

PRESS RELEASE

SET Distribuzione Spa: the Board of Directors approves the draft Financial Statements for 2019.

- **Production Value at Euro 121.6 million (Euro 121.2 million in 2018, +0.33%);**
- **Gross operating margin (EbitDa) at Euro 44.8 million (Euro 48.7 million in 2018, -8.03%);**
- **Net operating margin (Ebit) at Euro 26.9 million (Euro 32 million in 2018, -15.98%);**
- **Profit (loss) for the year at Euro 16 million (Euro 20.2 million in 2018, -20.79%);**
- **Net indebtedness at Euro -24.3 million (Euro -17.5 million in 2018, 39.02%);**
- **Mandate to the Chairman for the calling of the Shareholders' Meeting.**

Rovereto, 20 March 2020 – The Board of Directors of SET Distribuzione has approved today the annual results at 31 December 2019. Within a still weak macro-economic scenario, the financial statements show positive results. The financial position of the Company continues to be sound and adequate to sustain future operating activities.

Financial Statements at 31 December 2019: main economic and financial data (in million euros)

	2019	2018*	change
Production value	121.6	121.2	+0.33%
Gross operating margin (EbitDa)	44.8	48.7	-8.03%
Net operating margin (Ebit)	26.9	32.0	-15.98%
Net profit (loss)	16.0	20.2	-20.79%
Net indebtedness	-24.3	-17.5	39.02%

* Data reclassified according to the IAS, international accounting standards

In 2019, SET Distribuzione **distributed 2.6 billion** kWh in electric power (2.6 billion in 2018) throughout the electric distribution grid which covers, today, 12,103 Km against 11,919 Km in 2018, an increase also due to the integration of the electric power distribution grids of the Municipality of Molveno and the Municipality of Sant'Orsola.

Investments carried out in 2019 amounted to Euro **28.9 million** (Euro 20.9 million in 2018) and refer primarily to: the plan for the definitive reconstruction of the lines destroyed at the end of 2018 as a result of so-called storm Vaia; as well as to the activities related to the development, renovation and upgrade of the **distribution grids** which the Company continued to implement for the promotion of technological innovation, efficient use of resources, optimum management of flows of energy injected into the grids by the distributed generation plants and, more in general, improvements in the grid performance.

These investments, combined with the continuous upgrade of data measurement and transmission techniques, the installation of technologically cutting-edge systems to check, simulate and optimise grid structures, have enabled the Company to achieve continuous improvements in service quality.

Furthermore, SET Distribuzione has also confirmed its commitment to the quality of the service provided, positioning itself among the best companies in the sector, at the national level: it has been, in fact, granted, by the Regulatory Authority for Energy, Networks and the Environment (ARERA), an award of Euro 1.8 million for the high levels of operational continuity in the electric distribution services provided in 2018.

Shareholders' Meeting and Dividends

In observance of the health restrictions on the movement of people and the ban on mass gatherings, the Company's Board of Directors assigned the Chairman with the mandate to set the most appropriate date for the calling of the Shareholders' Meeting – based on developments in the situation, and in respect of the new terms introduced by Decree Law of 17 March 2020 – providing the possibility for the meeting to also be held exclusively via telecommunication means, by guaranteeing the identification of the participants and the methods for expressing votes.

The Administration Manager appointed to draw up the corporate accounting documents, Michele Pedrini, declares - having taken into account the matters envisaged by current legislation - that the accounting disclosure contained in this press release is compliant with the documental results, the books and the accounting entries.

Alternative performance indicators

This press release uses "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 SET Distribuzione SpA for a better evaluation and monitoring of the economic and financial performance of SET Distribuzione SpA. 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 and write-downs".

Contacts:

<https://www.set.tn.it/content/investor-relations>

Communication Office +39.0464.456280

comunicazione@dolomitienergia.it

This press release is also available on the website of SET Distribuzione at www.set.tn.it