

**ITALEAF: approved the update of the TerniEnergia's business plan 2015-2017 "Fast on the smart energy road"**

- **Potential M&A in the areas of EPC systems for the production of renewable energy, Gas & Power, also abroad, and "smart technologies"**
- **Potential spin-off of the environmental business line for the creation of a corporate platform open to new industrial partnerships and to the entry of new investors focused on the green & circular economy fields**
- **Updated forecast 2015: Revenues for Euro 350 million, EBITDA of approximately Euro 22 million with EBITDA margin of 6.3%, NFP reduced to approximately Euro 86 million, with NFP/EBITDA ratio of 3.9x**
- **The update of the business plan provided for: deconsolidation of Free Energia, strengthening of EPC international activity, confirming of the new organizational structure, further reduction of the NFP, completing the integration of activities in the energy value chain, increase of the business of energy efficiency and increase of the margins thanks to the integration of proprietary technologies**
- **Revenues in the three years: over Euro 0.9 billion**
- **NFP 2015-2017 in reducing by 14%**

The Board of Directors of **TerniEnergia**, smart energy company active in the fields of renewable energy, energy efficiency, waste and energy management, listed on the Star segment of the Italian Stock Exchange and part of Italeaf Group, approved the update of the industrial plan 2015-2017, with updating of the 2015 forecast.

The plan will be presented to the financial community today in Milan at h 9.30 AM CET by the Chairman and Ceo of TerniEnergia Stefano Neri and by the Executive Director Sergio Agosta, during the workshop "Energy for Innovation" organized by the Italeaf Group, financial holding and first Italian company builder, the majority shareholder of TerniEnergia.

**FORECAST 2015**

The Board of Directors was informed of the forecast updated for the year 2015, which will close with revenues of approximately Euro 350 million, EBITDA of approximately Euro 22 million with EBITDA margin approximately of 6.3%, a further significant reduction in the Net financial position that will be around Euro 86 million and a NFP/EBITDA ratio of 3.9x.

**"FAST ON THE ROAD SMART ENERGY": KEY STRATEGIES**

The need to proceed with an update of the Business Plan 2015-2017, stems from the deconsolidation from the Group of Free Energia, following the Divestment Agreement approved by the Board of Directors on October 2, 2015. Due to the transaction, TerniEnergia will receive - as payment for the transfer of the entire equity of Free Energia to the main former shareholders of that company - a maximum of n. 6,447,550 TerniEnergia shares, subscribed in the capital increase dedicated on Oct. 21, 2014.

Such shares will represent for TerniEnergia a payment due to be used for potential extraordinary transactions, industrial or strategic alliances regarding the involvement of third-party investors, who have not yet identified. These operations will be targeted:

- Companies operating in the EPC of plants for the production of energy from renewable sources (not only PV), internationally active, in order to take advantage of the period of great global growth in the sector, driven by the increase in energy requirements by the emerging countries, new international policies on the reduction of "global warming" and, above all, the investment increasing in the sector;
- Companies operating in the Gas Power management, also at international level, in order to strengthen and speed up the business development, operational and after-sales services of TerniEnergia Gas &

Power, a subsidiary of the group active in the fields of energy trading and natural and liquefied natural gas;

- Companies operating in the field of "smart technologies" for the reduction of energy consumption by large industrial and commercial operators and public administrations, in order to increase the profitability of the business of energy efficiency by implementing proprietary technologies.

Confirmed the evolution of the organizational structure, which will be based on four functional business lines: Technical Services, Cleantech, Energy Management and Energy Saving.

In the update of "Fast on the smart energy road" plan are confirmed some industrial assumptions such as:

- Backlog of orders in photovoltaics already acquired and currently being acquired abroad;
- Development of relevant business opportunities "cross-selling" in the areas of energy efficiency (fast-growing) and the gas & power management;
- Strong business diversification of TerniEnergia in anti-cyclical sectors and completion of the "core" of the group along the entire energy value chain, from design works up to post-sale advanced services.

A strategic element of newness, however, is represented by the scouting for potential corporate and industrial partnerships in the environmental sector, including even the possibility of giving life to the spin-off of the plants in the "waste management" industry in a newco, which will provide a "national leader" industrial platform open to the participation of new investors focused on the green & circular economy fields.

#### **"FAST ON THE ROAD SMART ENERGY": TERNIENERGIA IN FIGURES**

TerniEnergia expects to 2017 a substantial increase in revenues and profitability and, simultaneously, a reduction of NFP and an increase in margins.

The plan estimates an increase in revenues to more than Euro 0.9 billion in three years, with interim targets of Euro 350 million in 2015, Euro 220 million in 2016, Euro 334 million in 2017.

The EBITDA for the plan period is expected to grow by 13.3% (CAGR 2015-17), estimated at Euro 22 million in 2015, Euro 24 million in 2016 and Euro 32 million in 2017. In 2017 it is expected a balanced contribution of the 4 business lines (technical services, cleantech, energy management and energy efficiency) to the formation of Ebitda. The margin will grow over the plan period, from 6.3% in 2015 to 9.6% in 2017, demonstrating the solidity and scalability of the business model and the limitation of risk, resulting from the diversification of activities and the integration of the chain value.

With the new structure, the net financial position will decline further over the plan period, with an overall reduction of about 14% and intermediate targets of Euro 86 million in 2015, Euro 78 million in 2016 and Euro 74 million in 2017. Also confirmed the improvement of the NFP/EBITDA ratio that already in 2015 will fall below 4x, reaching 3.9x, to fall further to 3.3x in 2016 up to 2,30x in 2017.

Please note that the presentation of the Business Plan 2015-2017 TerniEnergia "Fast on the smart energy road" Update, is available to the public at the registered office, on the company website under Investor Relations ([www.ternienergia.com](http://www.ternienergia.com)) as well as at the centralized storage mechanism "1INFO" ([www.1info.it](http://www.1info.it)) and at the Italian Stock Exchange.

**TerniEnergia**, a company incorporated in September of 2005 and part of Italeaf Group, is the first Italian smart energy company and operates in renewable energy, energy efficiency, energy and waste management. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own, for the Power Generation business, also through joint venture companies with leading national players. TerniEnergia operates in the waste management sector, recovery of the material and energy, development and production of technologies. In particular, the Company is active in the recovery of tires out of use, in the treatment of biodegradable waste through the implementation of biodigesters, management of plant for the biological depuration; decommissioning of industrial plants, recovery of demolition metals and cleaning of industrial sites; development and production of technological apparatus.

Through Free Energia, the Group is active in the energy management, energy sales to energy intensive customers, software and services for energy management, administrative, financial and credit management. Through TerniEnergia Gas & Power, the Group is also active on the natural gas and liquefied natural gas (LNG) market, offering a range of services and activities in order to develop Client's business and achieve a competitive advantage providing the best market conditions and creating a high added value.

TerniEnergia operates in the development of energy efficient plants both through EPC scheme and FTT scheme (Financing Through Third Parties), pursuing the objectives of increasing energy production from renewable sources, of energy saving and reduction of emissions as set forth by environmental European policy.

TerniEnergia is listed on STAR segment of Borsa Italiana S.p.A..

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

#### **Certified Adviser**

Mangold Fondkommission AB is the Certified Adviser of Italeaf on NASDAQ OMX 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 and a research and development centre in the Hong Kong Science and Technology Park. The company controls TerniEnergia, a smart energy company listed on the STAR segment of the Italian Stock Exchange and active in the fields of renewable energy, energy efficiency and waste and energy management, Greenled Industry, working in the development and production of power LED lamps for industrial energy efficiency and public lighting, WiSave in the "internet of things" field, for the development and production of thermostats and smart technologies for the remote control of electrical and heating items of buildings managed through a cloud infrastructure, and Skyrobotic, in the business development and manufacture of civil and commercial drones in mini and micro classes for the professional market.*

# FAST ON THE SMART ENERGY ROAD

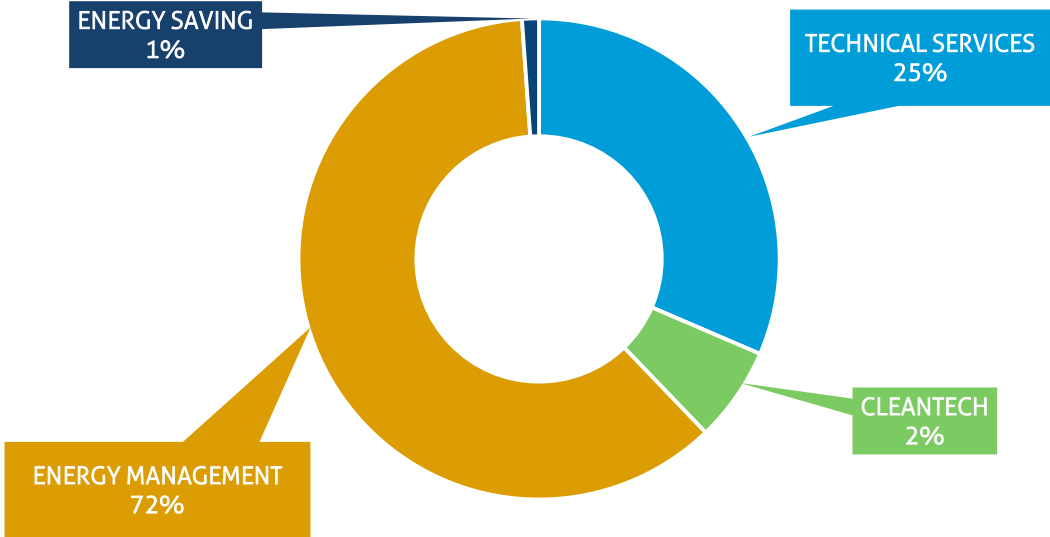
## TERNIENERGIA BUSINESS PLAN UPDATE 2015|2017

CONGRESS ROOM  
BORSA ITALIANA  
OCTOBER 30, 2015 – MILAN, IT



# 3Q 2015 RESULTS

## REVENUES BREAKDOWN



## INDUSTRIAL RESULTS

### POWER GENERATION & EPC

- 16.45 MW in full ownership
- 25.91 MW in JV 50:50
- 1.5 MW biomass
- 53 Mln KWh generated
- 273 PV Plants installed
- 284.1 MW installed

### ENERGY MANAGEMENT & ESCO

- 1,1 TWh cumulated energy managed
- 400 GWh 3Q energy managed
- 9,250 area lights managed
- 4 GWh saved

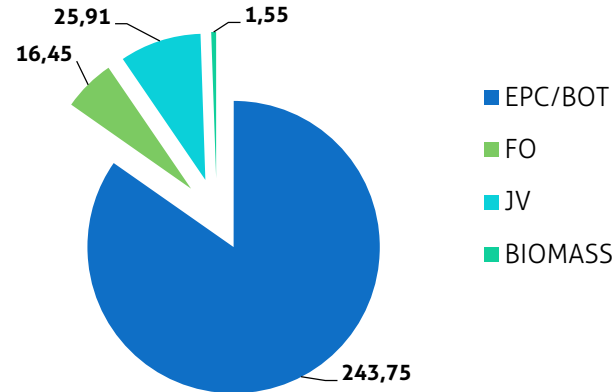
### ENVIRONMENTAL

- 2 Biomass plants installed
- 2 End fo Life Tyres plant installed
- 2 Water remediation plant installed

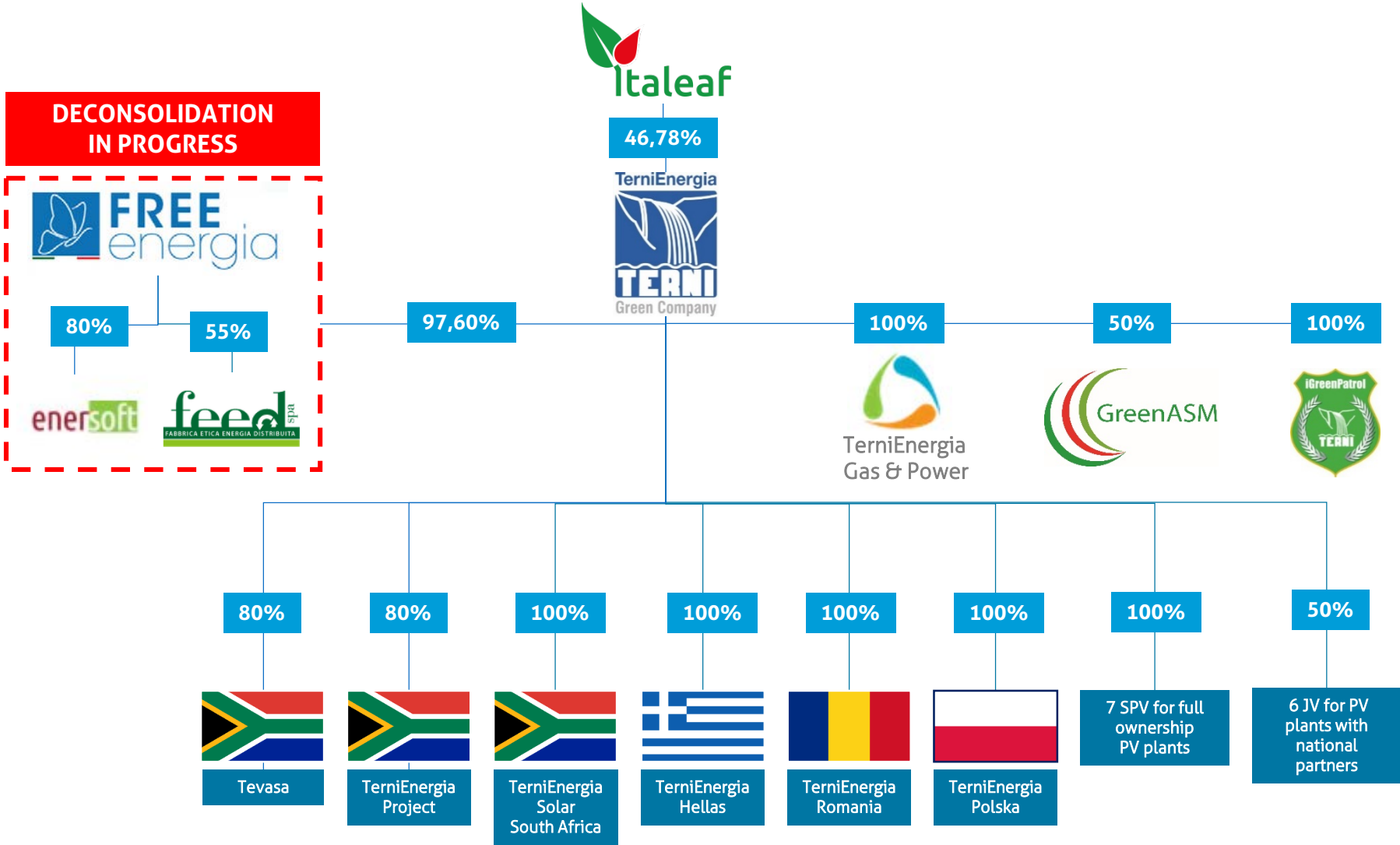
## FINANCIAL HIGHLIGHTS

REVENUES	≈ 277.2 M/€ (+755.5% - 3Q 2014)
EBITDA	≈ 16.5 M/€ (+7.8% - 3Q 2014)
NET PROFIT	≈ 3.4 M/€ (-46% - 3Q 2014)
NFP	≈ 92.9 M/€ (-14.1% - FY 2014)
EQUITY	≈ 70.9 M/€ (-0.5% - FY 2014)

## TOTAL INSTALLED MW



# SHAREHOLDERS STRUCTURE – COMPANIES CHART



# DECONSOLIDATION OF FREE ENERGIA

DIVESTMENT AGREEMENT



TREASURY STOCK



Maximum 6.477.550  
TerniEnergia shares  
available  
for external growth

POTENTIAL M&A TRANSACTIONS

ENERGY SAVING

GAS & POWER  
MANAGEMENT

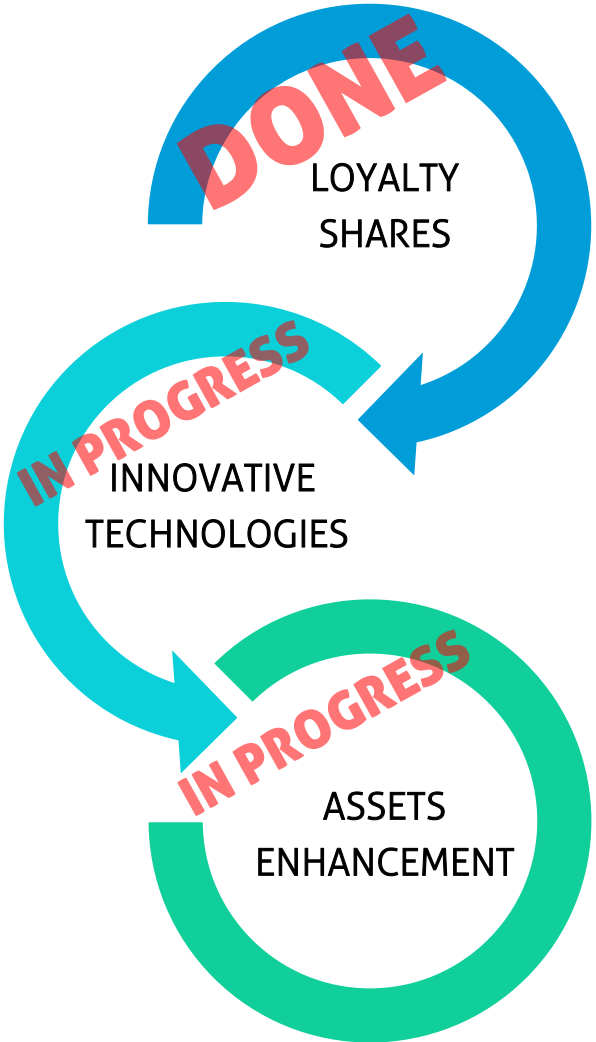
TECHNICAL SERVICES

# MAIN AMBITIONS FOR THE NEW TERNIENERGIA GROUP

- ✓ BOOSTING AND DIVERSIFYING THE **INTERNATIONAL EPC BUSINESS FOR RENEWABLE ENERGY PLANTS**
- ✓ **BUSINESS MIX REBALANCE** TOWARDS THE SMART ENERGY COMPANY
- ✓ **COMPLETING THE ENERGY VALUE CHAIN** IMPLEMENTING GAS & POWER
- ✓ FINANCIAL EFFICIENCY THROUGH THE **NFP REDUCTION STRATEGY**
- ✓ DEVELOPMENT OF **CROSS-SELLING OPPORTUNITIES**
- ✓ **ENANCHING THE ENERGY EFFICIENCY ACTIVITY** ENPOWERING THE COMMERCIAL NETWORK AND THE MARKET SHARE
- ✓ **DEVELOPMENT OF INNOVATIVE TECHNOLOGIES** TO SUPPLY THE NEEDS OF THE INDUSTRIAL BUSINESS



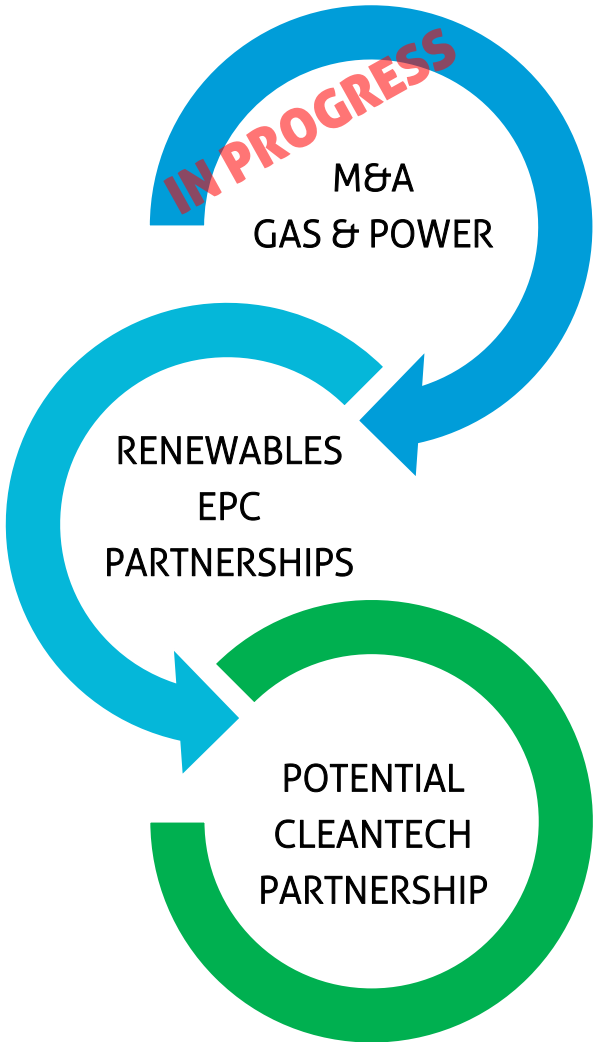
# UNLOCKING VALUE FOR THE FUTURE COMPANY GROWTH



INTRODUCING THE INCREASED VOTING RIGHTS TO IMPROVE THE GROUP'S GROWTH STRATEGY THROUGH M&A OPERATIONS, EMPOWERING THE CONTINUOUSLY CONTROL BY LONG TERM SHAREHOLDERS

INCREASING THE MARGINS IMPLEMENTING PROPRIETARY INNOVATIVE TECHNOLOGIES TO SUPPLY THE NEEDS OF ENERGY CONSUMPTION REDUCTION FOR PUBLIC, COMMERCIAL AND INDUSTRIAL CUSTOMERS

CONTINUING THE PATH OF ENHANCEMENT OF THE ASSETS REPRESENTED BY THE OWNERSHIP OF PHOTOVOLTAIC SYSTEMS OF INDUSTRIAL SIZE DEVELOPED, MAINTAINING THE MANAGEMENT OF POWER GENERATION

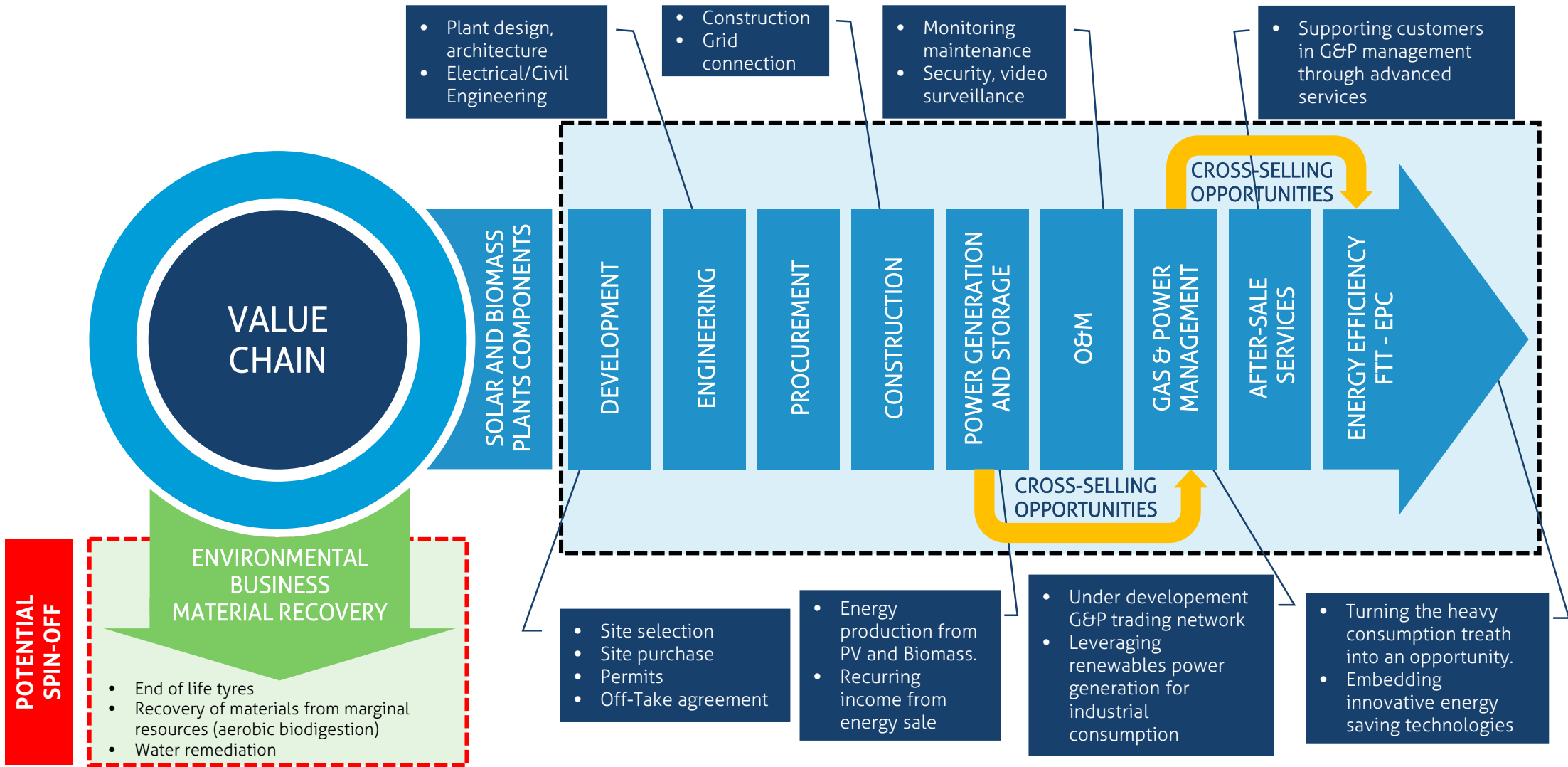


SCOUTING IN THE GAS & POWER MARKETS FOR M&A OPERATIONS. POTENTIAL INTERNATIONAL GROWTH

THE COMPANY INTENDS TO EXPLORE THE POSSIBILITY OF BECOMING A PLATFORM FOR POSSIBLE PARTNERSHIPS IN RENEWABLES EPC FIELD, TO CREATE A NATIONAL INDUSTRIAL LEADER READY FOR THE INTERNATIONAL CHALLENGES

THE COMPANY INTENDS TO EXPLORE THE OPPORTUNITY TO SPIN-OFF THE CLEANTECH BUSINESS LINE TO CREATE A NEWCO FOR AN INDUSTRIAL PARTNERSHIP

# A FULLY INTEGRATED SMART ENERGY COMPANY



# THE ORGANIZATION IN A SNAPSHOT

FOUR BUSINESS LINES TO COMPLETE THE VALUE CHAIN OF ENERGY

A SYNERGISTIC, OPERATIVE AND FINANCIAL APPROACH



## TECHNICAL SERVICES

RENEWABLES EPC – POWER  
GENERATION



## CLEANTECH

RECOVERY OF ENERGY AND  
MATERIAL FROM MARGINAL  
RESOURCES – WATER  
REMEDICATION



## ENERGY SAVING

SOLUTIONS, EPC AND  
TECHNOLOGIES FOR ENERGY  
EFFICIENCY



## ENERGY MANAGEMENT

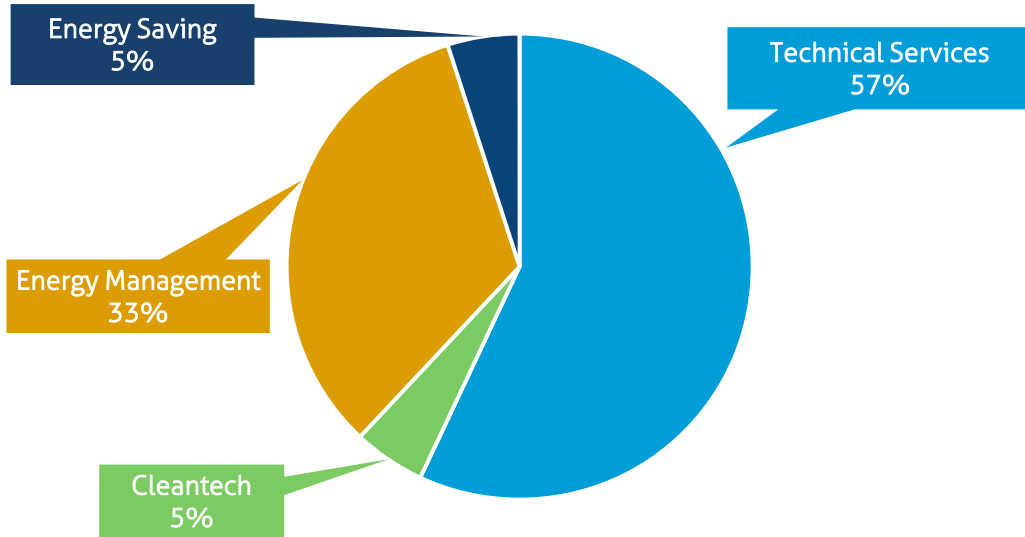
GAS & POWER TRADING  
AND MANAGEMENT –  
AFTER-SALE SERVICES

# A SOLID DOUBLE-DIGIT GROWTH

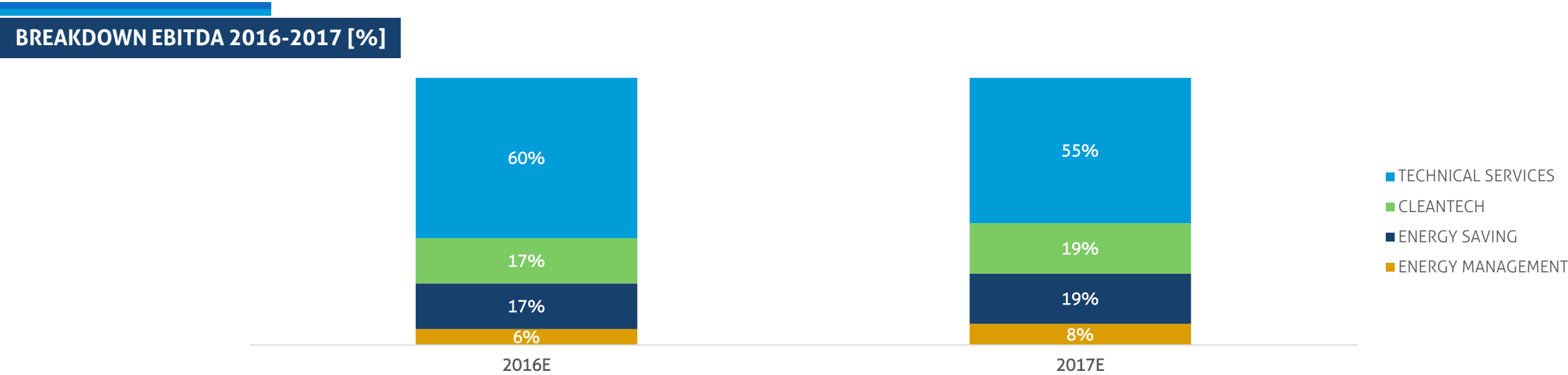
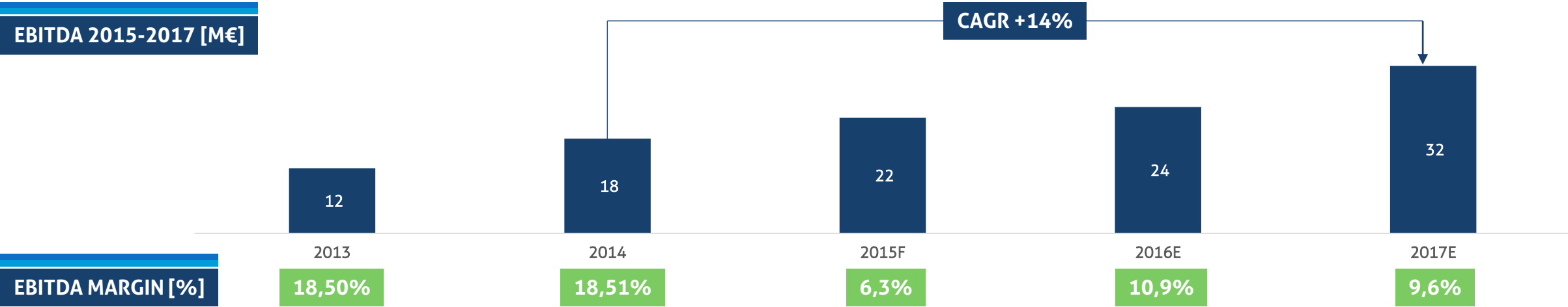
## REVENUES 2015-2017 [M€]



## 2016E REVENUES BREAKDOWN

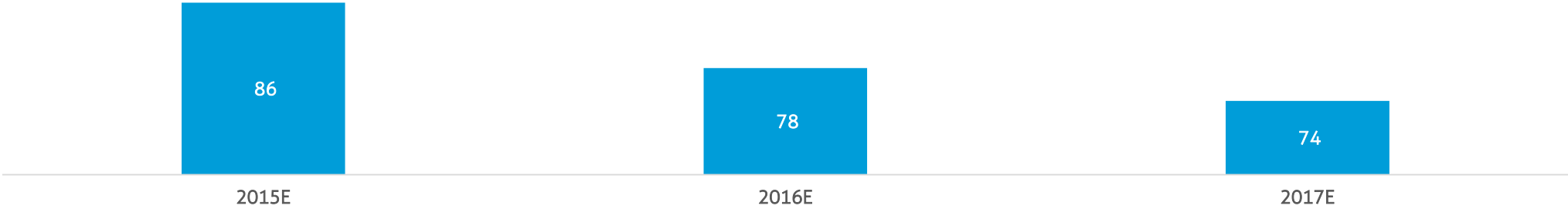


# EBITDA BOOST WITH A BALANCED MIX

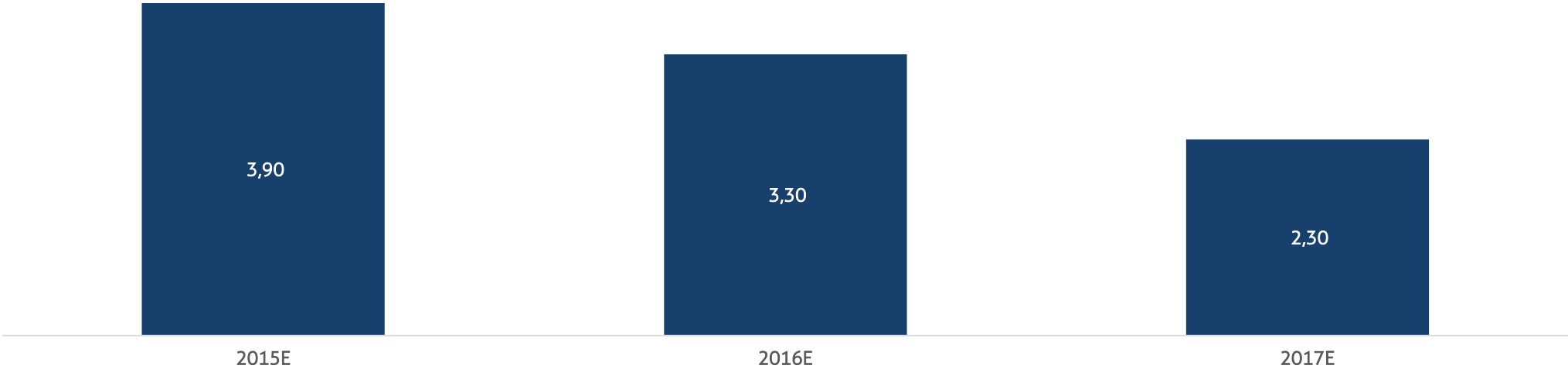


# A SEASON OF DEVELOPMENT SOLIDLY BUILT

**NFP EVOLUTION 2015-2017 [M€]**



**NFP/EBITDA 2015-2017**



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Some information contained here in and other material discussed at the meetings may include forward-looking information based on TerniEnergia's current beliefs and expectations. These statements are based on current plans, estimates, projections, and projects and therefore you should not place undue reliance on them.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: changes in global economic business, changes in the price of certain commodities including electricity, gas and coal, the competitive market and regulatory factors.

Moreover, forward-looking statements are current only at the date they are made.

# FOR FURTHER INFORMATIONS

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