



PRESS RELEASE
Terni, June 14, 2018

TERNIENERGIA: Shareholders' meeting approved 2017 financial statements; appointment of Paolo Piccini as independent director

- **Approval of the financial statements for the year ended 31 December 2017**
- **Approval of the First Section of the Compensation Report pursuant to Article 123-ter of the Uniform Financial Code**
- **Appointment of two co-opted directors: Paolo Allegretti and Stefania Bertolini**
- **Appointment of a new independent director: Paolo Piccini, AU of Liguria Digitale and manager with 30 years of experience in the field of information and communication technologies, defense and security in multinational technology sector**
- **Determination of the total compensation of Directors**
- **Revocation of the 2017-2019 Stock Grant Plan approved on 2 May 2017**
- **Provisions pursuant to Article 2446 of the Italian Civil Code**

The ordinary and extraordinary Shareholders' Meeting of TerniEnergia S.p.A., smart company listed on MTA of Borsa Italiana and part of the Italeaf Group, met today with Stefano Neri's chairmanship.

Ordinary session

The Shareholders' Meeting reviewed and approved the draft financial statements and took note of the presentation of the consolidated financial statements as at December 31, 2017.

CONSOLIDATED RESULTS AS AT DECEMBER 31, 2017

Revenues amounted to Euro 64 million. The decrease compared to the previous year (Euro 84.1 million; - 24%) is mainly attributable to the decline in EPC activity, which was interrupted starting from the second half of the year.

EBITDA amounted to Euro 2.2 million (Euro 17.3 million as at 31/12/2016, -87.1%). The **EBITDA margin** amounted to 3.5%, with a decrease compared to 2016 (20.6%).

The Net Operating Result (EBIT) amounted to Euro -37.3 million (Euro 8.1 million as at 31 December 2016), after amortisation/depreciation, non-recurring provisions and write-downs of Euro 39.6 million (Euro 9.2 million in 2016). In particular, this figure was affected by write-downs of an exceptional and non-recurring nature, mainly due to the valuation of all industrial plants at fair value rather than value in use, as well as to the



PRESS RELEASE Terni, June 14, 2018

discontinuity of the EPC business, which is expected to be sold in the Recovery and Relaunch Plan referred to the strategic guidelines disclosed to the market on 27 March 2018.

The Net result amounted to Euro -39.6 million (Euro 1.15 million as at 31/12/2016), while the result before taxes (**EBT**) amounted to Euro -45.7 million.

Net financial position (NFP) amounted to Euro 89.8 million (Euro 93.9 million as at 31/12/2016), with an improvement of 4.3%, of which Euro 64.6 million was reclassified as short-term NFP, mainly for the definition of a moratorium on the Company's current financial debt, in order to identify proposals for its rescheduling.

Net equity amounted to Euro 21 million (Euro 57.5 million as at 31/12/2016), with a reduction of 63.4%. Net equity takes into account the treasury shares held in portfolio, which amounted to no. 1,012,224.

TERNIENERGIA S.P.A. RESULTS AS AT 31 DECEMBER 2017

Revenues amounted to 33.6 million euros (30.7 million euros as at December 31, 2016). **EBITDA** amounted to Euro -2.7 million (Euro 3.9 million as at 31/12/2016). **EBIT** amounted to Euro -45.4 million (Euro -2.5 million as at 31/12/2016).

The **Net result** is negative for Euro 42.2 million (Euro -6.7 million as at 31/12/2016). The **NFP** amounts to Euro 71.3 million (Euro 74.4 million as at 31/12/2016), while **Net Equity** amounts to Euro 10.7 million (Euro 50.7 million as at 31/12/2016).

The financial statements valuations have been made on the assumption that the Company will continue to operate, after having considered and analysed all available and useful elements in this regard.

The balance sheet of TerniEnergia S.p.A. as at December 31, 2017 shows a Net Equity decreased by more than one third compared to the Share Capital because of realized losses. Consequently, occurs the case in point provided for by art. 2446 of the Italian Civil Code.

REMUNERATION REPORT EX ART. 123-TER D. DECREE 58/98

The Shareholders' meeting approved the Remuneration Report of Directors and Managing Directors with strategic responsibility provided by art. 123-ter of D. Decree 58/98

APPOINTMENT OF TWO CO-OPTED DIRECTORS

The Shareholders' Meeting also ratified the co-opting of Paolo Allegretti (executive director) and Stefania Bertolini (independent director) as Directors, who will remain in office until the expiry of the current Board of Directors and therefore until the date of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2018. According to what has been communicated to the Company, Dr.



PRESS RELEASE

Terni, June 14, 2018

Stefania Bertolini does not own shares of TerniEnergia SpA, while Dr. Paolo Allegretti holds no. 7,777 shares of TerniEnergia S.p.A..

APPOINTMENT OF A NEW INDEPENDENT DIRECTOR

The Company's Ordinary Shareholders' Meeting appointed today eng. Paolo Piccini as a new independent director. Mr. Piccini has declared to possess the requisites of independence and respectability provided for by the law in force and by the By-Laws and that he not hold any shares of TerniEnergia.

Mr. Piccini's Curriculum Vitae, hereinafter summarized, will be available on the company's website www.ternienergia.com, Corporate Governance section.

Paolo Piccini, 57, graduated in electronic engineering from the University of Genoa, is currently the Sole Director of Liguria Digital and has 30 years of experience in groups in the technology sector Olivetti, Marconi, Finmeccanica. He has been an executive of the company since 1994. He gained his managerial profile through experience in top positions as general manager and managing director with full responsibility at the income statement level of multinational organizations with more than three thousand employees and business experience in the United States, Russia, Turkey and the Middle East and Great Britain.

Following the new appointment, the Board of Directors is composed as follows: Stefano Neri (Chairman with executive powers), Paolo Allegretti (with executive powers), Laura Bizzarri (with executive powers), Monica Federici, Paolo Ottone Migliavacca (independent director), Mario Marco Molteni (independent director), Stefania Bertolini (independent director) and Paolo Piccini (independent director).

DETERMINATION OF THE TOTAL REMUNERATION OF DIRECTORS

Finally, the Ordinary Shareholders' Meeting approved a reduction in the maximum total compensation payable to the Board of Directors from 720,000 euros to 330,000 euros, and the elimination of the provision for variable compensation for executive Directors and Executives with Strategic Responsibilities.

Extraordinary session

REVOCATION OF THE 2017-2019 STOCK GRANT PLAN

The Extraordinary Shareholders' Meeting, considering the Company's assets, liabilities, financial position and profit or loss of current financial position and the provisions of art. 2446 of the Italian Civil Code, on the agenda of today's Shareholders' Meeting, resolved to revoke the 2017-2019 Stock Grant Plan, approved on 2 May 2017 by the same Shareholders' Meeting, and to release the profit reserve serving the said Plan and called "restricted capital increase reserve serving the 2017-2019 Stock Grant Plan" for the corresponding amount to be allocated to the available equity reserve.



PRESS RELEASE **Terni, June 14, 2018**

MEASURES EX ART. 2446 ITALIAN CIVIL CODE

Finally, the Extraordinary Shareholders' Meeting of TerniEnergia S.p.A., in light of the relevant situation pursuant to art. 2446 of the Italian Civil Code, as already communicated on April 27, 2018 and May 14, 2018, resolved:

(a) to approve the financial statements of the Company as at 31 March 2018, which show a loss of €913,274 for the first quarter of 2018;

(b) to cover the total losses and negative reserves resulting from the balance sheet as at 31 March 2018 of Euro 49,828,229 (including the losses as at 31 December 2017 of Euro 42,189,512) and Euro 22,801,198, respectively, as follows:

- Euro 25,713,516 by the full utilization of all available reserves resulting from the same balance sheet;
- and the remaining amount of Euro 46,915,910 by reducing the Company's share capital by a corresponding amount and, therefore, from Euro 59,197,230 to Euro 12,281,320.

DOCUMENTATION DEPOSIT

The minutes will be made available to the public within the terms and in the manner provided by law.

The Financial Statements of TerniEnergia S.p.A. and the Consolidated Financial Statements of the TerniEnergia Group as at December 31, 2017, approved by the Shareholders' AGM, together with the documentation required by law, are available to the public at the registered office, the website www.ternienergia.com, (Investor Relations/Financial Reporting section) and on the authorised storage mechanism 1Info at www.1info.it.

The documentation relating to the members of the Board of Directors and Board of Statutory Auditors appointed, including the curriculum vitae and the declarations of independence of the independent directors appointed is available in the Investor Relations/Shareholders' Meetings section on the website www.ternienergia.com.

The Manager responsible for preparing the company's financial reports, Filippo Calisti, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

This press release is also available on the Company's website: www.ternienergia.com.



PRESS RELEASE

Terni, June 14, 2018

TERNIENERGIA (TER. MI), established in September 2005 and part of the Italeaf Group, is the first Italian global technological enabler, committed to bringing energy solutions and efficient recovery of integrated and sustainable resources to the world. Organized into two strategic business lines (Assets and Smart solutions and services), with about 400 employees and a geographical presence worldwide, with operative and commercial offices, TerniEnergia develops innovative solutions, products and services based on digital and industrial technologies for the energy supply chain, grids, smart mobility, industrial automation and the recovery of marginal resources.

TerniEnergia, also through its subsidiaries (Softeco Sismat, Selesoft Consulting, Greenled Industry, GreenAsm, GreenAsm, Purify, Wisave, Ant Energy), pursues the objectives of increasing energy production from renewable sources, saving energy and reducing emissions and actively participates in the energy revolution of distributed power generation and smart grids, with innovative digital solutions.

TerniEnergia is the ideal partner for large utilities, distribution operators and network operators, energy producers, public administrations, industrial customers and investors who intend to realize large projects for the production of renewable energy, modern systems and plants with high energy efficiency, solutions for the management and maintenance of infrastructure and electrical installations.

TerniEnergia has completed its transformation from a leader in the international photovoltaic market into a smart energy company and technological enabler for the sustainable use of resources through a complete commercial offer of solutions, the development and supply of digital technologies and the creation of "intelligent" services and solutions aimed at public and private customers in emerging sectors.

TerniEnergia is listed on the MTA of Borsa Italiana.

For further info:

Investor Relations
TerniEnergia SpA
Filippo Calisti (CFO)
Tel. +39 0744 7581
calisti@ternienergia.com

Press Office
TerniEnergia SpA
Federico Zacaglioni
Tel. +39 0744 7581
Mobile +39 340 5822368
zacaglioni@ternienergia.com