

PRESS RELEASE

Dolomiti Energia Holding SpA: the Board of Directors approved the draft financial statements for 2018.

- **Total consolidated revenue and income of 1,460 million euro (1,426 million euro in 2017, +2.3%);**
- **Consolidated gross operating margin (EbitDa) of 216.2 million euro (125.3 million euro in 2017, +72.6%);**
- **Consolidated net operating margin (Ebit) of 155.4 million euro (72.4 million euro in 2017, +114.6%);**
- **Consolidated profit for the year of 78.2 million euro (34.9 million euro in 2017, +124%);**
- **Net financial indebtedness at 326 million euro (413.5 in 2017, -21.2%).**

Rovereto, 29 March 2019 – The Board of Directors meeting of Dolomiti Energia Holding, chaired by Massimo De Alessandri, today approved the 2018 results of the Dolomiti Energia Group. In a scenario where commodity prices are generally on the rise, especially in the first part of the year, the 2018 financial statements closed with positive results, up remarkably over the previous year. This increase is mainly due to hydroelectric production for the year which fell back in line with the historical averages and the good results of all the principal business areas.

The Group's financial situation, significantly improving thanks to great cash-generating ability, continues to be sound and adequate to sustain future development of business activities.

Consolidated Financial Statements of the Group as at 31 December 2018: main economic-financial data (millions of euro)

	2018	2017	Changes
Total Revenue and income	1,460	1,426	+2.3%
Gross operating margin (EbitDa)	216.2	125.3	+72.6%
Operating result (Ebit)	155.4	72.4	+114.6%
Result for the year	78.2	34.9	+124%
Net financial indebtedness	326.0	413.5	-21.2%

In brief, these are the main financial figures for 2018. The Group's scope of consolidation includes the Parent Company Dolomiti Energia Holding, the subsidiaries Dolomiti Energia Solutions srl (from the merger to incorporate Nesco in Dolomiti Energia Rinnovabili), 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 for Dolomiti Edison Energy and SF Energy were instead accounted for at equity in the financial statements, in keeping with that set forth in the accounting standards.

The **investments** made in 2018 totalled 51.2 million euro (42.5 million euro in 2017). The most important investments referred to works improving **distribution network efficiency**, the production plants and for **enhancement of the services available to end customers**, in addition to those required to upgrade to sector regulations.

These investments, combined with the constant fine-tuning of measurement and data transmission techniques, the installation of cutting edge technological systems for the verification, simulation and optimisation of network structures, have allowed the Group to obtain constant improvement in service quality, as proven by the continuity bonuses the distribution companies receive time and time again. These investments have also helped to soften the blow of the exceptional weather event that occurred in autumn 2018, which involved most of the Trento territory. The extraordinary precipitation and above all strong wind in late October caused a phase of serious emergency, especially in the electrical system (grids and systems), whose effects were also lessened thanks to the operational skills of those involved who demonstrated great eagerness and professionalism in handling the occurrence.

As regards the industrial aspect, with reference to the core business sectors, the Group recorded the following results:

ELECTRICITY PRODUCTION

Hydroelectric production: the hydroelectric production of Dolomiti Energia Holding, Dolomiti Edison Energy, Hydro Dolomiti Energia and SF Energy totalled **4.1 billion kWh**, on the upswing from the 2.5 billion kWh of 2017 (100% DEH, HDE, SFE, DEE).

Thermoelectric production: thermoelectric production, largely from cogeneration, generated **142 million kWh** (175 million kWh in 2017).

DISTRIBUTION GRIDS

Electricity: The Group **distributed 2.6 billion kWh** (-2.4 billion kWh compared to the 2017 values). As of December 31st the electrical distribution grid stretches for 11,919 Km (10,361 Km in 2017, the increase is also due to the integration of the electrical distribution grids of STET and of Isera which took place during the year).

Natural gas: in 2018 there were **distributed 287.6 million** cubic metres of gas, slightly up on the 287.4 million cubic metres of 2017. The network spans 2,376 km compared to 2,369 km in 2017.

Integrated water services: in 2018 the quantities of **water added to the network** spanning 1,215 km (1,271 km in 2017) totalled **29.9 million cubic metres** compared to 31.7 in 2017. The water was distributed to a total of almost 79,000 users (82,059 in 2017). The drop in customers served and kilometres of grid may be attributed to the exclusion of activities in the municipality of Borgo Valsugana from the scope.

SALES

Electricity: the Group **marketed 3.9 billion kWh to end customers**, compared to 4.5 billion kWh in 2017. There are **431,000** electricity **customers**, slightly up from the 2017 stats.

Natural gas: in the gas sector, **490.6 million** cubic metres of gas were sold **to end customers** in 2018, compared to 483 million in 2017. The number of **customers** has reached **196,000** (185,000 in 2017).

The trend in commercial activities made it possible to increase the number of customers served for both electricity and gas, bringing their total to 627,000 (614,000 in 2017). A significant increase also achieved as a result of the "ETIKA" project which, in addition to its success in subscription terms, had an important impact due to the associated activities of a social nature. The drop in electricity sales volumes may mainly be linked to the expiration of some supply contracts with the public administration.

OTHERS

Laboratory: in 2018, the laboratory (drinking safety controls on water, aquifers, waste water and treated water) conducted over **18,450 tests**, with a 3.5% increase over the previous year, of which 54.4% on behalf of third parties.

Cogeneration and district heating: in 2018 a total of **132.5 GWh** of heat, steam and air conditioning was distributed (145.3 GWh in 2017). The figure also includes the amount allocated to industries.

Environmental Area: the separate waste collection for 2018 recorded in Trento was 80.8% (81.3% in 2017) and 78.7% in Rovereto (78.6% in 2017), consolidating outstanding values for cities of this size. During the year as a whole, 72,682 tonnes of separated and unseparated waste was collected (69,440 tonnes in 2017).

The Board of Directors of the Company will propose that the Ordinary Shareholders' Meeting approve the 2018 financial statements and the distribution - with payments from 15 June 2019 - of a **dividend** of 0.09 euro per share (0,07 euro per share in 2017) for a total of about **34 million euro**, with a dividend/net profit ratio of the Parent Company of 83.7%.

CONSOLIDATED NON-FINANCIAL STATEMENT

The Board of Directors also approved the Consolidated Non-Financial Statement, rendered as set forth in Legislative Decree 254/2016.

The Board of Directors resolved to convene the **Ordinary Shareholders' Meeting** to approve the Financial Statements on **30 April 2019**.

The Administration Manager appointed to draw up the corporate accounting documents, Michele Pedrini, hereby states – in accordance with the provisions of the laws in force – that the accounting information contained in this press release corresponds with that recorded in the company's documents, books and accounting records.

Alternative Performance Indicators

This press release uses some "alternative performance indicators" that are not envisaged by the international accounting standards as adopted by the European Union (IFRS-EU) but are considered useful by the management of Dolomiti Energia Holding SpA for a better evaluation and monitoring of the economic and financial performance of Dolomiti Energia Holding SpA and of the Group. In line with the recommendations of the Guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/EU and incorporated by Consob into its supervisory practices with Communication no. 92543 of 3 December 2015, the meaning, contents and calculation base of these alternative performance indicators are set out below:

- **EBITDA** (or Gross operating margin) is an alternative operating performance indicator, calculated as the sum of "Net operating result" plus "Amortisation, depreciation, provisions and write-downs";
- **Net financial indebtedness** is an indicator of its financial structure. This indicator is calculated as the result of financial payables net of cash and cash equivalents and current and non-current financial assets (financial receivables and securities other than equity investments).

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This press release is also available at company headquarters and on the Dolomiti Energia Group website:
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