

IREN and IDEALSERVICE sign a binding agreement for the acquisition by IREN of 80% of I.Blu from Idealservice and for the creation of a partnership in environmental services.

IREN Group becomes the leader among Italian operators in the selection of COREPLA plastics and the leading operator in the treatment of plasmix

Reggio Emilia, 29 January 2020 – Today Iren SpA, which wholly controls Iren Ambiente SpA, a Group company operating in integrated waste management, signed a preliminary agreement with the company Idealservice, in order to acquire (through the said Iren Ambiente) 80% of the share capital of I.Blu, the remaining 20% of which will continue to be held by Idealservice, a cooperative which operates in the sector of environmental services and facility management.

I.Blu is an Idealservice subsidiary which operates i) in the market of recovery of plastics through 2 SSC (Secondary Selection Centre) plants at San Giorgio di Nogaro (Friuli Venezia Giulia) and Cadelbosco (Emilia Romagna) with a total capacity of 200 Kton/y dedicated to the selection of plastic to be sent for recovery and recycling, and ii) in the treatment of approximately 40 Kton/y of plastic waste for the production of Blupolymer (polymer for civil uses) and Bluair (S.R.A. or “reducing agent” for steel-making plants) through the plant in Costa di Rovigo (Veneto). I.Blu’s business plan provides for further plant development for the treatment of plasmix, which constitutes more than 50% of plastic currently not recoverable after separate waste collection.

The Agreement provides for (i) acquisition by Iren Ambiente of 80% of the share capital of I.Blu, after transfer from I.Blu to Idealservice of the business unit related to multi-material plants for a total of 8 waste selection plants in Italy that Idealservice will manage directly; (ii) the definition of a Framework Agreement between Idealservice and Iren Ambiente concerning the sub-supply of any further multi-material plants of I.BLU and Iren, and (iii) the definition of a Partnership with Idealservice, for the management of municipal solid waste collection services in the areas of Northern Italy with the purpose of creating planning and service synergies and efficiencies.

The operation enables Iren to become the leader among Italian operators in the selection of COREPLA plastics and in the treatment of plasmix accelerating the development of Iren Ambiente’s plants. It provides for the construction of one 100 Kton SSC in the North-West and one 60 Kton plasmix treatment plant, so as to create a player with approximately 300 Kton of selection capacity and approximately 200 Kton of plasmix treatment capacity when fully implemented.

[Iren Group](#)

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The amount paid by Iren for 80% of I.Blu is equal to approximately 16 million euros, which, taking into account I.Blu's net financial debt, corresponds to an Enterprise Value of 47 million of Euro. The pro-forma turnover of I.Blu for 2019 will be around 46 million euros and a pro-forma Ebitda of 7.5 million.

The signing of the Definitive Agreement is planned by the end of February 2020 conditional on the fulfilment of the conditions precedent and on reaching full agreement on all the detailed terms and conditions of the operation. Marco Riboli, Chairperson of Idealservice, will also hold the position of chairperson of I.Blu.

*“This operation - **said Iren Chairperson Renato Boero** – enables IREN to become the national leader in the selection of COREPLA plastics and in the treatment of plasmix, a process for the recovery of waste plastics that increases considerably the percentage of waste recovered as material. In this way, the contribution that our Group is capable of providing for environmental sustainability through the correct and intelligent use of resources continues and assumes new and important prospects. A challenge to which every citizen is called on a daily basis and which sees an established reality like Iren more and more protagonist”.*

*“The acquisition of I.Blu, a company with significant technological skills – **said Massimiliano Bianco, Chief Executive Officer and General Manager of the Iren Group** – makes it possible to accelerate the development of Iren’s plants and to strengthen its process of growth in the waste management segment, where the Group aims to increase the waste treated in the plants it owns by 60% and to close, with the production of raw and secondary materials, the entire waste cycle pursuing the principles of the circular economy”.*

*“Over the years IDEALSERVICE has been able to tackle successfully the challenges posed by the market anticipating those that could have been changes of scenario – **said Chairperson of IdealService Marco Riboli** - What is happening today, with the signing of the agreement with IREN, represents a further step for the growth of the Cooperative. We have identified in Iren an operator of leading significance at the national level with which to share the I.Blu project. We are certain that this operation can bring to I.Blu notable advantages in terms of development and acceleration, thanks to the financial contributions necessary to support the instrumental investments useful for the development and expansion of its business activity. Idealservice will continue to play a central role in the new company, holding 20% of the capital and becoming a strategic partner of IREN to develop new synergies in the sector of waste management services”.*

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