

## **ITALEAF: the Board of Directors approved the Year End Report for 2017**

***Examined the strategic guidelines of the Group's business and recovery plan. Extraordinary transactions are planned to reduce and accelerate the repayment of the current bank exposure, business continuity and optimisation and rationalisation of Italeaf's operating and structural costs.***

- **Net asset value (NAV) of Euro 24.1 million (Euro 1.41 per share) as at 31 December 2017**
- **Core shareholdings contributed to the Gross Asset Value during 2017 for Euro 21 million, of which Euro 12 million related to TerniEnergia (listed on the STAR segment of the Italian Stock Exchange).**

### ***Financial information***

- **Consolidated net loss of Euro 40.8 million (a loss of Euro 0.9 million for Italeaf, the Group's Parent Company).**
- **Consolidated revenues of Euro 64.3 million (Euro 3.7 million for Italeaf, the Group's Parent Company).**
- **Consolidated NFP of Euro 107.2 million (Euro 16.9 million for the Parent Company Italeaf); Consolidated shareholders' equity of Euro 25.9 million (Euro 27.9 million for the Parent Company Italeaf).**
- **Resignation of the Chairman of the Board of Statutory Auditors Paolo Sebastiani, new Auditor Caterina Brescia. Andrea Bellucci appointed Chairman of the Board of Statutory Auditors**

The Board of Directors of Italeaf has approved today its financial report for 2017. It shows that following significant events has occurred during the year, and in particular in the second half.

### **Consolidated financial results (under IFRS international accounting standards)**

The **Net asset value (NAV)** is equal to Euro 24.1 million (Euro 1.41 per share) as at 31 December 2017. The core equity investments contributed to the Gross Asset Value during 2017 for Euro 21 million, of which Euro 12 million related to TerniEnergia (listed on the STAR segment of the Italian Stock Exchange).

**Revenues** amounted to Euro 64.3 million (Euro 84.3 million as of 31/12/2016; -23.7%), with a decrease mainly due to the decrease in EPC activities of TerniEnergia, which was interrupted starting from the second half of the year.

**EBITDA** amounted to Euro 1.4 million (Euro 17.1 million as at 31/12/2016, -92%).

**EBIT** is negative for Euro 35.7 million (Euro 2.1 million as of 31/12/2016).

**Net result** amounted to Euro -40.8 million (Euro -4.5 million as at 31/12/2016), while the Result before taxes (**EBT**) amounted to Euro -43.6 million (Euro -3.7 million as at 31/12/2016).

The **Net financial position** amounted to Euro 107.2 million (Euro 111.1 million at 31/12/2016).

**Net equity** amounted to Euro 25.9 million (Euro 61.5 million at 31/12/2016).

#### **Separated financial results of the parent company Italeaf S.p.A. (According to the ITA GAAP method)**

**Revenues** amounted to Euro 3.7 million (Euro 6.9 million as at 31/12/2016).

**EBITDA** amounted to Euro 0.7 million, in decrease compared to December 31, 2016 (Euro 3.7 million).

**EBIT** amounted to Euro -0,1 million (Euro 3.1 million as at 31/12/2016).

**Net result** amounted to Euro -0.9 million (Euro -2 million as at 31/12/2016).

The **Net financial position** was Euro 16.9 million (Euro 17 million as at 31/12/2016).

**Shareholders' equity** amounted to Euro 27.9 million (Euro 27 million as at 31/12/2016).

#### **Dividend policy**

The Board of Directors proposed to carry forward the loss for the year 2017.

#### **Group business and recovery plan**

The Board of Directors also examined the strategic guidelines of the Group's Industrial and Recovery Plan, designed to face the situation of financial tension arising from the crisis of TerniEnergia. The Plan is based on the assumption that only in the medium term Italeaf will be able to refer to the flows deriving from TerniEnergia itself, after it has been reorganised; in this context, Italeaf's Business and Recovery Guidelines envisage:

1. **Extraordinary transactions** aimed at reducing and accelerating the repayment of the current bank exposure. The extraordinary transactions currently being evaluated by the management are:
  - potential disposal of the industrial site and buildings located in Nera Montoro (TR) and related management activities. To date, the negotiation activities have led to a first expression of interest and to the signing of the related NDA;
  - potential intervention of third party investors, in co-participation, in the investee companies Numanova and Skyrobotic with the aim of guaranteeing a sufficient capital contribution for the definitive take-off of the two companies, currently in the initial "expansion" phase. It is expected that the possible intervention of third party capital can also be implemented through the sale of controlling stakes in Numanova and Skyrobotic.
2. **Business continuity:** Italeaf may continue to provide services (administrative, management, full service, etc.) to the Group and/or any third parties that may take over the asset disposal process initiated by the subsidiary TerniEnergia.
3. **Streamlining:** Management has begun a process of optimising and rationalising of the operating and structural costs of Italeaf S.p.A.. Any acceleration and/or reduction targets will be closely linked to the progress of negotiations with third parties involved in the disposal plan of TerniEnergia and of the Nera Montoro industrial site.

Finally, the Board of Directors took note of the resignation of the Chairman of Italeaf's Board of Statutory Auditors, Paolo Sebastiani, and of the Alternate Auditor, Marco Rosatelli, both for personal reasons. The Chairman Stefano Neri, on behalf of the entire Board, expressed his thanks to Mr. Sebastiani for his commitment and work and for the valuable contribution he has made to Italeaf.

Having taken note of the resignation of Mr. Sebastiani and Mr. Rosatelli, in accordance with the law and the bylaws, Caterina Brescia took up the office of standing Auditor. The Board of Statutory Auditors has appointed Prof. Andrea Bellucci as its new Chairman.

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

*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 19.30 CET on 27 April 2018.*

#### **Certified Adviser**

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

#### **For further information please contact:**

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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.