



PRESS RELEASE
Terni, April 27, 2018

TERNIENERGIA: the BoD approves the results as at 31 December 2017

Strong impact on the results of exceptional and non-recurrent writedowns aimed at supporting the project for the turnaround of the Company and the disposal of photovoltaic and environmental assets, as provided for in the Recovery and Relaunch Plan

- Revenues of Euro 64 million, -24 % (Euro 84.1 million as at 31/12/2016)
- EBITDA amounted to Euro 2.2 million, -87.1% (Euro 17.3 million as at 31/12/2016) with EBITDA margin of 3.5% (20.6% as at 31/12/2016)
- EBIT of Euro -33.5 million, (Euro 8.1 million as at 31/12/2016), EBT of Euro -42.3 million (Euro 2.4 million as at 31/12/2016)
- Net result amounted to -39.6 million, (Euro 1.15 million as at 31/12/2016)
- Net Financial Position of Euro 89.8 million (Euro 93.9 million as at 31/12/2016)
- Net equity amounted to Euro 21 million (Euro 57.5 million as at 31/12/2016)
- The Board of Directors resolves to request the exit from the Star segment and the transition to the MTA in order to concentrate the management's efforts on the Recovery and relaunch plan.
- Update of calendar of corporate events: convening of the Shareholders' Meeting on 14 June 2018

The Board of Directors of **TerniEnergia S.p.A.**, smart company listed on STAR segment of Borsa Italiana and part of the Italeaf Group, which met today, approved the draft financial statements for the year ended as at December 31, 2017 and the consolidated financial statements of the Group.

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%).



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The Net Operating Result (EBIT) amounted to Euro -33.5 million (Euro 8.1 million as at 31 December 2016), after amortisation/depreciation, non-recurring provisions and write-downs of Euro 35.8 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 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 -42.3 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 64.3 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.

INDUSTRIAL RESULTS AS AT 31 DECEMBER 2017

The total number of photovoltaic plants built by TerniEnergia since the start of operations is 274, with a cumulative capacity of circa 403 MW (of which 30 MWp held 100% by the Company and 11.5 MWp in joint venture, dedicated to Power Generation business). In addition, biomass plants for a total of 1.5 MWe and 2 MWt are connected to the grid. The total energy production of the plants under full ownership and in Joint Ventures for the power generation activity was approximately 66.5 million kWh.

In the environmental sector, the treatment and recovery plants for end-of-life tyres (ELTs) in Nera Montoro and Borgo Val di Taro are operational, as GreenAsm biodigestion and composting and, lastly, the remediation of groundwater plant in Nera Montoro (TR). The ELT plants processed a total of 13,600 tons of end of life tyres, recovering 2,070 tons of harmonic steel, reused by the steel mills for second smelting, and marketed 9,810 tons of rubber powder and granules in 14 EU and non-EU countries.

The biodigestion and composting plant for power generation GreenAsm (50% JV between TerniEnergia and ASM Terni) treated 28,121 tons of organic fraction from separate collection and 6,207 tons of mowing and pruning green, feeding 46 GWh of electricity into the grid and producing 4,500 tons of BioCompost.

The biodigestion and composting plant under construction for the production of biomethane Newcoenergy (100% of TerniEnergia) of Calimera (LE), in 2017 has completed the authorization process of the variant AIA (regional authorization).



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The groundwater remediation plant Purify (50% JV between TerniEnergia and APT) in Nera Montoro (TR) carried out groundwater purification activities in accordance with the contract with Syndial SpA (Eni Group) and in compliance with the remediation operational plan. The worksite for upgrading the plants and adding new liquid waste treatment lines from third parties has reached a state of completion of 80%, with the new plants expected to start up in the second half of 2018.

The energy management business line (active during the year) recorded a significant increase compared to 2016, due to the increase in the volumes of gas traded during the first six months of 2017.

In 2017, the Group carried out energy efficiency interventions with an expected saving of approximately 1 million kWh and 186 TOEs and 491 tonnes of CO₂ saved.

Finally, should be noted the industrial contribution guaranteed by the presence within the consolidation area of the companies Softeco Sismat and Selesoft Consulting, which contributed in terms of revenues for about 30% of them.

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 -41.5 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.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE PERIOD

POSTPONEMENT OF THE APPROVAL OF THE DRAFT SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017 TO DEFINE THE RECOVERY AND RELAUNCH PLAN

On **March 27, 2018**, TerniEnergia announced that the Board of Directors has approved the postponement to April 27, 2018 of the approval of the Draft Financial Statements for the year ended December 31, 2017 and



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the Consolidated Financial Statements, due to the opportunity to complete the new Recovery and Relaunch Plan.

SIGNED AGREEMENT FOR THE SALE OF 10 PHOTOVOLTAIC PLANTS FOR A TOTAL OF 11 MW

On **March 16, 2018**, TerniEnergia announced that it had signed an agreement with Sonnedix San Giorgio, S.r.l, a company wholly owned by institutional investors advised by J.P. Morgan Asset Management, for the sell of photovoltaic assets for a total of 11 MW, which will be merged into a Newco. Transaction price of approximately Euro 6.2 million, Enterprise Value of approximately Euro 34 million. The TerniEnergia Group will retain the tax credits relating to the plants involved in the transaction, for an amount of approximately Euro 3.7 million. The transaction provides for the assumption by the purchaser of financial debts linked to the plants for approximately Euro 27.8 million. The closing is expected to take place no later than 31 October 2018.

TERNIENERGIA RE-ENTERED IN POSSESSION OF ALL THE SHARES OF JV ALTERNATIVE ENERGY AND SOLTER AND 50% OF JV SOL TARENTI.

On **March 12, 2018**, TerniEnergia announced that it re-entered in possession of the 100% of the share capital of the Joint Ventures Alternative Energy and Solter and 50% of the JV Sol Tarenti, owners of photovoltaic plants in Italy for a total of about 21 MW, following the fulfilment of the termination conditions relating to the lack of consent to the sale by some of the lenders.

COMMUNICATION OF CHANGE IN TERNIENERGIA SHARE CAPITAL

On **February 15, 2018**, TerniEnergia announced the new composition of the share capital (fully subscribed and paid up) following the admission to listing of n. 2,000,000 ordinary shares of the Company resulting from the treasury shares portfolio and used as partial consideration for the acquisition of the companies Softeco Sismat Srl and Selesoft Consulting Srl, in accordance with contractual commitments undertaken with the counterparty Ingefi S.p.A., as communicated to the market on October 31, 2016.

SOFTECO SISMAT SIGNS CONTRACT FOR TICKETING AND SMART PAYMENT SOLUTIONS FOR CARONTE & TOURIST

On **January 30, 2018**, TerniEnergia announced that the digital company of the Group, Softeco Sismat, has signed an agreement worth a total of about Euro 2 million with Caronte & Tourist SpA. The contract will involve the Group's digital company in a project to reorganise the port terminal at Villa San Giovanni and the construction of a new plant at Villa Agip. The agreement provides for the introduction of ticket sales and automatic toll payment systems and the integration of vehicle access control systems.

THE TAR FOR SARDINIA GRANTS THE SUSPENSION RELATING TO THE REVOCATION OF THE SINGLE AUTHORISATIONS OF TWO PHOTOVOLTAIC PLANTS IN JV



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On **January 19, 2018**, TerniEnergia announced that the Regional Administrative Court for Sardinia suspended, with two separate orders, the measures to revoke the licenses for two photovoltaic plants on greenhouse owned respectively by Società Agricola Fotosolara Bonnanaro Srl (power of about 0.7 MWp) and Società Agricola Fotosolara Oristano Srl (power of about 0.9 MWp), both Joint Ventures in which TerniEnergia S.p.A. holds 50% of the share capital.

FILIPPO CALISTI APPOINTED CHIEF FINANCIAL OFFICER OF THE COMPANY

On **January 12, 2018**, TerniEnergia announced the resignation of Paolo Allegretti from CFO, manager responsible for preparing the company's financial reports and Investor Relations manager, due to his new commitments as Executive Director and the appointment of Dr. Filippo Calisti as the new Chief Financial Officer, manager responsible for preparing the company's financial reports and Investor Relations Manager of the Company.

SOLD TWO ENERGY EFFICIENCY PROJECTS TO ENCOURAGE STRATEGIC REPOSITIONING

On **January 8, 2018**, TerniEnergia announced that it has finalized and signed the deeds of sale to Genera SpA of the lighting system of a cement plant in Sicily and the intervention of energy saving on a building in Turin. The disposals involve a consideration of Euro 480 thousand (Sicily) and Euro 1.7 million (Turin), including Euro 1 million in trade payables and Euro 170 thousand for work still to be carried out.

BUSINESS CONTINUITY AND BUSINESS OUTLOOK

Recovery and relaunch plan

During the coming months, the Group will be committed to implementing the recovery and relaunch plan, aimed at pursuing, in the medium term, the transformation of the Company into a smart company and the overcoming of the current situation of financial tension of the Group. The Plan is based on three pillars: divestments, rationalisation and strategic repositioning with a focus on the issues of the internet of energy, smart mobility and IT consulting.

- **Divestments.** The Plan provides for the disposal of the photovoltaic and Clean Tech activities currently present in the Group. In particular, the sale of a controlling stake in the EPC and O&M business units (for the construction and maintenance of photovoltaic plants), the sale of photovoltaic power generation plants (held directly and indirectly through SPV), the sale of treatment and recovery plants for ELTs (end-of-life tyres), the remediation plants of liquid waste in Nera Montoro, the biodigester in Nera Montoro, the one under construction in Calimera and the virgin wood pyrogasification plant in Borgosesia.



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- **Streamlining.** The Plan provides for a reorganisation of the Group, which will be structured through the sale of the companies linked to the assets mentioned in the first point (divestments) and a rationalisation of the Group's structural costs as a result of the synergies deriving from the mergers and the disposal policy.
- **Strategic repositioning.** The plan provides for a decisive enhancement of the Group's technological strengths, through the development and strengthening of the consulting, industry, smart mobility and digital energy business lines with high technological content, mainly based on the activities currently carried out by Softeco. The Company's turnaround is based on the transformation of the energy sector towards models of distributed power generation, which involves an increasing weight in the smart components in the energy generation, transmission and distribution grids.

With regard to the three pillars of the Plan, the Company highlights the progress made to date in the implementation of the planned actions:

- **Divestments:**
 - I. with reference to the sale of 10 photovoltaic plants for a total of 11 MW to Sonnedix San Giorgio Srl, the preparatory activities for the closing are proceeding rapidly, with the final date set for October 31, 2018;
 - II. in relation to the PV plants still owned by TerniEnergia, the Company received numerous expressions of interest from potential buyers and the relevant confidentiality agreements (NDAs) were signed;
 - III. in relation to the sale of Newcoenergy Srl, owner of the authorisations and properties of the biodigester of Calimera (LE) under construction, the Company received various expressions of interest for which the relative NDAs have been signed;
 - IV. with regard to the objective of selling the EPC and O&M business units to an industrial player already active in the sector, in order to transform fixed costs into variable costs, while safeguarding employment levels, the Company informs that an NDA has been signed with a leading international industrial player and that the due diligence phase is underway;
 - V. the revision of the service contracts has been started, which will be defined on the basis of the forecasts of the Recovery and relaunch plan and which will involve, and in part is already involving, a significant reduction in costs for TerniEnergia.
- **Streamlining:**



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- I. The procedures for the merger by incorporation of Selesoft Consulting and Consorzio Proteco, respectively, into Softeco were completed, with the aim of simplifying the Group's organization and making it more efficient;
 - II. Following these merger procedures by incorporation, TerniEnergia holds 100% of Softeco's shares.
- **Strategic repositioning:**
 - I. Activities are underway to strengthen the commercial structure in support of the sectors with the highest technological content, in order to reinforce the Group positioning with customers and partners of high standing;
 - II. the presence in Italy was strengthened to enhance the proposition of products, solutions and services for the consulting, industry, smart mobility and digital energy sectors with the strengthening of the Catania office and the opening of new offices in Rome and Terni;
 - III. staff selections are underway for the implementation of the technical-operational structure to respond to the growing need for high professionalism. To this end, agreements and conventions have been signed with Universities and Research Centers.

For the preparation of the above mentioned Plan, TerniEnergia is assisted by KPMG Advisory SpA as financial advisor.

The Plan provides for the start of meetings with banks, bondholders and creditors in general to define a shared solution aimed at overcoming the current financial crisis.

It should be noted that the guidelines presented on 28 September 2017 have been superseded by the contents of the Recovery and relaunch plan launched, on the development of which the Company will provide timely information.

Additional information required by Consob pursuant to Article 114 of Legislative Decree No. 196/2003. n.58/98 (TUF)

In compliance with the request sent to the Company by the National Commission for Companies and the Stock Exchange (Consob), pursuant to Art. 114 of Legislative Decree no. 58/98, the following is hereby communicated:

- A) The Net Financial Position of the Company and of the Group to which it belongs, with short-term components shown separately from medium/long-term components.**

TERNIENERGIA S.P.A – NET FINANCIAL POSITION AS AT 31.12.2017

	As at December, 31 2017	As at December, 31 2016
<i>(in Euro)</i>		



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Cash	(10,461)	(31,093)
Available bank current accounts	(380,221)	(342,018)
Liquidity	(390,682)	(373,111)
Bond debt	26,290,018	1,553,618
Current bank debt (current account overdraft)	6,173,376	4,608,443
Current bank debt (advance)	5,456,472	9,485,977
Current financial debt (Leasing)	11,871,016	2,205,516
Current financial debt (other lenders)	2,234,209	943,450
Current financial receivables	19,891,377	5,114,425
Financial Debt / (Credit)	(10,068,750)	(6,989,001)
Current financial debt	65,889,954	16,922,428
Current net financial position	65,499,272	16,549,317
Bond debt		24,577,075
Financial payables to other lenders		15,168,137
Non-current financial debt (other lenders)		1,206,254
Non-current financial debt (Leasing)	5,832,612	16,876,581
Non-current net financial position	5,832,612	57,828,047
Total net financial position	71,331,884	74,377,364

TERNIENERGIA GROUP – NET FINANCIAL POSITION AS AT 31.12.2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016
Cash	(31,564)	(51,337)
Available bank current accounts	(5,284,599)	(11,027,363)
Liquidity	(5,316,163)	(11,078,700)
Bond debt	26,290,018	1,553,618
Current bank debt (current account overdraft)	11,147,638	9,302,363
Current bank debt (advance)	5,456,472	10,344,625
Financial payables to other lenders	2,289,082	1,543,450
Current financial debt (Leasing)	12,217,607	2,525,268
Current financial debt (other lenders)	21,413,864	6,595,387
Current financial receivables	(9,176,900)	(6,008,262)
Current financial debt	69,637,780	25,856,449



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Current net financial position	64,321,617	14,777,748
Bond debt		24,577,074
Non-current financing	14,288,436	30,726,915
Non-current financial debt (other lenders)		1,206,254
Non-current financial debt (Leasing)	11,179,731	22,570,286
Non-current net financial position	25,468,167	79,080,531
Total net financial position	89,789,784	93,858,279

B) The overdue debt positions of the Company and its Group, broken down by nature (financial, commercial, tax, social security and towards employees) and any related creditor reaction initiatives (reminders, injunctions, suspension of supplies, etc.).

TERNIENERGIA S.P.A. - OVERDUE SITUATION AS AT 31.12.2017			
Description	Overdue by 6 months	Overdue by more than 6 months	Total
<i>in Euro</i>			
Trade debts	6,639,491	3,814,088	10,453,579
Tax debts	77,324	77,324	154,648
Social security debts	64,538		64,538
Debts for IRPEF withholding taxes	390,991	233,194	624,185
Debts to employees	133,665		133,665
Leasing and Mortgage Debts	3,375,919		3,375,919
Debts to banks	5,146,885		5,146,885
TOTAL	15,828,813	4,124,606	19,953,418

TERNIENERGIA GROUP - OVERDUE SITUATION AS AT 31.12.2017			
Description	Overdue by 6 months	Overdue by more than 6 months	Total
<i>in Euro</i>			
Trade debts	6,915,374	3,930,857	10,846,231
Tax debts	840,742	1,053,485	1,894,226
Social security debts	64,538		64,538
Debts for IRPEF withholding taxes	1,386,051	1,452,794	2,838,845
Debts to employees	133,665		133,665
Leasing and Mortgage Debts	3,375,919		3,375,919
Debts to banks	5,146,885		5,146,885
TOTAL	17,863,173	6,437,136	24,300,309

CREDITOR INITIATIVES		
Description	Number of files	Amount



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INSTALMENT AGREEMENT	25	448,362
SETTLEMENT	1	4,262
INJUNCTION	25	460,033
FORMAL NOTICE	16	311,325
REQUIREMENT	7	1,537,836
WARNING	35	1,309,518
TOTAL		4,071,335.50

C) The main changes in transactions with related parties of this company and its Group compared to the last annual or half-yearly financial report approved pursuant to Article 154-ter of the Consolidated Law on Finance.

There have been no significant changes in transactions with related parties of the Company and the Group since the last approved half-yearly report.

D) Any failure to comply with the covenants, negative pledges or any other clause of the Group's indebtedness that entails limits to the use of financial resources, with an indication at the updated date of the degree of compliance with said clauses.

As at December 31, 2017, certain covenants of the bond issue had not been met. The financial covenants that were not met are as follows to be calculated on the consolidated financial statements:

- Interest Coverage Ratio: equal to or greater than 2.5;
- Net Financial Position Corporate/EBITDA: equal to or less than 3.25;
- Net Financial Position/EBITDA: equal to or less than 5.

The bond regulations also provide for other non-financial covenants, specifically the "Cross default of the Issuer", i.e. the non-payment by the Company of any bond for an amount exceeding Euro 3 million. Failure to comply with the abovementioned covenants represents an event of default, with the result that the absolute majority of bondholders may have the right to early repayment of the bond issue, which matures naturally in February 2019. However, the regulation provides for a 180-day grace period for the recovery of the parameters necessary to comply with the abovementioned covenants. For this reason, the above-mentioned bond loan for a residual debt of Euro 26.3 million was reclassified to the current Net Financial Position.

It should be noted that the loan taken out with the Banca del Mezzogiorno includes a number of financial covenants that had not been met at the end of the 2107 financial year. The covenants to be calculated on the consolidated financial statements are set out below:

- NFP Corporate/Net Equity: less than or equal to 1.1;
- NFP/BITDA: less than or equal to 6.5.



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Lastly, for some medium term leases and loans, the bank or leasing company has the right to request early termination of the contract, since the Company has not paid any instalments during the last quarter of 2017; in particular, these are medium term loans for a residual debt as at December 31, 2017 of Euro 19.9 million and finance lease payables for a residual debt as at December 31, 2017 of Euro 11.5 million.

It should be noted that none of the banks or leasing institutes has so far activated the right to terminate the contract early and request the early repayment of the loan. These loans and leases have been reclassified to the current NFP at 31 December 2017.

Request to exit the MTA-STAR segment and move to the MTA

Today, the Board of Directors of TerniEnergia S.p.A. resolved to put in place, in the best interest of the Company, all the necessary and appropriate requirements to request the transition from the MTA-STAR segment to the MTA.

The Company has considered that, at this time of reorganisation and implementation of the Recovery and relaunch plan, its position in the STAR segment is not ideal, since it is a priority to focus all the Company's attention and resources on the implementation of the same Recovery and relaunch plan. TerniEnergia confirms, however, that it does not want to break with those practices now consolidated within the company which, although no longer becoming obligations following exit from the MTA-STAR, meet the requirements of transparency and guarantee for all investors, such as the adequate presence of non-executive and independent directors on the Board of Directors and the constant and timely updating of the company website to enable all investors to be constantly informed about the performance of the company, and undertakes, therefore, to maintain the procedures of Corporate Governance and best practices adopted to date.

The Company also reserves the right, once the current reorganization phase has been completed and the industrial development process has resumed, to assess the possibility of requesting Borsa Italiana again for inclusion in the STAR segment.

Other resolutions of the Board of Directors and updating of the corporate events calendar

The Board of Directors of TerniEnergia, on the basis of the declarations of possession of the requisites of independence and honourableness provided for by the applicable legislation and by the Code of Self-Regulation for listed companies and of the information available to the Company, has evaluated the aforesaid requisites of independence in relation to the directors Stefania Bertolini, Paolo Ottone Migliavacca and Mario Marco Molteni.



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The Board of Directors then reviewed and approved the Report on Corporate Governance and the Company's Ownership Structure for the 2017 financial year, the Report of the Control and Risk Committee and the Report on the Remuneration of Executive Directors and Managers with Strategic Responsibilities, as required by Article 154-bis of the Italian Civil Code. 123-ter of the Legislative Decree. 58/98, which will be submitted to the Shareholders' Meeting for approval.

Finally, the Board called the Ordinary Shareholders' Meeting in first call for June 14, 2018, and in second call for June 15, 2018, to resolve on the approval of the financial statements as of December 31, 2017.

The documentation relating to the items on the agenda of the Shareholders' Meeting shall be made available to the public within the time limits and in the manner provided for by current legislation.

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

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 STAR segment of Borsa Italiana.

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In attach:

- Reclassified Balance Sheet TerniEnergia SpA as at December 31st, 2017
- Reclassified Income TerniEnergia SpA as at December 31st, 2017
- Net Financial Statement TerniEnergia SpA as at December 31st, 2017
- Consolidated statement of financial position as at 31/12/2017
- Reclassified consolidated income statement as at 31/12/2017
- Consolidated net financial position as at 31/12/2017

Reclassified Balance Sheet TerniEnergia SpA as at December 31st, 2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016	Change	Change %
Intangible assets	3,093,350	2,918,789	174,561	5.98%
Property, plant and equipment	32,213,928	44,806,909	(12,592,981)	(28.10)%
Financial fixed assets and other intangible assets	45,659,266	58,500,249	(12,840,983)	(21.95)%
Fixed Assets	80,966,543	106,225,947	(25,529,404)	(23.78)%
Inventories	5,313,831	8,296,863	(2,983,032)	(35.95)%
Trade receivables	17,656,815	19,964,894	(2,308,079)	(11.56)%
Other assets	20,842,615	13,548,374	7,294,241	53.84%
Trade payables	(25,154,155)	(14,674,856)	(10,479,299)	71.41%
Other liabilities	(7,626,907)	(5,853,900)	(1,773,007)	30.29%
Net working capital	11,032,199	21,281,375	(10,249,176)	(48.16)%
Provisions and other non-trade liabilities	(9,975,244)	(2,430,830)	(7,544,414)	n.a.
Net Invested Capital	82,023,498	125,076,492	(43,052,994)	(34.42)%
Current net financial position	10,691,614	50,699,129	(40,007,515)	(78.91)%
Non-current net financial position	65,499,272	16,549,317	48,949,955	n.a.
Total net financial position	5,832,612	57,828,047	(51,995,435)	(89.91)%
Total net financial position	71,331,884	74,377,364	(3,045,480)	(4.09)%
Net Invested Capital	82,023,498	125,076,492	(43,052,994)	(34.42)%



PRESS RELEASE
Terni, April 27, 2018

Reclassified Income TerniEnergia SpA as at December 31st, 2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016	Change	Change %
Net revenues from sales and services	33,618,958	30,729,674	2,889,283	9.40%
Production costs	(30,664,489)	(19,773,853)	(10,930,636)	55.39%
Added value	2,954,470	10,995,822	(8,041,352)	(73.10)%
Personnel costs	(5,638,912)	(7,058,085)	1,419,173	(20.10)%
EBITDA	2,684,442	3,937,737	(6,622,179)	n.a.
Amortisation, depreciation, provisions and write-downs	(38,842,116)	(6,459,939)	(32,382,177)	n.a.
EBIT	(41,526,558)	(2,522,202)	(39,004,356)	n.a.
Financial income and charges	(6,523,053)	(5,398,872)	(1,124,181)	20.8%
Pre-tax result	(48,049,611)	(7,921,074)	(40,128,537)	n.a.
Income taxes	9,349,044	1,195,630	8,153,414	n.a.
Ongoing activities result	(38,700,567)	(6,725,444)	(31,975,123)	n.a.
Assets for Sales net result	(3,488,945)		(3,488,945)	n.a.
Net result for the period	(42,189,512)	(6,725,444)	(35,464,068)	n.a.



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Net Financial Statement TerniEnergia SpA as at December 31st, 2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016
Cash	(10,461)	(31,093)
Available bank current accounts	(380,221)	(342,018)
Liquidity	(390,682)	(373,111)
Bond debt	26,290,018	1,553,618
Current bank debt (current account overdraft)	6,173,376	4,608,443
Current bank debt (advance)	5,456,472	9,485,977
Current financial debt (Leasing)	11,871,016	2,205,516
Current financial debt (other lenders)	2,234,209	943,450
Current financial receivables	19,891,377	5,114,425
Financial Debt / (Credit)	(10,068,750)	(6,989,001)
Current financial debt	65,889,954	16,922,428
Current net financial position	65,499,272	16,549,317
Bond debt		24,577,075
Financial payables to other lenders		15,168,137
Non-current financial debt (other lenders)		1,206,254
Non-current financial debt (Leasing)	5,832,612	16,876,581
Non-current net financial position	5,832,612	57,828,047
Total net financial position	71,331,884	74,377,364



PRESS RELEASE
Terni, April 27, 2018

Consolidated statement of financial position as at 31/12/2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016	Change	Change %
Intangible assets	32,092,177	33,275,543	(1,183,366)	(3.56)%
Property, plant and equipment	59,590,962	79,383,325	(19,792,363)	(24.93)%
Financial fixed assets and other intangible assets	32,487,743	38,064,978	(5,577,235)	(14.65)%
Fixed Assets	124,170,882	150,723,846	(26,552,964)	(17.62)%
Inventories	13,843,569	20,556,437	(6,712,868)	(32.66)%
Trade receivables	35,289,654	33,305,361	1,984,293	5.96%
Other assets	30,517,985	28,103,819	2,414,167	8.59%
Trade payables	(54,098,698)	(47,251,543)	(6,847,155)	14.49%
Other liabilities	(19,524,624)	(14,327,802)	(5,196,822)	36.27%
Net working capital	6,027,886	20,386,272	(14,358,386)	(70.43)%
Provisions and other non-trade liabilities	(19,374,854)	(19,762,673)	387,819	(1.96)%
Net Invested Capital	110,823,914	151,347,445	(40,523,530)	(26.78)%
Shareholders' Equity	21,034,130	57,489,165	(36,455,035)	(63.41)%
Current net financial position	64,321,617	14,777,748	49,543,869	n.a.
Non-current net financial position	25,468,167	79,080,531	(53,612,364)	(67.79)%
Total net financial position	89,789,784	93,858,279	(4,068,495)	(4.33)%
Net Invested Capital	110,823,914	151,347,445	(40,523,530)	(26.78)%



PRESS RELEASE
Terni, April 27, 2018

Reclassified consolidated income statement as at 31/12/2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016	Change	Change %
Net revenues from sales and services	63,999,159	84,165,876	(20,166,716)	(23.96)%
Production costs	(42,614,418)	(56,735,673)	14,121,256	(24.89)%
Added value	21,384,741	27,430,202	(6,045,461)	(22.0)%
Personnel costs	(19,154,936)	(10,088,416)	(9,066,520)	89.9%
EBITDA	2,229,806	17,341,786	(15,111,980)	(87.1)%
Amortization, depreciation, provisions and write-downs	(35,776,979)	(9,237,626)	(26,539,353)	n.a.
EBIT	(33,547,173)	8,104,160	(41,651,333)	n.a.
Financial income and charges	(8,410,881)	(6,895,945)	(1,514,935)	22.0%
Portions of results attributable to the JV	(339,393)	1,174,059	(1,513,452)	(128.9)%
Pre-tax result	(42,297,447)	2,382,273	(44,679,721)	n.a.
Income taxes	6,195,963	(1,231,703)	7,427,666	n.a.
Ongoing activities result	(36,101,484)	1,150,570	(37,252,055)	n.a.
Assets for Sales net result	(3,455,070)		(3,455,070)	n.a.
Net profit for the period	(39,556,554)	1,150,570	(40,707,125)	n.a.



PRESS RELEASE
Terni, April 27, 2018

Consolidated net financial position as at 31/12/2017

<i>(in Euro)</i>	As at December, 31 2017	As at December, 31 2016
Cash	(31,564)	(51,337)
Available bank current accounts	(5,284,599)	(11,027,363)
Liquidity	(5,316,163)	(11,078,700)
Bond debt	26,290,018	1,553,618
Current bank debt (current account overdraft)	11,147,638	9,302,363
Current bank debt (advance)	5,456,472	10,344,625
Financial payables to other lenders	2,289,082	1,543,450
Current financial debt (Leasing)	12,217,607	2,525,268
Current financial debt (other lenders)	21,413,864	6,595,387
Current financial receivables	(9,176,900)	(6,008,262)
Current financial debt	69,637,780	25,856,449
Current net financial position	64,321,617	14,777,748
Bond debt		24,577,074
Non-current financing	14,288,436	30,726,915
Non-current financial debt (other lenders)		1,206,254
Non-current financial debt (Leasing)	11,179,731	22,570,286
Non-current net financial position	25,468,167	79,080,531
Total net financial position	89,789,784	93,858,279