, no revenues or other positive components deriving from events of an exceptional amount or impact were recognised.

During the year, no costs arising from events of an exceptional amount or impact were recognised.

Income taxes for the year, current, deferred and prepaid

The company allocated annual taxes based on the application of current tax regulations. Current taxes refer to taxes accruing in the financial year as per tax returns. Taxes relating to prior years include direct taxes for prior years, including interest and penalties, and also refer to the positive (or negative) difference between the amount due as a result of settlement of litigation or an assessment compared to the value of the provision allocated in previous years. Finally, deferred and prepaid taxes refer to positive or negative income components subject respectively to taxation or deduction in years other than those of statutory recognition.

Deferred and prepaid taxes

No provision has been made in the income statement for deferred tax assets and liabilities as there are no temporary differences between the balance sheet and the theoretical tax liability.

Condensed explanatory notes - Other information

Additional information required by the Italian Civil Code appears below.

Headcount numbers

The table below specifies the average number of employees, broken down by category and calculated considering the daily average.

| | Average number |
|---------------------|----------------|
| Blue-collar workers | 8 |
| Total Employees | 8 |

The change in the number of employees compared to the previous year can be illustrated as follows:

- 11 employees were hired in the construction sector following the investment initiatives previously planned (based on the set growth objectives).

Remuneration, advances and loans granted to directors and statutory auditors and commitments made on their behalf

The Company has not approved any remuneration, nor are there any advances to or receivables from the governing body. Moreover, it has not made any commitments on behalf of such body as a result of guarantees of any kind.

Potential commitments, guarantees and liabilities not recorded by balance sheet

There are no off-balance sheet commitments, guarantees or contingencies.

Disclosure of transactions with related parties

For the purpose of the provisions of current law, during the year no related party transactions were executed.

Disclosure of off-balance sheet agreements

During the year no off-balance sheet agreements were stipulated.

Information on significant events occurring after year-end

With regard to point 22-quarter of art. 2427 of the Italian Civil Code, there were no significant events occurring subsequent to the reporting date that materially impacted the company's financial position.

Businesses that draft the consolidated financial statements of the smallest group of businesses they are a part of as a subsidiary

This case does not exist as per art. 2427, no. 22-sexies of the Italian Civil Code.

Information relating to derivative financial instruments pursuant to art. 2427-bis of the Italian Civil Code

No derivative financial instruments were used.

Overview of the Financial Statements of the company performing the activity of management and coordination

In accordance with art. 2497-bis, para. 4 of the Italian Civil Code, it is noted that the company is not subject to the direction and coordination of a third party.

Treasury stock of parent companies

In accordance with art. 2435-bis and article 2428, paragraph 3, points 3 and 4 of the Italian Civil Code, note that during the year the company did not hold any shares or quotas in the parent company.

Proposed allocation of profits or coverage of losses

Dear Shareholders, in light of the above, the governing body proposes to carry forward the profit for the year as follows:

5%, equal to €5,576.00, to the legal reserve.

The balance as retained earnings.

Explanatory notes - Final part

Dear Shareholders, we can confirm that these financial statements, consisting of the balance sheet, income statement and explanatory notes, provide a true and fair view of the company's equity and financial situation as well as the economic result for the year, and are consistent with the underlying accounting records. We therefore invite you to approve the financial statements as at 31/12/2017 together with the proposed allocation of the annual result as decided by the governing body.

The Financial Statements are true and real and comply with the accounting records.

Milan, 31/03/2018

For the Board of Directors

Riccardo Iovino, Chairman

A handwritten signature in black ink, appearing to be 'R. Iovino', written over a light blue horizontal line.