

## **Approval and filing of the management report for the reserved share capital increase linked to the IREN-ACAM business combination**

*Reggio Emilia, 5 December 2017* - It is herewith disclosed that, on today's date, the management report for the reserved share capital increase connected with the business combination operation between IREN and ACAM has been approved by the Board of Directors of IREN S.p.A. (**the “Company”**) The aforementioned business combination was initiated with the submission of the offer dated 22 May 2017 as part of the transparent procedure set up by ACAM with the public notice published on 28 March 2017 “to identify an economic operator to implement the transparent procedure for the corporate and industrial business combination of ACAM S.p.A, in compliance with art. 3bis, comma 2bis D.L. no. 138/2011 converted into Law no. 148/2011, as inserted by art. 1 paragraph 609. letter b), Law 190/2014, as well as in compliance with art. 1 paragraphs 611 and 612 of Law no. 190/2014”.

The above-mentioned offer amounted to euro 59,000,359.09 for 100% of the share capital of ACAM S.p.A. and, as better explained below, subject to the completion of the decision-making process of the parties involved, the business combination operation currently being finalized may concern: (i) the acquisition by IREN of at least 70% of the share capital of ACAM and (ii) the simultaneous signing and release by the ACAM Shareholders representing at least 70% of the capital of ACAM before the sale, of a IREN's capital increase reserved to them.

At the date of execution of the sale and the aforementioned capital increase, the Company will proceed to offset the subscription price for the newly issued shares due by the shareholders of ACAM subscribers with the purchase price of the share capital of ACAM due by IREN, while the residual price due by the Company to the shareholders of ACAM sellers and non-subscribers will be paid in cash.

The ACAM Group operates in the territory of La Spezia mainly in the management of the integrated water service (through a concession expiring in 2033, comprising 24 municipalities for approximately 210,000 inhabitants served, equal to 95% of the population of the province), in the management of integrated waste cycle (through a concession expiring in 2028 relating to the waste collection service in 20 municipalities for approximately 207,000 inhabitants served, equal to 93% of the population of the province) and, to a lesser extent, in energy services. In 2016 the ACAM Group reported a 124 million euros Value of Production, a € 33 million euros EBITDA (including approximately 4 million euros related to non-recurring elements), and a 141 million euros Net Financial Position (including liabilities related to derivatives).

This transaction, if approved, will allow for a wider IREN Group's portfolio of concessions, with the possibility to aspire, in water services, to become the reference regional operator in Liguria and to consolidate, in the waste cycle, the current positioning as well as to expand

---

[Iren Group](#)

[Images](#)

[Investor Relations Area](#)

[Iren Overview](#)

---

### **Investor Relations**

Giulio Domma  
Tel. +39 0521.248410  
investor.relations@gruppore.it

### **Media Relations**

Paolo Colombo  
Tel. +39 011.5549175  
Mob. + 39 348.2206005  
paolobartolomeo.colombo@gruppore.it

### **Barabino & Partners**

Tel. +39 02 72023535  
Giovanni Vantaggi + 39 328 8317379  
g.vantaggi@barabino.it



**iren**

## PRESS RELEASE

---

the free market services thanks to the brand of the ACAM Group, of great renown, merit and extraordinary penetration in the areas of reference.

In relation the above-mentioned management report, it is disclosed that:

- on 23 June 2017, the Sole Director of ACAM identified IREN as the *“entity with which to carry out the corporate and industrial business combination of ACAM”*;
- IREN and ACAM subsequently proceeded to draw up an investment agreement, currently being finalised but defined in its essential aspects, aimed at regulating the terms and conditions of the corporate and industrial business combination between IREN, on the one hand, and ACAM and the public entity shareholders of ACAM on the other hand (**the “Investment Agreement”**), which is currently at the approval stage on the part of the public entity shareholders of ACAM.
- Said Investment Agreement will have as its subject matter, among others:
  - the sale and transfer by ACAM’s public entity shareholders to IREN, subject to the occurrence of a number of conditions precedent relating to the closure of the deal, of a total equity investment in ACAM of at least 70% of the share capital (which will allow in any case the control by IREN and the related full consolidation)
  - the simultaneous subscription and payment in cash, on the part of the ACAM shareholders that have sold to IREN their shares in ACAM and who represent at least 70% of the share capital of ACAM before the sale, of an increase in share capital reserved to them as resolved by the Board of Directors of IREN in execution of the delegated powers granted by the General Meeting of the company on 9 May 2016 (**the “Share Capital Increase”**).
  - the obligation attributed to ACAM’s public entity shareholders, who will have subscribed the IREN share capital increase reserved to them, to adhere to the shareholders’ agreement in force between IREN’s public entity shareholders, assimilating in the blocking or voting syndicates therein regulated all the newly issued IREN shares subscribed by them as part of the Share Capital Increase. The shareholders’ agreement will expire in May 2019, and it will be tacitly renewed for two additional year, unless terminated.
- In consideration of the above, pending approval by the shareholders of ACAM’s public entities and of the companies in the Investment Agreement and by virtue of the peculiarities of the approval processes of ACAM’s public entity shareholders that require that the price of issue of the Share Capital Increase is determined before the start of the approval process on the part of the relative competent corporate bodies, IREN S.p.A.’s Board of Directors intends, subject to the fulfillment of the conditions precedent described in detail in the Directors’ Report, to initiate the preliminary and

**Investor Relations**

Giulio Domma  
Tel. +39 0521.248410  
investor.relations@gruppoiren.it

**Media Relations**

Paolo Colombo  
Tel. +39 011.5549175  
Mob. + 39 348.2206005  
paolobartolomeo.colombo@gruppoiren.it

**Barabino & Partners**

Tel. +39 02 72023535  
Giovanni Vantaggi + 39 328 8317379  
g.vantaggi@barabino.it



**iren**

## PRESS RELEASE

---

instrumental activities necessary for the execution of the delegated powers for the Share Capital Increase granted by the General Meeting of Shareholders.

- As a result of the above, the Board of Directors of IREN have today approved the Management Report for the Share Capital Increase which, in accordance with the law, must be made available to the public before the resolution on the part of the Board of Directors with relation to the Share Capital Increase.
- The Management Report on the share capital increase sets out, pursuant to the combined provisions of articles 2441, paragraphs 5 and 6 and 2443 of the Italian Civil Code, as well as of article 72 of the *Consob* Regulations, the reasons for the exclusion of the right of option, the proposed issue price of the newly issued shares and the criteria adopted for the determination of said issue price.
- More precisely, the Management Report proposes the partial exercise of the delegation of powers granted by the General Meeting of Shareholders of 9 May 2016 with the aim of increasing the share capital by payment, in tranches, for a maximum amount of Euro 27,699,660.00, at the price of Euro 2.13 for each IREN ordinary share (the "Issue Price"), of which Euro 1.00 is to be recognised as share capital and Euro 1.13 as a share premium, with the exclusion of the right of option in accordance with paragraphs 5 and 6 of article 2441 of the Italian Civil Code, through the issue of a maximum of no. 27,699,660 ordinary shares with the same characteristics as the ordinary shares in circulation, the subscription and payment of which is reserved to the shareholders of ACAM that will have undersigned the Investment Agreement.
- The Share capital increase and its execution are subject, as well as to the fulfilment of the all conditions precedent established in the Investment Agreement and better described in the Management Report, made available to the public today, among which, the condition precedent related to the fact that the 6 months weighted average price of IREN share the day before the signing has to be between 1.59 Euro per share as minimum threshold and 2.66 Euro per share as maximum threshold.
- Moreover the Capital increase and its execution are subject to:
  - The effective sale and transfer on the part of any of ACAM's shareholders in favour of IREN, in accordance with and by the effect of the Investment Agreement, of an overall equity investment in ACAM equal to 70% of ACAM's share capital;
  - The simultaneous subscription on the Share Capital Increase by ACAM's shareholders representing a total of at least 70% (seventy percent) of ACAM's share capital before the sale of the ACAM shares to IREN;

The Management Report also provides that the subscription and payment of the Share Capital Increase must occur, on penalty of forfeiture, before and not later than the deadline of 31 May 2018.

**Investor Relations**

Giulio Domma  
Tel. +39 0521.248410  
investor.relations@grupporen.it

**Media Relations**

Paolo Colombo  
Tel. +39 011.5549175  
Mob. + 39 348.2206005  
paolobartolomeo.colombo@grupporen.it

**Barabino & Partners**

Tel. +39 02 72023535  
Giovanni Vantaggi + 39 328 8317379  
g.vantaggi@barabino.it



**iren**

## PRESS RELEASE

---

For more details reference should be made to the Management Report referred to in this press release, transmitted to *Consob* and made available to the public at IREN S.p.A.'s registered office and on the Company's website <https://www.gruppoiren.it/investitors> (Corporate Governance section), as well as at Borsa Italiana S.p.A., as per the procedures indicated by arts. 65-quinquies, 65-sexies and 65-septies of the Issuers' Regulations, according to the law.

The "fairness opinion" by Prof. Alessandro Nova, under the terms established by current legislation on the subject, will be made available to the public as soon as it is given to the company. The Board of Directors decided on the basis of the "fairness opinion" by Deloitte

**Investor Relations**

Giulio Domma  
Tel. +39 0521.248410  
[investor.relations@gruppoiren.it](mailto:investor.relations@gruppoiren.it)

**Media Relations**

Paolo Colombo  
Tel. +39 011.5549175  
Mob. + 39 348.2206005  
[paolobartolomeo.colombo@gruppoiren.it](mailto:paolobartolomeo.colombo@gruppoiren.it)

**Barabino & Partners**

Tel. +39 02 72023535  
Giovanni Vantaggi + 39 328 8317379  
[g.vantaggi@barabino.it](mailto:g.vantaggi@barabino.it)