

PRESS RELEASE

SET Distribuzione Spa: the Shareholder's Meeting approves the Financial Statements for 2018.

- **Production Value at Euro 121.2 million (Euro 110.0 million in 2017, +10.2%);**
- **Gross operating margin (EbitDa) at Euro 48.7 million (Euro 40.3 million in 2017, +20.8%);**
- **Net operating margin (Ebit) at Euro 32.0 million (25.0 million in 2017, +28.0%);**
- **Profit (loss) for the year at Euro 20.2 million (Euro 14.6 million in 2017, +38.4%);**
- **Net indebtedness at Euro -17.5 million (Euro -48.5 million in 2017, -63.9%);**
- **Proposed dividend: Euro 0.09 per share (Euro 0.06 in 2017).**

Rovereto, 18 April 2019 – The Shareholder's Meeting of SET Distribuzione has approved today the annual results at 31 December 2018. 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. The extraordinary capital gain, resulting from a repayment received from the Tax Authority of Trento, at the conclusion of a legal dispute started in 2008 in connection with a tax audit, contributed to the significant profit increase of +38.4% compared with Euro 14.6 million in 2017.

The SET Financial Statements for 2018 adopted, for the first time, the international accounting standards (IAS). This adoption involved some changes in both the measurement criteria of some financial statements items and the definition of the consolidation scope, thus making some items of the Financial Statements of 2018 not completely comparable with the figures of the previous year.

Financial Statements at 31 December 2018: main economic and financial data (in million euros)

	2018	2017*	change
Production value	121.2	110.0	+10.2%
Gross operating margin (EbitDa)	48.7	40.3	+ 20.8 %
Net operating margin (Ebit)	32.0	25.0	28.0 %
Net profit (loss)	20.2	14.6	+ 38.4 %
Net indebtedness	-17.5	-48.5	-63.9 %

* Data reclassified according to the IAS, international accounting standards

In 2018, SET Distribuzione **distributed 2.6 billion** kWh in electric power (2.4 billion in 2017) throughout the electric distribution grid which covers, today, 11,919 Km against 10,631 Km in 2017, an increase also due to the integration of the electric power distribution grids of STET and Isera.

Investments carried out in 2018 amounted to Euro **20.9 million** (Euro 16.8 million in 2017) and refer primarily to the acquisition of the Isera and Avio grids as well as to the activities related to the development, renovation and upgrade of the **distribution grids** which the Company continues 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, for 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. The effectiveness demonstrated in handling the emergency situation that followed

the significant damage to the infrastructures caused by exceptionally severe weather conditions at the end of 2018, has highlighted the strength of the SET Distribuzione organisation.

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 1.72 million for the high levels of operational continuity in the services provided in 2017.

Dividends

The Shareholder's Meeting has approved the distribution of a dividend of Euro 0.09 per share, with a dividend/consolidated net profit ratio (pay out) of 57.93%. The total amount is **10.7 million euro**.

The Manager responsible for drawing up financial reporting, Michele Pedrini, declares – taking into consideration the provisions of the law – that the accounting information provided in this press release corresponds to the underlying documents, accounting books and records.

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";
- **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).

Contacts:

www.set.tn.it/content/investor-relations

Communication Office

+39.0464.456280

comunicazione@dolomitienergia.it

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