



**PRESS RELEASE**  
**Terni, May 2, 2017**

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**TERNIENERGIA: the Shareholders' Meeting approved the 2016 financial statements; Appointed two directors**

- **Approved the financial statements as at December 31, 2016**
- **Approved the First Section of the Remuneration Report foreseen by art. 123-ter of the TUF**
- **Appointment of the firm for the statutory audit: EY SpA**
- **Appointment of two directors: Giulio Gallazzi and Piero Manzoni**
- **Approved the remuneration and incentive policies for 2017 and 2018**
- **Approved the Stock Grant Plan 2017-2019**
- **Resolved the free Capital Increase for the Stock Grant Plan**

The ordinary and extraordinary Shareholders' Meeting of TerniEnergia S.p.A., 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, 2016.

**CONSOLIDATED RESULTS AS AT DECEMBER 31, 2016**

**Revenues** amounted to Euro 84.2 million. The decrease compared to the previous year (Euro 368.7 million; -77%) is attributable to the significant reduction in energy management business, resulting by the exit from the consolidation scope of Free Energia, pending the acquisition of a target company operating in the same sector (as already indicated in the Group's strategic guidelines), in order to don't change substantially the business model. The revenues of the acquired companies Softeco Sismat and Selesoft Consulting entered, however, in the scope of consolidation since 1 November 2016, following the signing of the relevant investment contracts.

**EBITDA** amounted to Euro 17.3 million (Euro 25.2 million at December 31, 2015, -31.3%). The **EBITDA margin** amounted to 20.6%.

**Net operating income (EBIT)** amounted to Euro 8.1 million (Euro 17.1 million as at December 31, 2015), after depreciation, amortization and non-recurring write-downs of Euro 9.2 million (Euro 8.1 million total in



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2015). In particular, this result is affected by the negative effects arising from write-downs of investments in Veneto Banca, as well as other operating and financial assets totaling Euro 3.8 million.

**Net income**, which includes the share of earnings from the activity of JV, amounted to Euro 1.15 million (Euro 2.6 million as at 31/12/2015; -55%), while the **profit before tax (EBT)** amounted to Euro 2.4 million.

**Net financial position (NFP)** was Euro 93.9 million (Euro 89.5 million at 30/09/2016), growing for entry into the perimeter of the Group companies and Softeco Selesoft. The current NFP is equal to Euro 78 million, while the short-term NFP amounted to Euro 15.7 million. The ratio NFP/EBITDA was 5.4x (compared to 3,46x of the year 2015).

**Net equity** amounted to Euro 57.5 million (Euro 54.2 million at 30/09/2016), while the **Immobilized capital** amounted to Euro 150.7 million, of which Euro 79.4 million related to tangible assets. Net equity takes into account the treasury shares held in portfolio, which amounted to no. 1,012,224.

### TERNIENERGIA SPA RESULTS AS AT DECEMBER 31, 2016

**Net revenues** amounted to Euro 30.7 million (Euro 32.2 million at 31/12/2015). **EBITDA** amounted to Euro 3.9 million (Euro 11.5 million as at 31/12/2015). The **Net result** was a loss of Euro 6.7 million (Euro 2.1 million as at 31/12/2015).

### 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 STATUTORY AUDIT

It is recalled that, with the approval of the financial statements as at December 31, 2016, expired the appointment of statutory audit conferred for 2008-2016 to PWC SpA expired. Based on the reasoned proposal of the Board of Statutory Auditors, the Shareholders' meeting has conferred today the mandate for the statutory audit of the consolidated and separate financial statements as well as of the consolidated half-yearly report of TerniEnergia SpA to the company EY SpA for the years 2017 to 2025.

### APPOINTMENT OF TWO BOARD DIRECTORS

The Shareholders' Meeting has also ratified the nomination for co-optation as Board Directors of ing. Piero Manzoni and Dr. Giulio Gallazzi, replacing Dr. Massimiliano Salvi and rag. Domenico De Marinis, confirming in 9 the number of members of the Board of Directors, as resolved by the Shareholders' Meeting of April 27, 2016. By ratifying the appointments, the Shareholders' Meeting conducted an analysis and verification of possible conflicts of interest, including potential, between the office assumed by Manzoni and those held in



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companies controlled by his own family and has authorized the same in general and preventive, to act as executive director of the Company (ex art. 2390 Cod. Civ).

Mr Manzoni and Mr Gallazzi will remain in office until the expiry of the current Board of Directors and until the date of the meeting called for the approval of the financial statements for the year ended at December 31, 2018. Following the new appointments, the Board of Directors is composed as follows: Stefano Neri (Chairman with executive powers), Fabrizio Venturi (with executive powers), Laura Bizzarri (with executive powers), Piero Manzoni, Giulio Gallazzi, Monica Federici, Paolo Ottone Migliavacca (Independent), Mario Marco Molteni (Independent) and Laura Rossi (Independent). According to the Company's announcement, ing. Piero Manzoni and Dr. Giulio Gallazzi have no shares in TerniEnergia SpA.

#### **REMUNERATION AND INCENTIVATION POLICIES**

The Shareholders' Meeting approved the Company and Group Policy on Remuneration and Incentives, which provides for the gross amount for the annual remuneration of the Board of Directors of Euro 720,000 plus legal fees and contributions. In addition, it is noted that with regard to the variable remuneration approved by the Shareholders' Meeting on April 27, 2016, the same variable remuneration is confirmed for executive directors and managers with strategic responsibilities for the years 2017 and 2018, specifying that this will not be due to those who will benefit of the 2017-2019 Stock Grant Plan.

#### **STOCK GRANT PLAN 2017-2019**

The Shareholders' Meeting approved the incentive and loyalty plan (the "Stock Grant Plan 2017-2019" - the "Plan") based on Company's actions in favor of top management. The Shareholders' Meeting resolved to give the Board of Directors all the powers necessary for the actual implementation of the aforementioned Stock Grant Plan 2017-2019. To this end, by way of example and not exhaustive, the Board may, after hearing the Remuneration Committee, with the faculty of subdelegation, (i) implement the Plan by drafting the Rules; (ii) nominally identify the beneficiaries thereof; (iii) determine the number of rights to receive free shares of the Company to be assigned to each beneficiary; (iv) prepare and approve the documentation related to the implementation of the Plan.

In particular, the Plan provides free allocation to the beneficiaries of rights of free allocation up to maximum no. 2,354,478 shares subject to the achievement of predetermined performance targets. The Plan provides for the allocation of the shares to be conditioned (i) to the achievement of specific performance targets; and (ii) the fact that an employee relationship exists between the beneficiary and the Company or one of the subsidiaries on the date of the assignment of the shares. The shares in service of the Plan, in compliance



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with the applicable law provisions, will earn on a free share capital increase pursuant to Article 2349, paragraph 1 of the Italian Civil Code.

For any further details regarding the Plan, please refer to the Information Document prepared in accordance with Article 84-bis of Consob Regulation no. 11971/99 on Issuers, in pursuance of the provisions of Article 114-bis of Legislative Decree no. 58/98 (TUF).

#### **CONSTITUTION OF A CONSTRAINED PROFITS RESERVE AT THE SERVICE OF STOCK GRANT PLAN**

The Shareholders' Meeting has finally resolved to ensure as of now the establishment of a specific reserve of liable equity to the aforementioned Stock Grant Plan 2017-2019, entitled "Reserve for a capital increase at the service of the 2017-2019 Grant Plan", for a total of Euro 2,959,862, to be taken from a pre-existing reserve of free assets fed by "indefinite profits", identified in the "Extraordinary Reserve".

#### **Extraordinary session**

The Shareholders' Meeting, following resolutions approved by the Ordinary Shareholders' Meeting, has resolved the amendment to art. 5 of the Bylaws of the Company by inserting in the same the following provision: "The Extraordinary Shareholders' Meeting may decide to allocate profits to employees of the Company or its subsidiaries through the issue of shares or other financial instruments, pursuant to art. 2349 of Italian Civil Code".

The Shareholders' Meeting also resolved to increase the share capital in a free and divisible way, pursuant to the first paragraph of Article 2349 of the Italian Civil Code, for a maximum of Euro 2,959,862 corresponding to, and therefore with the issue of maximum no. 2,354,478 new shares with the same characteristics as those in circulation and regular entitlement at the service of the Stock Grant Plan 2017-2019, through the use of a special reserve of profits to be executed by the date of the term of the Stock Grant Plan, meaning the capital increased on that date of the amount corresponding to the subscriptions collected.

The Shareholders' Meeting resolved to delegate to the Board of Directors all the necessary faculties concerning the issue, including in several tranches, within the terms and conditions of the Stock Grant Plan 2017-2019, of the new shares serving the Plan as well as to make the related changes to Article 5 of the Bylaws so as to adjust the amount of share capital consequently, by providing for all the fulfillment of the provisions of the current provisional legislation.

Finally, the Shareholders' Meeting has deliberated to give to the Chairman any appropriate power to implement the aforementioned resolutions by law, including any amendments or additions (which do not



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alter the substance of the deliberations themselves) that were required for enroll in the Register of Companies and provide for any fulfillment for the necessary purpose.

### **PUBLISHED 2016 FINANCIAL STATEMENTS FINALLY APPROVED**

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, 2016, 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](http://www.ternienergia.com), (Investor Relations/Financial Reporting section) and on the authorised storage mechanism 1Info at [www.1info.com](http://www.1info.com).

Based on the information available to the Company, none of the Directors or Statutory Auditors hold TerniEnergia S.p.A. shares, with the exception of Stefano Neri, who holds 125,697 TerniEnergia S.p.A. shares directly and 19,867,103 indirectly, Fabrizio Venturi, who holds directly 74,654 TerniEnergia S.p.A. shares, and Monica Federici who holds directly 16,058 TerniEnergia S.p.A. shares. 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](http://www.ternienergia.com).

*This press release is also available on the Company's website: [www.ternienergia.com](http://www.ternienergia.com).*

**TERNIENERGIA (TER.MI)**, established in September 2005, and part of Italeaf Group, is the first Italian smart energy company, committed to bring worldwide integrated and sustainable energy solutions. Organized into four business lines (Technical services, Energy management, Energy efficiency and Cleantech), with about 500 employees and a geographic presence in almost the continents, with operational and sales offices, TerniEnergia develops solutions, innovative products and services based on digital and industrial technologies for the energy sector.

TerniEnergia, also through its subsidiaries, shall pursue the objectives of increasing energy production from renewable sources, energy efficiency and emissions reduction, as laid down by European environmental policy, and participates actively in the distributed power generation revolution and energy smart grids.

TerniEnergia is the ideal partner for large utilities, distributors and grid operators, power producers, public authorities, industrial customers and investors who intends to carry out large projects for the production of renewable energy plants and modern systems with high energy efficiency, solutions for the management and maintenance of the infrastructure and the electrical systems. TerniEnergia, through a complete technological and commercial offer, develops and provides technologies, turn-key services and solutions for energy consumers in the public and private sectors. The company is listed on the STAR segment of the Italian Stock Exchange.



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