

BILANCIO DI ESERCIZIO

CONSOLIDATED FINANCIAL STATEMENTS

Bilancio al:

31-12-2018

General information about the company

Identification data

Name: AB HOLDING SPA

Registered offices: VIA CADUTI DEL LAVORO, 13 - ORZINUOVI (BS) 25034

Share capital: 6,000,000

Share capital fully paid: yes

Chamber of Commerce Code: BS

VAT no.: 02243290984

Tax Code: 02243290984

Business Register (REA) No.: 433585

Legal form: Company with liability limited by shares (S.p.A.)

Principal business sector (ATECO): 701000

Company in liquidation: no

Company with sole shareholder: no

Company subject to management and coordination by others: no

Name of company or entity that carries out management and coordination activities: AB Holding SpA

Member of a group: yes

Name of parent company: AB Holding SpA

Country of parent company: Italy

Cooperative company registration number:

Consolidated statement of financial position

31-12-2018

31-12-2017

| | 31-12-2018 | 31-12-2017 |
|---|-------------------|-------------------|
| Statement of financial position | | |
| Assets | | |
| B) Fixed assets | | |
| I - Intangible assets | | |
| 3) Industrial patents and intellectual property rights | 195,988 | 142,751 |
| 4) Concessions, licences, trademarks and similar rights | 94,890 | 7,550 |
| 5) Goodwill | 1,847,317 | 2,195,588 |
| 6) Assets under construction and advances | 16.711 | - |
| 7) Other | 1,164,368 | 905,156 |
| Total intangible assets | 3,319,274 | 3,251,045 |
| II - Property, plant and equipment | | |
| 1) Land and buildings | 36,232,524 | 32,734,355 |
| 2) Plant and machinery | 26,169,641 | 28,339,055 |
| 3) Industrial and commercial equipment | 1,344,546 | 1,155,059 |
| 4) Other assets | 4,397,805 | 3,866,798 |
| 5) Assets under construction and advances | 1,408,109 | 2,039,771 |
| Total property, plant and equipment | 69,552,625 | 68,135,038 |
| III - Financial fixed assets | | |
| 1) Equity investments in | | |
| d-bis) other companies | 21,655 | 23,368 |
| Total equity investments | 21,655 | 23,368 |
| 2) Receivables | | |
| d-bis) others | | |
| due within one year | 545,306 | 502,801 |
| due beyond one year | 3,074,496 | 1,554,541 |
| Total due from others | 3,619,802 | 2,057,342 |
| Total receivables | 3,619,802 | 2,057,342 |
| Total financial fixed assets | 3,641,457 | 2,080,710 |
| Total fixed assets (B) | 76,513,356 | 73,466,793 |
| C) Current assets | | |
| I - Inventories | | |
| 1) Raw, ancillary and consumable materials | 65,436,057 | 55,064,359 |
| 2) Work in process and semi-finished products | 8,095,788 | 7,835,596 |

| | 31-12-2018 | 31-12-2017 |
|---|--------------------|--------------------|
| 3) Contract work in progress | 46,518,293 | 29,125,924 |
| 4) Finished products and goods | 224,605 | 257,721 |
| 5) Advances | 3,319,391 | 4,027,610 |
| Total inventories | 123,594,134 | 96,311,210 |
| II - Receivables | | |
| 1) Customers | | |
| due within one year | 62,572,872 | 68,065,420 |
| due beyond one year | 4,544,755 | 4,568,676 |
| Total due from customers | 67,117,627 | 72,634,096 |
| 5-bis) Tax receivables | | |
| due within one year | 7,578,509 | 9,793,850 |
| due beyond one year | 67,409 | 86,726 |
| Total tax receivables | 7,645,918 | 9,880,576 |
| 5-ter) Deferred tax assets | 6,700,880 | 6,578,814 |
| 5-quater) Others | | |
| due within one year | 2,614,954 | 2,464,929 |
| Total due from others | 2,614,954 | 2,464,929 |
| Total receivables | 84,079,379 | 91,558,415 |
| III - Current financial assets | | |
| 6) Other securities | 2,000,000 | - |
| Total current financial assets | 2,000,000 | - |
| IV - Liquid funds | | |
| 1) Bank and postal deposits | 150,693,023 | 114,163,198 |
| 2) cheques | 3,690 | - |
| 3) Cash and equivalents | 25,454 | 222,361 |
| Total liquid funds | 150,722,167 | 114,385,559 |
| Total current assets (C) | 360,395,680 | 302,255,184 |
| D) Accruals and deferrals | 873,512 | 836,094 |
| Total assets | 437,782,548 | 376,558,071 |
| Liabilities and shareholders' equity | | |
| A) Equity attributable to parent | | |
| I - Share capital | 6,000,000 | 6,000,000 |
| IV - Legal reserve | 1,200,000 | 1,200,000 |

| | 31-12-2018 | 31-12-2017 |
|---|--------------------|--------------------|
| VI - Other reserves, stated separately | | |
| Extraordinary reserve | 54,635,403 | 36,252,171 |
| Share reserve (quotas) of the parent | - | 0 |
| Consolidation reserve | 785,929 | 785,929 |
| Translation differences reserve | (54,055) | 95,762 |
| Miscellaneous reserves | 0 | 0 |
| Total other reserves | 55,367,277 | 37,133,862 |
| VIII - Retained earnings (accumulated losses) | 170,704,125 | 155,843,793 |
| IX - Net profit (loss) for the year | 30,197,111 | 33,093,746 |
| Total equity attributable to parent | 263,468,513 | 233,271,401 |
| Equity attributable to non-controlling interests | | |
| Capital and reserves attributable to NCIs | 14,101,374 | 13,120,694 |
| Net profit (loss) attributable to NCIs | 659,481 | 1,530,680 |
| Total equity attributable to NCIs | 14,760,855 | 14,651,374 |
| Total consolidated shareholders' equity | 278,229,368 | 247,922,775 |
| B) Provisions for risks and charges | | |
| 2) Deferred and other taxes | 2,055,963 | 1,951,134 |
| 4) Other | 8,755,448 | 10,177,899 |
| Total provisions for risks and charges | 10,811,411 | 12,129,033 |
| C) Employee severance indemnities | 4,586,451 | 3,998,251 |
| D) Payables | | |
| 4) Banks | | |
| due within one year | 7,895,413 | 8,452,029 |
| due beyond one year | 11,324,124 | 5,263,450 |
| Total due to banks | 19,219,537 | 13,715,479 |
| 5) Other lenders | | |
| due within one year | 400,448 | 1,291,692 |
| due beyond one year | 2,230,531 | 2,543,723 |
| Total due to other lenders | 2,630,979 | 3,835,415 |
| 6) Advances | | |
| due within one year | 71,154,975 | 45,856,072 |
| Total advances | 71,154,975 | 45,856,072 |
| 7) Suppliers | | |

| | 31-12-2018 | 31-12-2017 |
|--|--------------------|--------------------|
| due within one year | 38,617,598 | 35,700,142 |
| Total due to suppliers | 38,617,598 | 35,700,142 |
| 12) Tax payables | | |
| due within one year | 2,438,898 | 2,912,920 |
| Total tax payables | 2,438,898 | 2,912,920 |
| 13) Social security and pension institutions | | |
| due within one year | 2,734,321 | 2,303,652 |
| Total due to social security and pension institutions | 2,734,321 | 2,303,652 |
| 14) Other payables | | |
| due within one year | 5,026,385 | 5,883,221 |
| Total other payables | 5,026,385 | 5,883,221 |
| Total payables | 141,822,693 | 110,206,901 |
| E) Accruals and deferrals | 2,332,625 | 2,301,111 |
| Total liabilities and shareholders' equity | 437,782,548 | 376,558,071 |

Consolidated income statement

| | 31-12-2018 | 31-12-2017 |
|--|--------------------|--------------------|
| Income statement | | |
| A) Value of production | | |
| 1) Revenues from sales and services | 205,632,553 | 211,586,170 |
| 2) Change in inventories of work in process, semi-finished and finished products | (798,071) | 809,184 |
| 3) Change in contract work in progress | 17,408,288 | 1,863,493 |
| 4) Increase in fixed assets by internal construction | 1,310,818 | 5,646,048 |
| 5) Other revenues and income | | |
| operating grants | - | 70,884 |
| other | 5,613,980 | 1,763,924 |
| Total other revenues and income | 5,613,980 | 1,834,808 |
| Total value of production | 229,167,568 | 221,739,703 |
| B) Cost of production | | |
| 6) Raw, ancillary and consumable materials and goods for resale | 103,950,774 | 95,403,473 |
| 7) Services | 30,527,885 | 30,337,533 |
| 8) Leases and rentals | 1,404,745 | 1,212,164 |
| 9) Payroll costs | | |

| | 31-12-2018 | 31-12-2017 |
|--|--------------|-------------|
| a) wages and salaries | 33,866,732 | 30,113,995 |
| b) social security contributions | 9,272,741 | 8,111,534 |
| c) severance indemnities | 1,911,318 | 1,699,088 |
| d) pensions and similar commitments | 90,502 | 102,819 |
| e) other costs | 426,806 | 411,717 |
| Total payroll costs | 45,568,099 | 40,439,153 |
| 10) Depreciation, amortisation and impairment | | |
| a) amortisation of intangible assets | 1,511,161 | 887,895 |
| b) depreciation of property, plant and equipment | 7,172,649 | 6,613,097 |
| d) impairment of current receivables and liquid funds | 1,802,781 | 1,678,095 |
| Total depreciation, amortisation and write-downs | 10,486,591 | 9,179,087 |
| 11) Change in inventories of raw, ancillary and consumable materials and goods for resale | (10,580,490) | (7,861,834) |
| 12) Provisions for risks | 257,353 | 728,035 |
| 13) Other provisions | 1,458,928 | 1,937,797 |
| 14) Other operating expenses | 2,446,567 | 2,737,734 |
| Total cost of production | 185,520,452 | 174,113,142 |
| Difference between value and cost of production (A - B) | 43,647,116 | 47,626,561 |
| C) Financial income and expense | | |
| 16) Other financial income | | |
| a) non-current receivables | | |
| other | 520,751 | 6,037 |
| Total financial income from non-current receivables | 520,751 | 6,037 |
| c) current securities not representing equity investments | - | 27,604 |
| d) income other than the above | | |
| other | 359,760 | 790,596 |
| Total income other than the above | 359,760 | 790,596 |
| Total other financial income | 880,511 | 824,237 |
| 17) Interest and other financial charges | | |
| other | 217,157 | 580,155 |
| Total interest and other financial charges | 217,157 | 580,155 |
| 17-bis) Exchange gains and losses | (1,315,613) | (301,961) |
| Total financial income and expense (15+16-17+-17-bis) | (652,259) | (57,879) |
| Results before taxation (A-B+-C+-D) | 42,994,857 | 47,568,682 |

| | 31-12-2018 | 31-12-2017 |
|--|------------|------------|
| 20) Income taxes for the year, current and deferred | | |
| Current income taxes | 12,036,364 | 13,280,310 |
| Change in deferred taxation | 101,901 | (336,054) |
| Total income taxes for the year, current and deferred | 12,138,265 | 12,944,256 |
| 21) Consolidated net profit (loss) for the year | 30,856,592 | 34,624,426 |
| Results attributable to the parent | 30,197,111 | 33,093,746 |
| Results attributable to NClS | 659,481 | 1,530,680 |

Consolidated statement of cash flows, indirect method

| | 31-12-2018 | 31-12-2017 |
|---|--------------|--------------|
| Statement of cash flows, indirect method | | |
| A) Cash flows from operating activities (indirect method) | | |
| Net profit (loss) for the year | 30,856,592 | 34,624,426 |
| Income taxes | 12,138,265 | 12,944,256 |
| Interest expense/(income) | (142,603) | (210,441) |
| (Dividends) | 0 | 0 |
| Capital (gains)/losses on the disposal of assets | 88,965 | 183,834 |
| 1) Profit (loss) for the year before income taxes, interest, dividends and disposal gains/losses | 42,941,219 | 47,542,075 |
| Adjustments for non-monetary items without effect on operating capital | | |
| Provisions for risks | 36,336,455 | 26,885,914 |
| Depreciation and amortisation | 9,946,969 | 7,649,949 |
| Impairment write-downs | 0 | 0 |
| Adjustment of the value of financial derivative assets and liabilities not involving the movement of funds | 0 | 0 |
| Other increases/(decreases) in non-monetary items | 1,713 | (2,350) |
| Total adjustments for non-monetary items without effect on operating capital | 46,285,137 | 34,533,513 |
| 2) Cash flow before changes in operating capital | 89,226,356 | 82,075,588 |
| Changes in operating capital | | |
| Decrease/(increase) in inventories | (27,282,924) | (10,700,177) |
| Decrease/(increase) in trade receivables | 5,516,469 | 4,543,094 |
| Increase/(decrease) in trade payables | 2,917,456 | 1,895,276 |
| Decrease/(increase) in accrued income and prepaid expenses | (37,418) | 162,322 |
| Increase/(decrease) in accrued expenses and deferred income | 31,514 | 25,595 |

| | 31-12-2018 | 31-12-2017 |
|---|---------------------|--------------------|
| Other decreases/(increases) in operating capital | 2,058,919 | (28,379,116) |
| Total changes in operating capital | (16,795,984) | (32,453,006) |
| 3) Cash flow after changes in operating capital | 72,430,372 | 49,622,582 |
| Other adjustments | | |
| Interest collected/(paid) | 44,393 | (156,808) |
| (Income taxes paid) | 10,699,843 | 15,945,845 |
| Dividends collected | 0 | 0 |
| (Utilisation of provisions) | (37,065,876) | (22,742,313) |
| Other collections/(payments) | 0 | 0 |
| Total other adjustments | (26,321,640) | (6,953,276) |
| Cash flows from operating activities (A) | 46,108,732 | 42,669,306 |
| B) Cash flows from investing activities | | |
| Property, plant and equipment | | |
| (Investment) | (10,634,386) | (10,220,969) |
| Disposals | 150,999 | 1,752,395 |
| Intangible assets | | |
| (Investment) | (1,038,360) | (255,477) |
| Disposals | 0 | 0 |
| Financial fixed assets | | |
| (Investment) | 0 | 0 |
| Disposals | 0 | 0 |
| Current financial assets | | |
| (Investment) | (2,000,000) | (2,640,000) |
| Disposals | 0 | 7,004,175 |
| (Acquisition of subsidiaries, net of liquid funds acquired) | 0 | 0 |
| Disposal of subsidiaries, net of liquid funds | 0 | 0 |
| Cash flows from investing activities (B) | (13,521,747) | (4,359,876) |
| C) Cash flows from financing activities | | |
| Third-party funds | | |
| Increase/(decrease) in amounts due to banks - current | 0 | 0 |
| Loans arranged | 17,000,000 | 7,000,000 |
| (Loans repaid) | (12,700,378) | (11,924,977) |
| Own funds | | |

| | 31-12-2018 | 31-12-2017 |
|---|-------------|-------------|
| Capital increases and similar | 0 | 0 |
| (Capital repaid) | 0 | 0 |
| Sale/(purchase) of treasury shares | 0 | 0 |
| (Dividends and advance dividends paid) | (550,000) | (2,300,000) |
| Cash flows from financing activities (C) | 3,749,622 | (7,224,977) |
| Increase (decrease) in liquid funds (A ± B ± C) | 36,336,608 | 31,084,453 |
| Exchange effect on liquid funds | 0 | 0 |
| Liquid funds, start of year | | |
| Bank and postal accounts | 114,163,198 | 82,909,319 |
| Cheques | 0 | 0 |
| Cash and equivalents on hand | 222,361 | 391,787 |
| Total liquid funds, start of year | 114,385,559 | 83,301,106 |
| inc. restricted | 0 | 0 |
| Liquid funds, end of year | | |
| Bank and postal accounts | 150,693,023 | 114,163,198 |
| Cheques | 3,690 | - |
| Cash and equivalents on hand | 25,454 | 222,361 |
| Total liquid funds, end of year | 150,722,167 | 114,385,559 |

Declaration of conformity of the financial statements

The undersigned GRAZIELLA CALZAVACCA pursuant to article 31, paragraph 2-quinquies of Law 340/2000, declares that this document conforms to the original filed with the company.

itcc-ci-2018-11-04