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| Informazione Regolamentata n. 0886-15-2018 | Data/Ora Ricezione 02 Agosto 2018 17:55:50 | MTA |

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| Societa' | : | GAS PLUS |
| Identificativo Informazione Regolamentata | : | 107228 |
| Nome utilizzatore | : | GASPLUSN01 - Rossi |
| Tipologia | : | 1.1 |
| Data/Ora Ricezione | : | 02 Agosto 2018 17:55:50 |
| Data/Ora Inizio Diffusione presunta | : | 02 Agosto 2018 17:55:51 |
| Oggetto | : | The Gas Plus Board of Directors approves the half-year financial report as at 30 June 2018 (replaces the prior one) |

*Testo del comunicato*

Vedi allegato.

## Gas Plus: The Board of Directors approves the consolidated half-year financial report as of June 30, 2018

**E&P (Exploration and Production) activities drive turnover (+10% revenues) and margins (EBITDA +29%) but affect the interim result (€ -2.1 M) due to the negative outcome of two exploration wells in Romania.**
**Net Financial Position again in strong decline.**

- **Total Revenues: € 48.0 M vs € 43.7 M of 1H17**
- **EBITDA: € 13.0 M vs € 10.1 M of 1H17**
- **EBIT: € 0.4 M vs € 3.7 M of 1H17**
- **EBT: € -2.6 M vs € 1.0 M of 1H17**
- **Net Result: € -2.1 M vs € 0.6 M of 1H17**
- **NFP: € 34.1 M vs € 52.5 M as of December 31, 2017**

**Milan, August 2, 2018** - *The Board of Directors of Gas Plus S.p.A., a company whose shares are listed on the Italian Stock Exchange, approved today the half-year financial report as of June 30, 2018*

The Gas Plus Group closes the first 6-month period of the financial year with a significant increase in EBITDA (+29%) and an increase in hydrocarbon production (+18%), while it is negatively affected by a negative economic result due to the unfavorable outcome of the drilling of two exploration wells in Romania, which resulted for the 6-month period in higher non-recurring depreciation of approximately Euro 3.5 M.

The first 6-month period of the 2018 financial year, however, confirms the good performance of all business areas in terms of margins.

The upstream activities, due to the improvement of the energy scenarios and to the contribution of the new Mezzocolle field, the production of which is progressively becoming fully operational, have improved their margins, with the prospect of providing an increasingly significant contribution to the Group's economic results, after having put into production the additional development projects and having restarted the production of the Garaguso concession.

Within the E&P Business Unit, the Group awaits with the utmost attention for the conclusion of the final stage of the investigation relating to the "Longanesi" project and for the effects of the additional arbitration award of last June 25 relating to the role of operator of the Garaguso concession.

The "downstream" Business Units operating in regional distribution and transport and in sales to end customers confirmed their positive economic performance, maintaining the related results on the levels of recent periods.

Gas Plus can therefore count on an asset portfolio of considerable value in all business sectors, on prospects of improvement of economic results with the progressive production of further E&P projects and on a reduced level of indebtedness for the continuous generation of cash flow from all business areas.

The Group financial situation shows a net indebtedness in further sharp decline, compared to both the figures for the end of 2017 and that of mid-2017, very challenging also in terms of ratio with respect to the current economic results: net debt increased from € 52.5 M on December 31, 2017, and from € 43.1 M on June 30, 2017, to the current € 34.1 M.

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*The CEO Davide Usberti stated: "The negative outcome of the two exploration wells in Romania is the only aspect that mitigates our satisfaction for a positive semester for every other aspect. Just the E&P sector in the first half not only doubled its margins, but also increased its production.*

*After the Mezzocolle gas-in, authorization procedures for other important projects are near completion, and the Group is ready to start their implementation, being in the position to rely on a further improvement of its financial position.*

*We are aware of the contingent penalization at the level of net result, resulting from the negative outcome of the Romanian exploration wells, - where there is still a high interest of the Group to the related development program - but at this moment we believe that the priority targets for a lasting appreciation of the Group's value are represented by investments and by the growth of production, margins and cash generation."*

**MAIN ACTIVITIES TRENDS – FIRST HALF 2018**

The results of the main business unit of the Group (B.U. Exploration and Production) confirm a consistent margins recovery if compared to 2017, due to the improvement of energy scenarios and growth of productions, in particular further to the Mezzocolle contribution from the beginning of the year, despite the trend in the production is still affected by the non-contribution of the Garaguso concession.

In particular, with respect to the Italian activities, the production ramp up of Mezzocolle concession gains the growth of extracted volumes by over 10% during the second half of the semester.

With respect to the international E&P activities in Romania, despite the already commented negative result of the two recent exploration wells, because of the size of previous gas discoveries, the development plan of the "Midia" area is in the final stage and the last aspect that is currently being assessed is represented by the recent amendments in the legislation, primarily tax, concerning the E&P activity in such country.

B.U. Network & Transportation, due to an efficient management, ensured the usual positive economic trend, although recording a slight decrease in EBITDA due to the reduction of the revenue constraint.

The B.U. Retail confirmed the positive economic results of 2017 due to good unit margins and a more favorable climate trend.

## FIRST HALF 2018 CONSOLIDATED ECONOMIC AND FINANCIAL DATA

**Revenues** for 1H18 amounted to € 48.0 M with respect to € 43.7 M of 1H17 and significantly higher (+10.0%) due to the increase in hydrocarbon production and the improvement of energy scenarios.

On the other hand, a lower growth (+4.3%) has been shown for **operating costs**, which went from € 33.6 M in 1H17 to € 35.0 M in 1H18.

This allowed the **EBITDA** to significantly grow (+29%), and to reach € 13.0 M compared to € 10.1 M in 1H17.

The result is the consequence of good economic performances of all the business areas.

Indeed, the E&P business unit doubled its contribution to the consolidated results of the Group, with an EBITDA of € 6.6M against € 3.1M in 1H17, while the downstream business units confirmed the good levels of the previous financial year. The B.U. Retail has indeed achieved an EBITDA of € 3.7 M equal to the figure of 1H17, while the B.U. Network and Transportation an EBITDA of € 3.7 M against € 3.9 M of 1H17.

The negative outcome of the exploration activities in Romania led to the full amortization in the first half of the costs incurred for drilling and the closing of the related wells (approximately € 3.5 M), causing therefore a significant reduction of EBIT which amounted to € 0.4 M compared to € 3.7 M in the same period of 2017.

The **operating result** had a similar trend (€ 0.7 M versus € 3.8 M in 1H17).

Due to the above mentioned reasons the **pre-tax result (EBT)** was negative (€ -2.6 M compared to € 1.0 M in 1H17), penalized in fact by the increase in amortization in the E&P area.

The first half of the 2018 financial year closed with a **loss** of € 2.1 M compared to a **profit** of € 0.6 M for 1H17.

The net financial debt, due to the cash flows generated during the period and to the postponement of some investments, was strongly reduced again and went from € 52.5 M as of December 31, 2017 to € 34.1 M as of June 30, 2018.

**OUTLOOK 2018**

The costs related to the drilling of both exploration wells in Romania lead to confirm the forecast, for 2018, of a negative net result, despite the growth of Ebitda and hydrocarbon production compared to the previous year.

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The manager responsible for the draft of the company's financial reports, Germano Rossi, declares, according to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

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The Half-Year Financial Report as of 30 June 2018, along with the limited report of the auditors, will be made available to the public at Gas Plus registered office, on Gas Plus website www.gasplus.it (Investor Relations section) and on the authorized storage mechanism "*eMarket STORAGE*" (www.emarketstorage.com) in compliance with applicable law.

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On August 3, 2017, at 10.00 (CET), Gas Plus will host the conference call for analysts/investors about the 1H 2018 financial results.

Speakers:

**Davide Usberti** – Chief Executive Officer

**Cinzia Triunfo** – General Manager

**Germano Rossi** – Chief Financial Officer

To connect to the conference-call:

Italia: +39 02 805 88 11

UK: +44 1 212818003

USA: + 1 718 7058794

Press: +39 02 805 88 27

*Gas Plus is the fourth largest producer of natural gas (as estimated by the Authority for Electricity, Gas and Water System, AEEGSI) after Eni, Edison and Shell Italia E&P. It is active in the main sectors of the industry of natural gas, particularly in the exploration, production, purchase, distribution and sale to retail customers. At 31 December 2017, the Group has 45 exploitation concessions located throughout the Italian territory, manages a total of approximately 1,600 kilometers of distribution network located in 39 Municipalities, serves a total of more than 72,000 end users, with a staff of 181 employees.*

***For further information:*** www.gasplus.it

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**Attachments**:

Summaries of half-year consolidated balance sheet, consolidated income statements and consolidated cash-flow statements, extracted from the half-year financial report as of June 30, 2018 (still unaudited).

*CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2018 AND DECEMBER 31, 2017*

| Amounts in thousands of Euro | 06/30/2018 | 12/31/2017 |
|---|---|---|
| **ASSETS** | | |
| **Non-curent assets** | | |
| Property, plant and equipment | 106,641 | 108,792 |
| Goodwill | 750 | 750 |
| Concessions and other intangible assets | 327,265 | 332,164 |
| Other non-current assets | 4,922 | 4,920 |
| Deferred tax assets | 27,910 | 26,422 |
| **Total non-current assets** | **467,488** | **473,048** |
| **Current assets** | | |
| Inventory | 3,729 | 4,370 |
| Trade receivables | 14,696 | 24,229 |
| Income tax receivables | 297 | 314 |
| Other receivables | 12,571 | 13,206 |
| Receivables from parent company | 194 | 193 |
| Financial assets | 10 | 266 |
| Cash and cash equivalents | 22.435 | 14,105 |
| **Total current assets** | **53,932** | **56,683** |
| **TOTAL ASSETS** | **521,420** | **529,731** |
| | | |
| **SHAREHOLDER'S EQUITY** | | |
| Share capital | 23.353 | 23.353 |
| Reserves | 191,223 | 190,468 |
| Other equity components | (1,286) | (7) |
| Net result for the period | (2,095) | 769 |
| **Equity attributable to equity holders of the parent** | **211,195** | **214,583** |
| Minority interests | 169 | 171 |
| **TOTAL SHAREHOLDER'S EQUITY** | **211,364** | **214,754** |
| | | |
| **LIABILITIES** | | |
| **Non-current liabilities** | | |
| Lont-term financial debts | 33,915 | 40,263 |
| Employees' termination indemnity, pensions and sim. obligations | 4,819 | 4,791 |
| Deferred tax liabilities | 84,762 | 85,781 |
| Other non-current liabilities | 3,027 | 3,072 |
| Provisions | 122,788 | 120,480 |
| **Total non-current liabilities** | **249,311** | **254,387** |
| **Current liabilities** | | |
| Trade payables | 17,513 | 23,283 |
| Short-term financial debts | 22,650 | 26,636 |
| Other current liabilities | 18,755 | 10,181 |
| Income tax payables | 1,827 | 490 |
| **Total current liabilities** | **60,745** | **60,590** |
| **TOTAL LIABILITIES** | **310,056** | **314,977** |
| **TOTALE SHAREHOLDER'S EQUITY AND LIABILITIES** | **521,420** | **529,731** |

The effects resulting from the first application of IFRS 9 have been recognized in equity at January 1st 2018, with no restatement of the comparative data. No effects resulting from the first application of IFRS 15.

## *HALF-YEAR CONSOLIDATED INCOME STATEMENT*

| Amounts in thousands of Euro | **1H 2018** | **1H 2017** |
|---|---|---|
| Revenues | 44,826 | 40,283 |
| Other revenues | 3,209 | 3,402 |
| **Total revenues** | **48,035** | **43,685** |
| Raw materials and consumables costs | (16,212) | (15,730) |
| Services and other costs | (13,849) | (12,937) |
| Personnel costs | (4,928) | (4,889) |
| **GROSS OPERATING MARGIN (EBITDA)** | **13,046** | **10,129** |
| Depreciation, amortization and devaluation | (12,655) | (6,467) |
| **EBIT** | **391** | **3,662** |
| Other income | 271 | 161 |
| **OPERATING RESULT** | **662** | **3,823** |
| Financial income | 34 | 808 |
| Financial expense | (3,339) | (3,588) |
| **PRE-TAX RESULT FOR THE PERIOD** | **(2,643)** | **1,043** |
| Income taxes | 549 | (428) |
| **NET RESULT FOR THE PERIOD** | **(2,094)** | **615** |
| Attributable to: | | |
| Group | (2,095) | 614 |
| Minority interests | 1 | 1 |

The effects resulting from the first application of IFRS 9 have been recognized in equity at January 1st 2018, with no restatement of the comparative data. No effects resulting from the first application of IFRS 15.

### *HALF YEAR CONSOLIDATED CASH FLOW STATEMENT*

| Amounts in thousands of Euro | **1H 2018** | **1H 2017** |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Net result** | **(2.094)** | **615** |
| | | |
| Depreciation, amortization and devaluation of tangible and intangible assets (1) | 12,655 | 6,467 |
| Other non-cash provision (use of non-cash provisions) | (176) | (117) |
| Discounted retirement fund | 1,915 | 2,141 |
| Financial costs for acquisition financing | - | 252 |
| Capital (gains) losses | (3) | (10) |
| Change in fair value of assets and liabilities | - | (615) |
| Change in deferred taxes | (2,017) | (8) |
| | | |
| Change in operating assets and liabilities | | |
| Change in inventory | 641 | 115 |
| Change in trade receivables from third parties and associated companies | 9,632 | 6,566 |
| Change in trade payable from third parties and associated companies | (5,770) | (3,461) |
| Asset retirement obligations | (7) | (42) |
| Change in termination indemnity | 77 | 73 |
| Change in other operating assets and liabilities | 10,552 | 2,804 |
| **Net cash flow from operating activities** | **25,405** | **14,780** |
| | | |
| **Cash flow from investing activities** | | |
| Purchase of tangible and intangible assets (1) | (5,536) | (5,361) |
| Purchase of participations | - | (315) |
| Revenue for sale of tangible and intangible assets | 3 | 10 |
| **Net cash flows used in investing activities** | **(5,533)** | **(5,666)** |
| | | |
| **Cash flows from financing activities** | | |
| Net change in financial liabilities | (5,501) | (622) |
| Sale of current financial assets | - | 3,727 |
| Loans reimbursed | (6,000) | (3,500) |
| Dividends paid | (3) | - |
| Other changes in shareholders' equity | (30) | (6) |
| **Net cash flows used in financing activities** | **(11,534)** | **(401)** |
| | | |
| **Effects of exchange rate on abroad companies' financial statements** | **(8)** | **(33)** |
| | | |
| **Increase (decrease) in cash at bank and in hand** | **8,330** | **8,680** |
| Cash and cash equivalent at the beginning of the period | 14,105 | 14,924 |
| Cash and cash equivalent at the end of the period | 22,435 | 23,604 |
| | | |
| Dividends received | 271 | 251 |
| Taxes paid in the period | - | (71) |
| Interests paid in the period | (1,100) | (473) |

(1) of which investment and amortization of exploration costs incurred in the period (respectively Euro 3,240 in the first half of 2018 and Euro 500 in the first half of 2017).

| Fine Comunicato n.0886-15 | Numero di Pagine: 11 |
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