

ITALEAF: the Board of Directors of TerniEnergia approved the results as at September 30, 2017

- Revenues of Euro 50.5 million, (Euro 61.4 million as at 09/30/2016)
- EBITDA of Euro 7.3 million, (Euro 11 million as at 30/09/2016) with EBITDA margin to 14.51%
- EBIT of Euro -7.3 million, (Euro 6.2 million as at 09/30/2016)
- Net Result amounted to -8.1 million, (Euro 0.4 million as at 30/09/2016)
- Net Financial Position of Euro 87 million, Euro 11 million of which in short term (Euro 93.9 million as at 31/12/2016, of Euro 14.8 million which in short term)
- Net equity amount to Euro 52.1 million (Euro 57.5 million as at 31/12/2016)

The Board of Directors of TerniEnergia, a company listed on the Star segment of the Italian Stock Exchange and part of Italeaf Group, met today with the chairmanship of Stefano Neri, approved the interim financial report as at September 30, 2017.

The Chairman and CEO, Mr. **Stefano Neri**, stated:

"We consider these results unacceptable for the shareholders of TerniEnergia. The management has a solid intention to accelerate the implementation of very strong measures in the transition phase towards strategic repositioning and after this quarter of substantial blockage of activities, in order to recover competitiveness and change the Group's performance".

CONSOLIDATED RESULTS AS AT SEPTEMBER 30, 2017

Revenues amounted to Euro 50.5 million. The decrease compared to the first nine months of 2016 (Euro 61.4 million; -17.7%) is attributable to the substantial blockage of the core business of photovoltaic EPC.

EBITDA amounted to 7.3 million euros, down 33.3% compared to September 30, 2016 (11 million euros).

The Ebitda Margin is equal to 14.51%.

Net operating income (EBIT) amounts to Euro -7.3 million (Euro 6.2 million as at September 30th, 2016), after amortisation, depreciation, provisions and write-downs of Euro 14.6 million (Euro 4.8 million in the same period of 2016). Write-downs are attributable partly to the suspension of EPC's activities as a result of the decisions taken by the previous management and partly to the alignment of an asset to its impairment value.

Net Result amounts to Euro -8.1 million, compared to Euro 0.4 million as of 30 September 2016.

The **Net Financial Position** is equal to Euro 87 million (substantial improvement compared to Euro 93.9 million at 31/12/2016). The Non-current Net Financial Position amounts to Euro 75.2 million, while the short-term Net Financial Position amounts to Euro 11.7 million. The NFP/net equity ratio is 1.66x.

The Net Equity is Euro 52.1 million (Euro 57.5 million at 31/12/2016) and takes into account the treasury shares held in portfolio, which amount to 1,012,998 (2.15% of the share capital).

INDUSTRIAL RESULTS AS AT SEPTEMBER 30, 2017

In the photovoltaic sector, the revenues were mainly generated by power generation activities, operation and maintenance and the start of worksites in Tunisia and Zambia. In the environmental sector, are active the treatment and recovery plants for end-of-life tyres (ELT) at Nera Montoro and Borgo Val di Taro, the GreenAsm biodigestion and composting plant and, finally, the Purify groundwater purification plant at Nera Montoro. In the field of energy efficiency, the Copernico and Huntsman projects are being implemented, in addition to numerous projects in relation to which there are currently advanced negotiations with end customers and which will reasonably have an impact on the income statement in the coming quarters.

The Energy Management sector reported a significant increase in activities compared with September 30,2016 due to the effect of the increase in volumes of gas traded during the period. Finally, the industrial contribution guaranteed by Softeco Sismat and Selesoft Consulting, which contributed approximately 30% of the total in terms of revenues, should also be noted.

SIGNIFICANT EVENTS OCCURRED AFTER THE END OF PERIOD

Start of the IMOVE project for intelligent mobility coordinated by Softeco Sismat

On October 5,2017 TerniEnergia announced that Softeco Sismat, the Group's digital company, will be at the head of the IMOVE research project, co-financed under the EU Horizon 2020 programme and aimed at experimenting and validating the Mobility-as-a-Service (Maas) model, through pilot projects in various European cities and regions. The project has a total cost of about 3.7 million Euros, fully financed by the European Union. The EU funding to Softeco is Euro 0.9 million.

Softeco Sismat underwrites contract for remote control services for Smart grids of primary Italian utility

On 9 October 2017, TerniEnergia announced that the Group's digital company Softeco Sismat, in a temporary business partnership with leading companies in the sector, signed a corrective maintenance contract on behalf of leading Italian utility active in the network and Smart Grid management sector. The contract provides for the provision of remote control services for e-distribution networks for the 2017-2018 period for a total amount of Euro 0.84 million.

Launched transition plan for the strategic repositioning of the Group

On October 24,2017, the Board of Directors of TerniEnergia approved the measures to accompany the transition towards the strategic repositioning of the company. These measures provide for savings in company fixed costs of more than 2 million Euros on an annual basis and the disposal of some non-strategic assets. The BoD examined the probable effect of the above mentioned transitional measures, noting the provision for compliance with the financial covenants of the "TerniEnergia 2019" bond.

Co-optation of the Independent Director Stefania Bertolini

On 24 October 2017, the Board of Directors of TerniEnergia resolved to appoint Prof. Stefania Bertolini as independent director by co-optation, pursuant to article 2386 of the Italian Civil Code.

BUSINESS OUTLOOK

TerniEnergia has started actions aimed at strengthening the company's economic and financial situation by 31 December 2017 and ensuring the optimization of the resources available in the delicate phase of

the strategic repositioning. In addition to personnel management measures, with a consequent reduction in fixed costs, the actions aimed at the sale of non-strategic assets, identifiable in:

- non-controlling equity investments relating to photovoltaic plants with a total power of approximately 30 MWp;
- Newcoenergy S. r. l., which owns the biodigestion plant under construction in Calimera (LE), for the treatment of organic waste for the production of biomethane;
- Greeled Industry SpA, active in LED lamps production.

In addition, the Company is working to identify existing industrial companies operating in the sector to spin-off and the EPC and O&M branch or branches of business (technical office, operating teams and equipment), so as to give continuity to the LOB "On Site Engineering and Services", transforming fixed costs into variable costs and safeguarding employment levels.

TerniEnergia will complete the transformation process and will launch a phase of relaunching and reorganizing added-value businesses in the sector of smart services and solutions that allow the efficient use of natural resources. The repositioning of activities will also enable the development and production of smart technologies for the transmission and distribution of energy (smart grid), the flexible and timely management of production and energy consumption, energy efficiency, management of renewable energy and clean tech (energy islands). So, it will be possible to integrate the activities in renewables, energy efficiency, asset and energy management with systems and innovative solutions with high added value, that allow to introduce new technologies in the industry capable of act as a bridge between the industrial and "physical" business and the digital and "virtual" too.

In the environmental sector, the group aims to complete the new liquid industrial waste treatment plant in Nera Montoro (TR), which will allow to intercept a substantial demand (58,000 cubic meters per year) in a high technological market segment, with high growth prospects.

TerniEnergia has begun a deleveraging process in order to strengthen its balance sheet, with the objective of guaranteeing the financial resources necessary to support development over the next years.

The Officer appointed for the preparation of accounting and corporate documents, Dott. Paolo Allegretti, states, pursuant to paragraph 2 of art. 154-bis of the consolidated Financial Act, that the accounting information that is contained in this press release corresponds to the results contained in the documents, books, and accounting records.

OTHER RESOLUTIONS OF THE BOARD

In today's meeting, the Board of Directors reinstated the Control and Risks, Remuneration and Related Parties Committees, appointing Director Bertolini as a member of the above-mentioned committees, which are therefore composed of the Directors Mario Marco Molteni, Paolo Ottone Migliavacca and Stefania Bertolini.

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 two strategic business units (Assets and Smart solutions and services), with about 400 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 (Softeco Sismat, Selesoft Consulting, Greenled Industry, GreenAsm, Purify, Wisave, Ant Energy), 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.

Italeaf SpA is obliged to make public this information pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 15.00 CET on 30 October 2017.

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

Certified Adviser

Mangold Fondkommission AB, +46 (0)8 5030 1550, is the Certified Adviser of Italeaf SpA on Nasdaq First North.

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***Italeaf SpA**, established in December 2010, is a holding company and a business accelerator for companies and startups in the areas of innovation and cleantech. Italeaf operates as a company builder, promoting the creation and development of industrial startups in the fields of cleantech, smart energy and technological innovation. Italeaf has headquarters and plants in Italy at Nera Montoro (Narni), Terni, Milano and Lecce; has international offices in London and Hong Kong. The company controls TerniEnergia, listed on the STAR segment of the Italian Stock Exchange and active in the fields of renewable energy, energy efficiency and waste management, and Skyrobotic, in the business development and manufacture of civil and commercial drones in mini and micro classes for the professional market, Numanova, operating in the field of innovative metallurgy and additive manufacturing, and Italeaf RE, a real estate company. Italeaf holds a minority stake in Vitruviano LAB, a research center active in the R&D sector for special materials, green chemistry, digital transformation and cleantech.*