

**Iren S.p.A. Shareholders' meeting approved, with a large majority, the 2019 financial statements, the proposed dividend of 9.25 euro cents per share, the report on 2020 remuneration policy and compensation paid in 2019 and the new treasury shares purchase plan**

*Reggio Emilia, 29 April 2020* – The Ordinary Shareholders' Meeting of Iren S.p.A., today, passed the following resolutions:

**2019 financial statements and the allocation of year-end profit**

They have been approved by a large majority: 2019 financial statements of Iren S.p.A., the Directors' report and the proposal for the allocation of year-end profit of 241,413,435.42 Euros as follows:

- Euro 12,070,671.77, equal to 5% of the year-end profit allocated to the legal reserve;
- A maximum of Euro 120,336,152.37 allocated as dividends to Shareholders, corresponding to Euro 0.0925 for each of the maximum 1,300,931,377 ordinary shares constituting the Company's share capital, specifying that treasury shares, will not benefit from the dividend; the dividend will be paid starting from 24 June 2020, ex-dividend date 22 June 2020 and record date 23 June 2020;
- The remaining amount of at least Euro 109,006,611.28 allocated to a specific retained earnings reserve

All, as resolved by the Board of Directors on March 25, 2020.

**Report on the 2020 remuneration policy and compensation paid in 2019**

The Shareholders' Meeting, with a large majority, has: (i) approved the first section ("2020 Remuneration Policy") of the Report on the 2020 remuneration policy and the compensation paid in 2019; (ii) expressed a favourable vote on the "Second Section" (Compensation paid in 2019) of the Report on the 2020 remuneration policy and compensation paid in 2019.

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**Investor Relations**

Giulio Domma  
Tel.: +39 052 124 8410  
investor.relations@gruppoiren.it

**Media Relations**

Paolo Colombo  
Tel.: +39 011 554 9175  
Mob: +39 348 220 6005  
paolobartolomeo.colombo@gruppoiren.it

**Barabino & Partners**

Tel.: +39 027 202 3535  
Giovanni Vantaggi Tel.: +39 328  
831 7379  
g.vantaggi@barabino.it



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### **Treasury shares purchase plan**

The Shareholders' Meeting, thanks to the favourable vote of a large part of the Shareholders, authorized the Board of Directors to purchase and dispose of Iren S.p.A. treasury shares, even fractionally, under the terms of Articles 2357 and following of the Italian Civil Code, and of Art. 132 of Italian Legislative Decree no. 58 of 24 February 1998 and of Consob regulation adopted with resolution no. 11971 of May 14, 1999. At the same time, the Shareholders' meeting ordered the revocation, for the part that remained unexecuted, of the previous authorization to purchase treasury shares approved by the Shareholders' Meeting on April 5, 2019. The details of the new treasury shares repurchase plan are presented in the report prepared by the Board of Directors, available on the Iren S.p.A. website [www.gruppoiren.it](http://www.gruppoiren.it).

Thanks to the new authorisation, the Board of Directors may carry out treasury shares purchase and disposal transactions for a maximum of 65,000,000 shares of the Company, equivalent to one twentieth of the share capital. The share repurchase programme is permitted for eighteen months, starting from today's shareholders' meeting resolution. The maximum amount of the shares purchasable as part of the share repurchase programme, may not be more than the amount of the distributable profits and available reserves resulting from the latest financial statements regularly approved.

The shareholders' meeting also defined, according to what was proposed by the Board of Directors, purposes, terms and conditions for the purchase and disposal of the treasury shares.

The new purchase program aims to equip the Company with treasury shares to be used in the context of external growth operations, consistent with the strategic lines that the Company intends to pursue for industrial projects or other extraordinary operations that involve the assignment or disposal of treasury shares.

#### **Investor Relations**

Giulio Domma  
Tel.: +39 052 124 8410  
[investor.relations@gruppoiren.it](mailto:investor.relations@gruppoiren.it)

#### **Media Relations**

Paolo Colombo  
Tel.: +39 011 554 9175  
Mob: +39 348 220 6005  
[paolobartolomeo.colombo@gruppoiren.it](mailto:paolobartolomeo.colombo@gruppoiren.it)

#### **Barabino & Partners**

Giovanni Vantaggi  
Tel.: +39 027 202 3535  
Tel.: +39 328 831 7379  
[g.vantaggi@barabino.it](mailto:g.vantaggi@barabino.it)

## **IREN GROUP: CONSOLIDATED RESULTS AT DECEMBER 31, 2019**

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2019 **consolidated revenue** came out at € 4,275 million, up 5.8% on the € 4,041 million of financial year 2018. The expansion of the consolidation scope contributed mainly to the increase in revenue. In particular, controlling equity interests were acquired in the following entities: the ACAM La Spezia Group and ReCos, consolidated starting from April 2018; Spezia Energy Trading, consolidated from October 2018; San Germano and CMT, from January 2019; as well as other minor equity investments.

**Gross Operating Profit (EBITDA)** came to € 917 million, down by 5.1% compared to the € 967 million recorded last year. FY 2018 benefited from approximately 100 million in extraordinary items: € 60 million in White Certificates recognised in relation to previous years and € 41 million attributable to the revised estimate of receivables due for Market SBU invoices to be issued. Net of the extraordinary components that characterised 2018, the recurrent EBITDA would have been up by 5.9%. Additionally, incentives (such as green certificates) for the Pont Ventoux and Bussento hydroelectric plants—recognised in 2018 for around € 32 million—expired 1 March 2019. The improvement in the Group's recurrent EBITDA is attributable to all the business lines, with the sole exception of gas sales, for which lower margins were recorded as a result of an unfavorable winter thermal season, which entailed a reduction in gas volumes sold.

**Operating Profit (EBIT)** came out at € 452 million, down by 14.8% from the figure of € 530 million in the corresponding period of 2018. Higher depreciation and amortisation of approximately € 48 million was recorded, mainly in relation to the entry into operation of new investments, expansion of the consolidation scope, the recognition of rights of use following the application of IFRS 16 and the impairment of a portion of goodwill for approximately € 9 million. Lower amounts were set aside as provisions for impairment of receivables for € 15 million and lower provisions for risks, net of releases, for € 13 million.

**Group Net Profit** came to € 237 million, down by 2.3% compared to the € 242 million recorded in 2018. This decrease reflects the trend in EBIT, partially offset by an optimisation of financial income and expense thanks both to lower financial costs and to a decrease in the costs of liability management activities. Furthermore, OLT was impaired in 2018.

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Giulio Domma  
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Paolo Colombo  
Tel.: +39 011 554 9175  
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As at 31 December 2019, **net financial debt** is € 2,706 million, up approximately € 253 million on 31 December 2018. In total, net financial debt is up 10.3%, including € 89 million due to corporate consolidation transactions, and the effects of applying IFRS 16 accounting principles for € 126 million. Net of these effects, the debt would be up by € 37 million. The generation of cash has allowed for the nearly complete hedging of the strong increase in investments and the payment of dividends for 2018 or around 150 million.

Gross technical **investments** made during the period amounted to € 524 million, a significant increase of 17% compared to 2018.

The documentation required by current legislation concerning today's Shareholders' Meeting is made available to the public at the Company's registered office, at Borsa Italiana SpA, on the website [www.gruppoiren.it](http://www.gruppoiren.it) and on the authorized storage mechanism 1Info ([www.1info.it](http://www.1info.it)) in terms of law.

The summary report of the votes referred to art. 125-quater, comma 2, T.U.F. will be made available on the company's website [www.gruppoiren.it](http://www.gruppoiren.it) within five days. The minutes of the meeting will be made available to the public in the manner and terms established by law.

*Massimo Levrino, Financial Reporting Manager of IREN S.p.A declares, pursuant to paragraph 2 of Article 154-bis of the "Testo Unico della Finanza" [Consolidated Finance Act], that the accounting information contained in this press release corresponds to the documentary records, books and accounting entries.*

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