

PRESS RELEASE

Dolomiti Energia Holding SpA: The Board of Directors has approved the 2019 draft financial statements.

- **Total Consolidated revenue and income: 1,500 million euro (1,460 million euro in 2018, +2.7%);**
- **Consolidated gross operating margin (EbitDa): 216.8 million euro versus 216.2 million euro in 2018 (+0.3%);**
- **Consolidated net operating result (Ebit): 153.6 million euro (155.4 million euro in 2018, -1.2%);**
- **Consolidated net operating profit: 80.6 million euro (78.2 million euro in 2018, +3.1%);**
- **Net financial indebtedness: 303.4 million euro (326 million euro in 2018, -6.9%);**
- **250.000 euro donation to UPIPA for COVID-19 emergency.**

Rovereto, 27 March 2020 – The Board of Directors of Dolomiti Energia Holding, chaired by Massimo De Alessandri, has approved today the 2019 results of Dolomiti Energia Group. The year ended with positive consolidated economic-financial results, in line with the previous year. These results were generated by diversified dynamics implemented by the various business units of the Group: in particular, sales activity of energy and gas showed a significant recovery since, in 2018, it had been heavily penalised by the market framework and adverse meteorological conditions for the gas sector, while hydroelectric production showed results below the figures of last year, despite volumes that were substantially in line with historical averages and with the averages of the previous year, since it was penalised, as expected, by a significant decline in incentives following the exit, in 2018, of some important plants from the incentive scheme, in addition to recording a significant decline in prices occurring in particular in the last few months of the year. The other operating activities showed overall positive results, in line with the previous year.

The financial position of the Group is confirmed to be sound and adequate to support future performance of business activities. In particular, the ratio of the net financial position to EBITDA, standing at 1.4, is such as to allow for a high safety margin which may be critical for addressing the important macro-economic impacts related to the current health state of emergency.

Consolidated Financial Statements of the Group at 31 December 2019: Main economic-financial data (in million euros)

	2019	2018	change
Total Revenue and income	1,500	1,460	+2.7%
Gross operating margin (EbitDa)	216.8	216.2	+0.3%
Net operating result (Ebit)	153.6	155.4	-1.2%
Net operating profit	80.6	78.2	+3.1%
Net financial indebtedness	303.4	326	-6.9%

These are, in short, the main data of the 2019 financial statements. The consolidation scope of the Group includes, in addition to the Parent Company Dolomiti Energia Holding, the subsidiaries Dolomiti Energia Solutions srl, Novareti SpA, Dolomiti Ambiente srl, Dolomiti Energia Trading SpA, Dolomiti Energia SpA, SET Distribuzione SpA, Depurazione Trentino Centrale Scarl, Hydro Investments Dolomiti Energia srl, Hydro Dolomiti Energia srl, Dolomiti GNL srl and Centraline Trentine srl. The results from Dolomiti Edison Energy and SF Energy are instead recognised in the financial statements based on the net equity method, in accordance with the adopted accounting standards.

Investments carried out in 2019 amounted to 63.2 million euro (51.2 million euro in 2018). The most important investments refer to the activities performed in order **to increase the efficiency of the distribution networks** and of the production plants, **to strengthen the services available to the final customers** and to ensure compliance with the sector regulations.

These investments, combined with the constant fine-tuning of measurement and data transmission techniques, with the installation of cutting edge technological systems for the verification, simulation and optimisation of network structures, have

allowed the Group to obtain constant improvements in service quality, as proven by the continuity bonuses constantly received from the distribution companies.

As regards the industrial aspects, with reference to the main sectors of activity, the Group is highlighting the following results:

ELECTRICAL PRODUCTION

Hydroelectric production: The hydroelectric production of Dolomiti Energia Holding, Dolomiti Edison Energy, Hydro Dolomiti Energia and SF Energy reached **4.1 billion kWh**, in line with the 4.1 billion kWh of 2018 (100% DEH, HDE, SFE, DEE).

Thermoelectric production: It generated **97 million kWh** (142 million kWh in 2018).

DISTRIBUTION NETWORKS

Electricity: The Group **distributed 2.6 billion kWh** (2.6 billion kWh in 2018). The electric distribution network covered, at 31 December 2019, 12,103 km (11,919 km in 2018, the increase is also due to the integration of the electricity distribution networks of the Municipality of Molveno and the Municipality of Sant'Orsola, implemented during the year).

Natural gas: In 2019, **294.8 million** cubic metres of gas were **distributed**, up compared with the 287.6 million cubic metres in 2018. The network covers 2,415 km compared with 2,376 km in 2018.

Integrated water cycle: in 2019, the quantity of **water supplied to the network**, 1,138 km long (1,215 in 2018), totalled **30 million** cubic metres compared with 29.9 in 2018. The water was distributed to a total of 111,970 users.

SALES

Electricity: The Group **provided to its end customers 4.1 billion kWh**, compared with 3.9 billion kWh in 2018. Electricity **customers** were almost **455,000** compared with 431,000 in 2018.

Natural gas: In the gas sector, sales to **final customers stood at 497 million** cubic metres of gas in 2019 against 490.6 million in 2018. Today, **customers** total **213,000** (196,000 in 2018).

The trend of commercial activity has enabled a further increase in the number of electricity and gas customers, bringing it up to **668,000** (627,000 in 2018). A very positive net increase, equal to approximately 41,000 supply points, also following the award of the tender called by APAC for a few thousand delivery points to the Public Administration of the Trentino region.

OTHER ACTIVITIES

Laboratory: In 2019 the laboratory (control of drinking water quality, water tables, waste water and water treatment) has carried out more than **19,729 analyses**, compared with 18,450 in 2018, up by 6.9% compared with the previous year, 61.7% of which on behalf of third parties (54.4% in 2018).

Co-generation and district heating: In 2019, **98.4 GWh** of heat, steam and cooling were distributed (132.5 GWh in 2018). This figure also includes the amount distributed to industries.

Waste Management: The percentage of separate waste collection in 2019 stood, in Trento, at 81.7% (80.8% in 2018) and 78.9% in Rovereto (78.7% in 2018), achieving excellent results for cities of this size. Overall, during the year, 73,234 tons of waste, between separate and unsorted waste, were collected (72,682 in 2018).

Electric mobility: On 1 July 2019, an agreement was also signed with Alperia to share the initiatives of the two Groups in the field of electric mobility with the objective of giving a decisive contribution toward the infrastructure in the territory of the Region but also to develop connected activities in the rest of Italy. Dolomiti Energia Holding has therefore acquired 50% of the share capital of Alperia Smart Mobility which was renamed Neogy, with an equal investment held by Dolomiti Energia Holding and Alperia. At this reporting date, Neogy has a significant number of active recharging sites (currently about 400) also thanks to the innovative models and collaboration agreements entered into with other subjects present in the territory, such as the agreement executed with Federazione Trentina della Cooperazione.

The beginning of 2020 was characterised by a trend in line with the previous year. Unfortunately, as it is well known, starting from the second half of the month of February, Italy has been progressively affected by a major health crisis of epic historic proportions. The company is monitoring the development of this very complex situation caused by the spreading of the

COVID-19 (Coronavirus) not only in Italy, but worldwide, with severe repercussions that may affect the macro-economic scenario. To date, it is impossible to quantify with sufficient accuracy the economic and financial effects of this event, both because it is impossible to know and reasonably estimate the duration of the restrictions in place and because the limited time between the onset of this event and today's date has not allowed us to fully measure the consequences that will inevitably unfold over the next few months. Given the various activities carried out by the Group, it is reasonable to predict that these impacts will concern primarily the hydroelectric production activities and the sales of electricity and gas, in particular due to a decline in the demand following reduced activities of many companies. The Company is committed to communicating to the market any information that may become available after the approval of the draft financial statements.

Dolomiti Energia Group has decided to donate 250,000 Euro to UPIPA, the association that brings together retirement homes and public personal assistance entities of the Trentino Region. With this donation, the Company wishes to give a sign of solidarity to the Trentino Community and in particular to the most vulnerable people involved in this health emergency caused by the virus, as well as to all those who live and work in retirement or nursing homes. The donation will be used to purchase sanitary medical items and supplies so that people working in these environments can protect their health and the wellbeing of the elderly residents.

The Board of Directors of the Company will ask the Ordinary Shareholders' Meeting to approve the 2019 Financial Statements and the distribution of a **dividend** of 0.09 euro per share (equal to the dividend distributed last year) for a total of **34 million euro**, with a ratio of dividends to the net profit of the Parent Company of 93.3%.

CONSOLIDATED NON-FINANCIAL DECLARATION

The Board of Directors has also approved the Consolidated Non-Financial Declaration, pursuant to Legislative Decree 254/2016.

The Board of Directors has resolved to convene the **Ordinary Shareholders' Meeting** for the approval of the Financial Statements for **29 April 2020, in first call, and for 29 May 2020, in second call**, granting, as of now, to the Chairman the power to defer the convening to the most appropriate date based on any new developments in the current situation and in compliance with the terms introduced by the Decree "Curing Italy" no. 18 of 17 March 2020, without prejudice to the possibility that the Meeting may take place with the exclusive use of telecommunication means and with the guarantee of a proper identification of the participants and of the methods for casting the votes.

The Manager responsible for the preparation of the accounting reports, Mr Michele Pedrini, declares – taking into account the provisions of all applicable regulations – that the accounting information contained in this press release corresponds to the relevant documents, accounting books and records.

Alternative performance indicators

Some alternative performance indicators used in this press release are not included in the international accounting standards (IFRS-EU) adopted by the European Union but the Management of Dolomiti Energia Holding SpA believes that they may be helpful for a better assessment and monitoring of the economic-financial performance of Dolomiti Energia Holding SpA and of the Group. In line with the recommendations provided in the Directives published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/EU and incorporated by Consob in its supervisory practice with Communication no. 92543 of 3 December 2015, following is an explanation of the meaning, the content and the basis used for the calculation of these alternative performance indicators:

- **EBITDA** (or Gross Operating Margin) is an alternative operating performance indicator calculated as the sum of "Net operating result" and "Amortisation, depreciation, allocations and write-downs";

- **Net financial indebtedness** is an indicator of the financial structure. This indicator is the result of the financial debts net of cash and cash equivalents and current and non-current financial assets (financial receivables and other investment securities).

Contacts:

www.gruppodolomitienergia.it/content/investor-relations

Press Office

+39.0464.456280

comunicazione@dolomitienergia.it

This press release is also available at the registered office of the Company and on the website of Dolomiti Energia Group:

www.gruppodolomitienergia.it