

## I.CO.P. S.P.A.

### Consolidated financial statements to 31-12-2017

Name and id code	
Company site	BASILIANO (UD) V. SILVIO PELLICO
Fiscal code	00298880303
Registration number	
VAT number	00298880303
Share capital Euro	11.000.000
Activity Code (ATECO)	412000
Company being wound up	no
Company with a single shareholder	no

## Consolidated balance sheet

	31-12-2017	31-12-2016
Balance sheet (mandatory scheme)		
Assets		
A) receivables due from shareholders		
Called	0	0
To be called	55.688	52.978
Total receivables due from shareholders (A)	55.688	52.978
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs	2.996	23.887
2) Development costs	2.826	4.749
3) industrial patents and intellectual property rights	999	1.997
4) concessions, licenses, trademarks and similar rights	158.270	117.381
5) goodwill	366.147	503.604
6) assets in process of formation and advances	10.000	30.922
7) other	1.299.208	2.320.838
Total intangible fixed assets	1.840.446	3.003.379
II - Tangible fixed assets		
1) land and buildings	4.958.132	5.003.779
2) plant and machinery	21.508.015	18.958.348
3) industrial and commercial equipment	561.484	390.474
4) other assets	587.853	675.264
5) assets under construction and payments on account	534.522	316.239
Total tangible fixed assets	28.150.005	25.344.103
III - Financial fixed assets		
1) equity investments		
a) subsidiary companies	32.889	48.389
b) associated companies	5.042.279	4.856.688
c) parent companies	0	0
d) companies controlled by parent companies	0	0
d-b) other companies	1.364	1.364
Total equity investments	5.076.531	4.906.441
2) receivables due from		
a) subsidiary companies		
due within the following year	147.550	126.678
due beyond the following year	0	0
Total receivables due from subsidiary companies	147.550	126.678
b) associated companies		
due within the following year	412.320	765.287
due beyond the following year	0	0
Total receivables due from associated companies	412.320	765.287
c) parent companies		
due within the following year	0	0
due beyond the following year	0	0
Total receivables due from parent companies	0	0
d) due from companies controlled by parent companies		
due within the following year	0	0
due beyond the following year	0	0

Total receivables paid by companies controlled by parent companies	0	0
d-b) due from others		
due within the following year	553.603	440.863
due beyond the following year	0	0
Total receivables due from third parties	553.603	440.863
Total receivables	1.113.472	1.332.828
3) other securities	0	0
4) active derivative financial instruments	0	0
Total financial fixed assets	6.190.004	6.239.269
Total fixed assets (B)	36.180.454	34.586.752
C) Current assets		
I - Inventories		
1) raw, ancillary and consumable materials	6.206.885	4.256.072
2) work in progress and semi-finished products	0	0
3) contract work in progress	17.931.848	22.264.570
4) finished products and goods for resale	513.716	454.351
5) advances	114.422	4.976
Total inventories	24.766.871	26.979.969
Tangible fixed assets for resale	0	0
II - Receivables		
1) trade accounts		
due within the following year	32.410.441	22.968.104
due beyond the following year	22.774	22.774
Total trade accounts	32.433.215	22.990.878
2) due from subsidiary companies		
due within the following year	603.802	281.189
due beyond the following year	0	0
Total receivables due from subsidiary companies	603.802	281.189
3) due from associated companies		
due within the following year	8.509.715	7.614.228
due beyond the following year	0	0
Total receivables due from associated companies	8.509.715	7.614.228
4) due from parent companies		
due within the following year	0	0
due beyond the following year	0	0
Total receivables due from parent companies	0	0
5) receivables due from companies controlled by parent companies		
due within the following year	0	0
due beyond the following year	0	0
Total receivables paid by companies controlled by parent companies	0	0
5-b) tax receivables		
due within the following year	6.364.740	6.260.292
due beyond the following year	7.824	1.193.120
Total receivables due from tax authorities	6.372.564	7.453.412
5-c) prepaid tax	472.374	476.645
5-d) other receivables		
due within the following year	2.613.485	2.056.458
due beyond the following year	0	0
Total receivables due from third parties	2.613.485	2.056.458
Total receivables	51.005.156	40.872.812
III - Current financial assets		

1) investments in subsidiary companies	0	0
2) investments in associated companies	0	0
3) investments in parent companies	0	0
3-b) investments in companies controlled by parent companies	0	0
4) investments in other companies	0	0
5) active derivative financial instruments	0	0
6) other investments	600.000	0
financial assets for central pool management	0	0
Total financial current assets	600.000	0
IV - Liquid funds		
1) bank and post office deposits	12.116.894	7.031.406
2) cheques	0	0
3) cash and equivalents on hand	17.048	16.784
Total liquid funds	12.133.942	7.048.189
Total current assets (C)	88.505.969	74.900.970
D) Accrued income and prepayments	390.880	436.928
Total assets	125.132.990	109.977.627
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	11.000.000	11.000.000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	378.940	368.347
V - Statutory reserves	0	0
VI - Other reserves, indicated separately		
Extraordinary reserve	404.812	203.561
Reserves from exceptions as per art. 2423 Civil Code	0	0
Shares reserve of the parent entity	0	0
Investment revaluation reserve	0	0
Contributions for capital increase	0	0
Contributions for future capital increase	0	0
Contributions to capital account or to cover previous losses	0	0
Contributions to cover losses	0	0
Capital reduction reserve	29.813	29.813
Merger surplus reserve	0	0
Reserve from exchange gains not redeemed	177.548	177.469
Reserve from current profit adjustments	0	0
Consolidation reserve	0	0
Translation difference reserve	0	0
Miscellaneous other reserves	(97.681)	(73.928)
Total other reserves	514.493	336.915
VII - Reserve for hedging expected cash flow operations	0	0
VIII - Retained earnings (accumulated losses)	(37.889)	170.025
IX - Net profit (loss) for the year	1.633.326	171.812
Minimised loss for the year	0	0
X - Negative reserve for own portfolio shares	0	0
Total group shareholders' equity	13.488.870	12.047.099
Minority shareholders' equity		
Third party capital and reserves	9.149	184.898
Minority shareholders' profit (loss)	(51.872)	(32.273)
Total minority shareholders' equity	(42.723)	152.625

Total consolidated equity	13.446.146	12.199.725
<b>B) Reserves for contingencies and other charges</b>		
1) pension and similar commitments	350.010	325.830
2) taxation	1.057.209	1.109.772
Consolidation reserve for future risks and liabilities	0	0
3) passive derivative financial instruments	49.925	106.303
4) other	86.537	31.787
Total reserves for contingencies and other charges	1.543.681	1.573.692
Total reserve for severance indemnities (TFR)	593.945	595.608
<b>D) Payables</b>		
1) bonds		
due within the following year	0	0
due beyond the following year	11.623.077	0
Total bonds	11.623.077	0
2) convertible bonds		
due within the following year	0	0
due beyond the following year	0	0
Total convertible bonds	0	0
3) due to partners for financing		
due within the following year	244.866	250.000
due beyond the following year	519.777	750.000
Total payables due to partners for financing	764.643	1.000.000
4) due to banks		
due within the following year	21.353.913	26.032.039
due beyond the following year	9.006.787	10.637.564
Total payables due to banks	30.360.700	36.669.603
5) due to other providers of finance		
due within the following year	2.476.329	2.520.530
due beyond the following year	4.096.092	3.010.097
Total payables due to other providers of finance	6.572.421	5.530.627
6) advances		
due within the following year	3.862.624	3.636.717
due beyond the following year	0	0
Total advances	3.862.624	3.636.717
7) trade accounts		
due within the following year	34.895.744	26.766.182
due beyond the following year	0	0
Total trade accounts	34.895.744	26.766.182
8) payables represented by credit instruments		
due within the following year	0	0
due beyond the following year	0	0
Total payables represented by credit instruments	0	0
9) due to subsidiary companies		
due within the following year	313.925	75.207
due beyond the following year	0	0
Total payables due to subsidiary companies	313.925	75.207
10) due to associated companies		
due within the following year	13.752.413	16.357.576
due beyond the following year	0	0
Total payables due to associated companies	13.752.413	16.357.576
11) due to parent companies		

due within the following year	0	0
due beyond the following year	0	0
Total payables due to parent companies	0	0
11-b) payables due to companies controlled by parent companies		
due within the following year	0	0
due beyond the following year	0	0
Total payables due to companies controlled by parent companies	0	0
12) due to tax authorities		
due within the following year	1.871.540	538.101
due beyond the following year	54.476	86.156
Total payables due to tax authorities	1.926.016	624.257
13) due to social security and welfare institutions		
due within the following year	742.995	466.852
due beyond the following year	0	0
Total payables due to social security and welfare institutions	742.995	466.852
14) other payables		
due within the following year	3.890.444	3.335.576
due beyond the following year	384.213	768.426
Total other payables	4.274.657	4.104.001
Total payables (D)	109.089.215	95.231.022
E) Accrued liabilities and deferred income	460.003	377.580
Total liabilities and shareholders' equity	125.132.990	109.977.627

## Consolidated income statement

	31-12-2017	31-12-2016
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	45.211.027	36.353.349
2) Change in work in progress, semi-finished and finished products	0	-
3) Change in contract work in progress	51.097.392	39.259.996
4) Increases in internally constructed fixed assets	882.155	1.343.939
5) Other income and revenues		
operating grants	26.790	115.392
other	3.648.954	4.794.985
Total Other income and revenues	3.675.744	4.910.377
Total value of production	100.866.318	81.867.661
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	26.344.550	14.803.085
7) Services	36.718.400	37.936.895
8) Use of third party assets	6.323.479	4.380.299
9) personnel		
a) wages and salaries	12.589.471	12.141.791
b) related salaries	4.096.987	3.915.546
c) severance	579.016	550.927
d) pensions and similar commitments	0	-
e) other costs	101.829	72.831
Total payroll and related costs	17.367.304	16.681.096
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	1.132.926	1.037.417
b) depreciation of tangible fixed assets	5.949.113	5.300.849
c) other amounts written off fixed assets	24.734	-
d) write-downs of accounts included among current assets	1.870.489	938.053
Total Amortisation, depreciation and write-downs	8.977.263	7.276.319
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	(2.002.609)	(2.166.371)
12) Provisions for contingencies and other charges	54.750	40.776
13) Other provisions	0	-
14) Other operating expenses	1.302.913	1.113.139
Total cost of production	95.086.050	80.065.238
Difference between value and cost of production (A - B)	5.780.268	1.802.423
C) Financial income and charges		
15) Income from equity investments		
subsidiary companies	0	-
associated companies	0	-
parent companies	0	-
companies controlled by parent companies	0	-
other	0	-
Total income from equity investments	0	-
16) other financial income		
a) from receivables held as financial fixed assets		
subsidiary companies	0	-
associated companies	0	-

parent companies	0	-
companies controlled by parent companies	0	-
other	0	-
Total receivables held as financial fixed assets	0	-
b) from securities held as financial fixed assets not representing equity investments	0	-
c) from securities included among current assets not representing equity investments	0	-
d) income other than the above		
subsidiary companies	0	77
associated companies	0	-
parent companies	0	-
companies controlled by parent companies	0	-
other	44.631	338.596
Total income other than the above	44.631	338.673
Total other financial income	44.631	338.673
17) Interest and other financial expense		
subsidiary companies	0	-
associated companies	446.034	-
parent companies	0	-
companies controlled by parent companies	0	-
other	2.306.072	1.684.676
Total interest and other financial expense	2.752.105	1.684.676
17-bis) Currency gains and losses	(33.321)	35.496
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(2.740.795)	(1.310.508)
D) Value adjustments to financial assets and liabilities		
18) revaluations		
a) equity investments	0	-
b) financial fixed assets not representing equity investments	0	-
c) securities included among current assets not representing equity investments	0	-
d) derivative financial instruments	56.378	129.980
financial assets for central pool management	0	-
Total revaluations	56.378	129.980
19) write-downs		
a) equity investments	0	-
b) financial fixed assets not representing equity investments	0	0
c) securities included among current assets not representing equity investments	0	-
d) derivative financial instruments	0	-
financial assets for central pool management	0	-
Total write-downs	0	0
Total value adjustments to financial assets and liabilities (18 - 19)	56.378	129.980
Pre-tax result (A - B + - C + - D)	3.095.851	621.895
20) Income tax for the year, current, deferred and prepaid		
Current taxes	1.419.382	465.074
tax related to previous years	149.325	(37.180)
deferred and prepaid tax	(54.310)	54.461
Total taxes on the income for the year	1.514.397	482.356
21) Consolidated profit (loss) for the year	1.581.454	139.539
Result related to the group	1.633.326	171.812
Result related to minority shareholders	(51.872)	(32.273)



## Consolidated financial statement, indirect method

	31-12-2017	31-12-2016
Financial statement, indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	1.581.454	139.539
Income tax	1.514.397	482.356
Payable (receivable) interest	2.752.105	1.346.003
(Dividends)	0	-
(Capital gains)/Capital losses from business conveyance	(349.772)	(273.947)
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	5.498.184	1.693.951
Adjustments to non monetary items that were not offset in the net working capital.		
Allocations to preserves	2.528.627	1.478.374
Fixed asset depreciation/amortisation	7.082.040	6.338.266
Write-downs for long-term value depreciation	0	-
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	(56.378)	(129.980)
Other adjustments to increase/(decrease) non-monetary items	(243.793)	(308.032)
total adjustments for non-monetary items that were not offset in the net working capital	9.310.496	7.378.628
2) Cash flow before changing net working capital	14.808.680	9.072.579
Changes to the net working capital		
Decrease/(increase) in inventory	2.213.098	(19.797.232)
Decrease/(increase) in payables to customers	(12.523.262)	2.452.612
Increase/(decrease) in trade payables	5.763.117	16.454.206
Increase/(decrease) from prepayments and accrued income	46.048	41.943
Increase/(decrease) from accruals and deferred income	0	105.262
Other decreases/(other increases) in net working capital	1.844.726	(2.977.734)
Total changes to net working capital	(2.656.273)	(3.720.943)
3) Cash flow after changes to net working capital	12.152.407	5.351.636
Other adjustments		
Interest received/(paid)	(2.558.086)	(1.346.003)
(Income tax paid)	(968.163)	(19.950)
Dividends received	0	-
(Use of reserves)	(641.098)	(729.100)
Other collections/(payments)	0	-
Total other adjustments	(4.167.347)	(2.095.053)
Cash flow from current activities	7.985.060	3.256.583
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(9.585.272)	(6.779.284)
Disposals	1.089.200	2.920.991
Intangible fixed assets		
(Investments)	(206.157)	(1.299.909)
Disposals	236.165	194.637
Financial fixed assets		
(Investments)	(300.985)	(46.425)
Disposals	347.129	-
Short term financial assets		
(Investments)	(600.000)	-
Disposals	0	-

(Acquisition of subsidiaries net of liquid assets)	0	-
Transfer of subsidiaries net of liquid assets	0	-
Cash flows from investments (B)	(9.019.919)	(5.009.990)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	(4.560.475)	(1.195.704)
New loans	24.216.944	13.084.732
(Loan repayments)	(13.535.857)	(7.458.865)
Equity		
Capital increase payments	0	-
(Capital repayments)	0	-
Transfer/(purchase) of own shares	0	-
(Dividends and advances on dividends paid)	0	-
Cash flows from financing activities ( C)	6.120.612	4.430.163
Increase (decrease) in liquid assets (A ± B ± C)	5.085.752	2.676.756
Exchange rate effect on liquid assets	0	-
Liquid assets at the start of the year		
Bank and post office deposits	7.031.406	4.358.693
Loans	0	-
Cash and valuables in hand	16.784	12.740
Total liquid assets at the start of the year	7.048.190	4.371.434
of which not freely available	0	-
Liquid assets at the end of the year		
Bank and post office deposits	12.116.894	7.031.406
Loans	0	0
Cash and valuables in hand	17.048	16.784
Total liquid assets at the end of the year	12.133.942	7.048.189
of which not freely available	0	-
Acquisition and transfer of subsidiaries		
Total sums paid or received	0	-
Part of sums represented by liquid assets	0	-
Acquired or transferred liquid assets with the acquisition/transfer of subsidiary companies	0	-
Book value of acquired or transferred assets/liabilities	0	-