

Iren acquires SEI Energia's company branch relating to the management of the district heating network in the Municipalities of Collegno, Rivoli and Grugliasco

Reggio Emilia, 23 April 2020 – Today, Iren Energia, a subsidiary of Iren S.p.A., and Fineurop Investment Opportunities S.p.A, which operates as an underwriter of the arrangement with creditors of SEI Energia, concluded the purchase agreement for the acquisition of the SEI Energia company branch.

The agreement concluded provides for the transfer to Iren Energia of the company branch that included the district heating network in the Municipalities of Rivoli and Collegno and the 49% of the NOVE Company, which manages the district heating network in the Municipality of Grugliasco, for an overall volume of the company branch of 5.2 million cubic meters for about 50,000 equivalent inhabitants served.

The energy production system is composed by a combined cycle in cogeneration, powered by natural gas, with an electric power of 17 MW and a thermal power of 23 MW. For integration and reserve, a fleet of traditional natural gas boilers with a total power of 90 MW are added. The total thermal energy supplied is approximately 150 GWh/year.

During the course of the acquisition procedure, to ensure the continuity of the business and the services provided, Iren Energia leased the company branch now object to definitive acquisition. The rental management of the district heating network of SEI Energia and the company NOVE, starting from September 5, 2018, had a positive impact on Iren Energia's EBITDA of approximately 2 million euros in 2019.

The acquisition of district heating activities represents a strategic opportunity since it will be possible to increase the existing network by integrating it with the one already active in the Metropolitan Area of the City of Turin by exploiting the heat produced by Iren Energia's cogeneration plants and the TRM waste-to-energy plant, thus obtaining important synergies.

The operation fits with the strategic lines of industrial development and sustainability highlighted in the latest business plan. In the plan presented in September 2019, approximately 200 million euros of investments are expected to extend the district heating network (+10 mcm of volumes) and to saturate the existing

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infrastructure. Concerning sustainability, a Group's strategic pillar, the extension of this type of technology will allow us to reduce the emissions of climate-changing gases, using heat already produced today, replacing the traditional and more polluting condominium boilers.

As part of the transaction, the amount that is paid by Iren for the acquisition of the company branch is equal to 24.4 million euros and takes into account future development options.

*"This operation allows to further extend and strengthen the district heating network in the Turin metropolitan area, - said **Renato Boero, Chairman** of Iren - a further step forward in terms of sustainability and decarbonisation, as envisaged by the strategic lines of our industrial plan. This acquisition also strengthens Iren's Italian leadership in the district heating service, confirming the engineering excellence of our heat production and distribution services. A leadership strengthened also by recent customer satisfaction surveys, which confirm how an environmentally friendly technology can be at the same time efficient and widely appreciated by users".*

*"With the acquisition of this company branch, - said Iren **CEO, Massimiliano Bianco** - the IREN Group provides the district heating service in 11 municipalities with a total volume of 95 million cubic meters, of which 70 relating to the district heating system of the Turin Metropolitan Area. Thanks to the integration of the network acquired with the existing one, it will contribute to the saturation of the TRM waste-to-energy plant by generating important cost efficiencies and synergies. The development of the district heating network, which is part of the sustainable actions linked to the fight against climate change, is very important especially in an area such as the Turin one characterized by high levels of pollution".*

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