

Italeaf: The Shareholders' Meeting of TerniEnergia approves the results as at 31 December 2018. Appointment of the new Board of Directors

The Group's operating result and margins growing, thanks to sustainable business action in the digital sector and more efficient business processes

- **The first Section of the Remuneration Report pursuant to art. 123-ter of the Consolidated Law on Finance has been approved**
- **Remuneration and incentive policies has been approved**
- **Appointed the Board of Directors of TerniEnergia S.p.A. with 5 members and its Chairman, Stefano Neri, who will remain in office for the years 2019, 2020 and 2021**
- **For the first time, the majority of the members of the Board of Directors are independent directors**
- **Appointment of the Board of Statutory Auditors of TerniEnergia S.p.A., which will remain in office for the years 2019, 2020 and 2021**
- **The integration of art. 4 of the Articles of Association has been approved**

The Ordinary and Extraordinary Shareholders' Meeting of **TerniEnergia**, a smart company listed on the electronic share market (MTA) of Borsa Italiana and part of the **Italeaf** Group, met today under the chairmanship of Stefano Neri.

Ordinary session

The Shareholders' Meeting examined and approved the draft financial statements and acknowledged the presentation of the consolidated financial statements as at 31 December 2018.

CONSOLIDATED RESULTS AS AT DECEMBER 31, 2018

Revenues amounted to 24.5 million euros. The decrease compared to the previous year (28.5 million euros; 14%) is attributable to a contraction in the consulting business of the digital company Softeco Sismat and in the energy saving business of TerniEnergia. As regards to energy efficiency, this reduction is due to the Group's financial tension, which has prevented the continuation of activities according to the original business model ("FTT - Financing Through Third Parties"). The new Recovery and Relaunch Plan envisages, in fact, a change in the business model of the sector and the launch of new projects with the supply and installation of technological systems. As regards the reduction in revenues from Softeco's consulting activities, on the one hand, it is attributable to a strategic choice made by the Company aimed at efficiency and the development of new solutions, which has generated, on the other hand, a reduction in fixed costs but, at the same time, has enabled a considerable increase in margins.

Thanks to these actions, **EBITDA** returned to positive levels, reaching Euro 1.7 million (Euro -1.8 million as at 31 December 2017), with the contribution guaranteed in large part by the growth in the activities of the digital sector. These results show the start of the trend of strategic repositioning of the Group in sectors with higher added value, which characterize the development of the business in the period of the Plan. The

Ebitda Margin is equal to 7%, improved compared to 2017.

The Net Operating Result (EBIT) is equal to Euro -4 million (Euro -14 million as at 31 December 2017), after amortisation and depreciation of Euro 4.5 million and non-recurring provisions and write-downs of Euro 1.3 million. Net of non-recurring provisions and write-downs, EBIT amounted to € -2.8 million, an improvement of 54% compared to the previous year.

The significant improvement shows a growth trend due to the actions taken by management to reposition the Group, in line with the strategic guidelines of the Recovery and Relaunch Plan.

The Net result amounted to Euro -10 million (Euro -40.5 million at 31/12/2017), an improvement of 75.2% due to the significant write-downs recorded in the previous year for assets classified as "held for sale" or "Discontinued operations", in accordance with the international accounting standard IFRS 5. The disposals envisaged are operations aimed at supporting the industrial turnaround project, as envisaged in the Recovery and Relaunch Plan. Earnings before taxes (**EBT**) of ongoing activities amounted to Euro -8.6 million (Euro -20.2 million as at 21/12/2017; +57.3%).

The **Net Financial Position** amounted to Euro 65.2 million (Euro 104.3 million at 31/12/2017), an improvement of 37.5%.

Shareholders' Equity amounted to Euro 11.4 million (Euro 21.3 million at 31/12/2017). Shareholders' Equity also takes account of treasury shares held in portfolio, which amount to 1,012,224.

TERNIENERGIA S.P.A. RESULTS AS AT 31 DECEMBER 2018

Net Revenues amounted to Euro 5.7 million (Euro 6.6 million at 31/12/2017). The gross operating margin (**EBITDA**) amounted to Euro 1 million (Euro -1.5 million as at 31/12/2017). The Net operating result (**EBIT**) is equal to Euro -0.5 million (Euro -4.8 million as at 31/12/2017).

The **Net result** is negative for Euro 6.3 million (Euro -42.2 million as at 31/12/2017). The **NFP** amounts to Euro 61.8 million (Euro 71.3 million as at 31/12/2017), while the **Shareholders' Equity** amounts to Euro 4.4 million (Euro 10.7 million as at 31/12/2016).

MEASURES EX 2446 COD. CIV.

The Ordinary Shareholders' Meeting of TerniEnergia S.p.A., in light of the relevant situation pursuant to Article 2446 of the Italian Civil Code as already communicated on 24 September 2019, resolved:

(a) to acknowledge the financial position, results of operations and cash flows of the Company at December 31, 2018, which resulted in a loss of Euro 6,337,444, thus reducing the Shareholders' Equity to Euro 4,364,936 compared with a share capital of Euro 12,281,320;

(b) to avail itself of the provisions of paragraph 2 of Article 2446 of the Italian Civil Code, and therefore to postpone any necessary capital reduction in proportion to the losses ascertained at the time of approval of the draft financial statements for the year ending 31 December 2019.

REMUNERATION REPORT PURSUANT TO ARTICLE 123-TER OF THE ITALIAN CIVIL CODE. LGS. 58/98

The Shareholders' Meeting approved the Report on the Remuneration of Directors and Executives with Strategic Responsibilities pursuant to Article 123-ter of Legislative Decree 58/98.

RENEWAL OF CORPORATE BODIES

The Shareholders' Meeting appointed the members of the Board of Directors, which will remain in office for the financial years 2019, 2020 and 2021, until the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2021, the number of which was determined as 5 members, compared to 9 of the previous Board of Directors. The directors proposed in the list submitted by the majority shareholder Italeaf S.p.A. and voted by the Shareholders' are: Stefano Neri, born in Terni (TR) on 14/09/1959, who took up the position of Chairman; Laura Bizzarri born in Foligno (PG) on 22/09/1971; Stefania Bertolini born in Milan (MI) on 30/12/1968; Mario Marco Molteni born in Varese (VA) on 18/09/1958; Paolo Piccini born in Genoa (GE) on 11/12/1960.

Stefania Bertolini, Mario Marco Molteni and Paolo Piccini have declared that they meet the independence requirements set out in the current provisions, including the Consolidated Law on Finance, and in the Code of Conduct. For the first time, the majority of the members of the Board of Directors are independent directors.

The 3 members of the Board of Statutory Auditors and the 2 alternate auditors appointed from list no. 1, which will remain in office for the years 2019, 2020 and 2021: Ernesto Santaniello born in Naples (NA) on 06/09/1943, who assumed the position of Chairman of the Board of Statutory Auditors; Andrea Bellucci born in Perugia (PG) on 10/11/1963, elected standing auditor; Simonetta Magni, born in Terni (TR) on 18/02/1968, elected standing auditor; Marco Chieruzzi born in Terni (TR) on 30/04/1960, elected alternate auditor; Caterina Brescia, born in Terni (TR) on 07/06/1971, elected alternate auditor.

DETERMINATION OF THE TOTAL REMUNERATION OF DIRECTORS

Finally, the Ordinary Shareholders' Meeting approved the remuneration and incentive policy of the Company and the Group, which provides for:

- (a) the total annual taxable emolument of the Board of Directors in Euro 310,000 plus legal charges and contributions, in addition to the reimbursement of expenses incurred in connection with the appointment;
- (b) to determine the total gross annual emolument of the Board of Statutory Auditors at Euro 70,000 in addition to the reimbursement of expenses incurred in connection with the assignment.

Extraordinary session

INTEGRATION OF ART. 4 OF THE BY-LAWS

The Extraordinary Shareholders' Meeting of TerniEnergia S.p.A. today approved the amendment of Article 4 of the By-laws. The amendment is limited to the integration of the above article with the object of the activities carried out by the subsidiary Softeco Sismat S.r.l., in view of the merger by incorporation between the latter and TerniEnergia S.p.A. in implementation of the sworn Recovery and Relaunch Plan pursuant to art. 67, third paragraph, letter d), of R.D. 267/42 and, in particular, the inclusion of the following activities:

"the design, production, development, installation and maintenance of hardware, software and electronic and electromechanical equipment and components for Information Technology, automation and control".

This integration does not entail any significant change in the activities carried out.

The new By-laws of the Company, as amended by the Shareholders' Meeting, will be available for consultation at the authorized storage mechanism 1Info, at the address www.1info.it, at Borsa Italiana and on the Company's website www.ternienergia.com within the terms required by law.

DOCUMENTATION REPOSITORY

The minutes of the Shareholders' Meeting shall be made available to the public in accordance with the terms and conditions provided for by current legislation.

It should be noted that the financial statements of TerniEnergia S.p.A. as at 31 December 2018, approved by the Shareholders' Meeting, and the consolidated financial statements of the TerniEnergia Group as at 31 December 2018, together with the documentation required by current regulations, are available to the public at the Company's registered office, on the website www.ternienergia.com (Investor Relations/Financial Statements and Reports section), as well as at the authorized storage mechanism 1Info, at the following URL: www.1info.it.

It should also be noted that, on the basis of the information available to the Company, none of the Directors and Statutory Auditors holds TerniEnergia S.p.A. shares, with the exception of Stefano Neri, who holds directly 125,697 shares and indirectly 19,867,102 TerniEnergia S.p.A. shares.

The documentation relating to the members of the Board of Directors and Board of Statutory Auditors appointed, including all curricula vitae and certification of possession of the independence requirements of the independent directors appointed, is available in the Investor Relations/Shareholders' Meeting section of the 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 300 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, 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.

This press release is also available on the Company website: 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 11.30 CET on 6 November 2019.

Certified Adviser

Mangold Fondkommission AB, +46 (0)8 5030 1550, email: ca@mangold.se, 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, and at Milano.

The company controls the smart energy company TerniEnergia, listed on the MTA of the Italian Stock Exchange, Skyrobotic, active 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, among others, a minority stake in Vitruviano LAB, a research center active in the R&D sector for special materials, green chemistry, digital transformation and cleantech.