

Gas Plus Group

Analyst Presentation *1H 2019 Financial Results*

*August 7th, 2019**

The logo for Gas Plus, featuring the word "Gas" in a light blue, sans-serif font above the word "Plus" in a white, bold, sans-serif font, all set against a dark blue background.

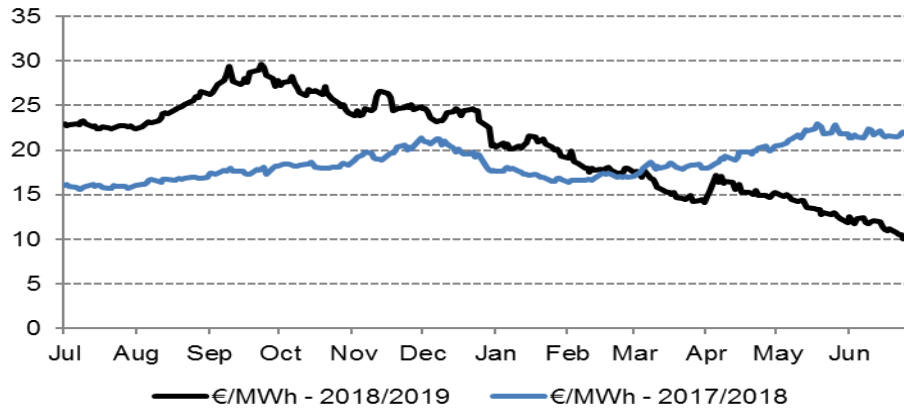
**Gas
Plus**

* This document is updated on 6 months basis, occurring after 31 December and 30 June closing

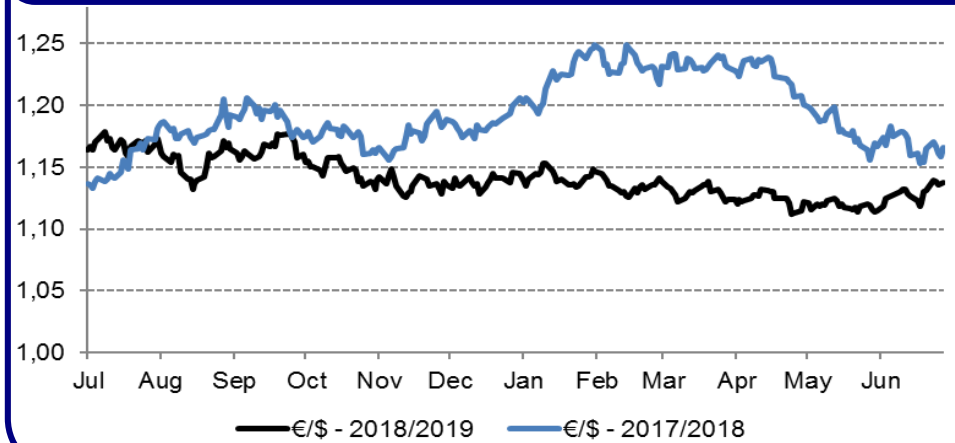
- 1 MARKET SCENARIO**
- 2 HIGHLIGHTS**
- 3 FINANCIAL RESULTS**

Market Scenario

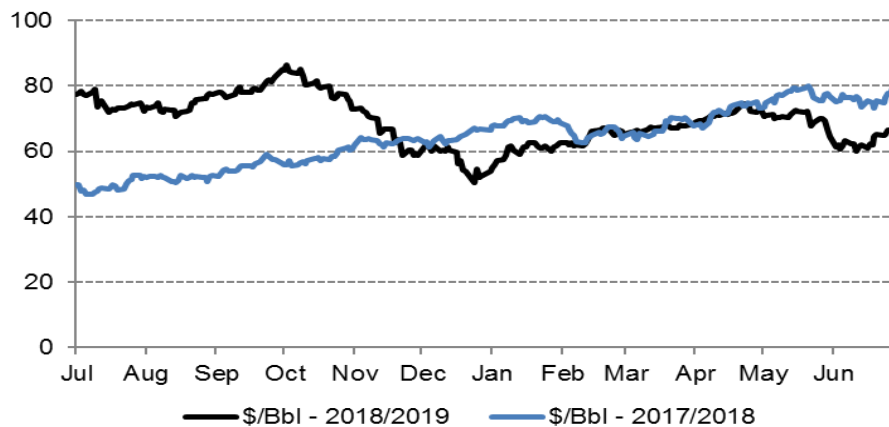
TTF Gas Price – Quarter Ahead



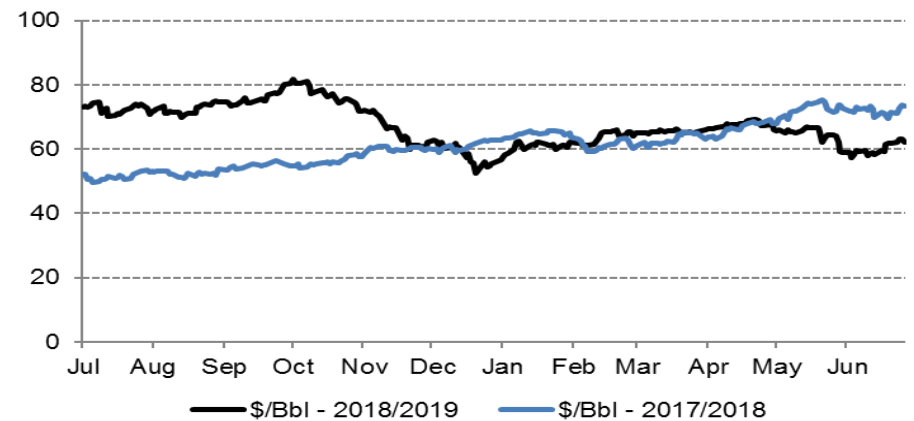
Euro – Us Dollar Exchange rate



Brent Price



Brent forward 1 year price



- 1 MARKET SCENARIO
- 2 HIGHLIGHTS
- 3 FINANCIAL RESULTS

Highlights

- ✓ Group EBITDA and EBIT growth (+13% and + 1,150% respectively), while EBT and Net Result returned positive (2018 results affected by the full depreciation of two unsuccessful exploration wells in Romania)
- ✓ Contained NFP growth (+€ 10.2 M), notwithstanding € 21.4 M of Capex, thanks to positive cash flows
- ✓ Positive turn around in two of the main E&P development projects:
 - ✓ In **Italy**: “Longanesi” project, after obtaining the authorization in Q4 2018, started the development phase, with the engineering of the project and the procurement of the first Long Lead Items
 - ✓ In **Romania**: “Midia Development Project”, development phase started after NAMR approval of the Field Development Plan, 2P reserves evaluated by independent Reserves Auditor at 725 MScm (>15% increase in Group’s 2P reserves) for the 10% Gas Plus interest remaining after the FOA (transfer of 5% stake to the Operator)
- ✓ In Q1 2019 the Group acquired Rete Gas Fidenza Srl, a company operating in gas distribution in the second largest town of Parma district, following a successful bid in a tender with major competitors. The acquisition allowed N&T BU to grow both in terms of end users and pipeline length
- ✓ Corporate financing in place for new development projects: on August, 6th 2019 signed corporate financing for long term facilities and Capex line related to the main E&P development projects

1

MARKET SCENARIO

2

HIGHLIGHTS

3

FINANCIAL RESULTS

- E&P
- RETAIL
- NETWORK & TRANSPORTATION
- STORAGE
- GROUP FINANCIAL RESULTS
- COMPANY PROFILE



1H 2019 P&L - E&P contribution

E&P (MScme)	1H19	1H18	Δ (%)
Hydrocarbon Production	73.1	68.0	7%
<i>of which natural gas</i>	57.6	57.7	(0%)
<i>of which oil and condensate</i>	15.5	10.3	50%
EBITDA (M€)	9.1	6.6	38%
Exploration Capex	0.4	3.3	-88%
Development Capex	7.8	1.6	388%

■ Domestic activities:

- “Longanesi” project: at the end of 2018 issued authorization decrees of the Ministry of Economic Development. Activities carried out in the 1H2019:
 - planning & engineering of the project
 - procurement of project’s Long Lead Items
 - set up of plant site
- Garaguso concession production ramp-up completed and stable from April (on yearly basis, ~25 MScm)
- Stable gas production as effect of 1Q19 reduced contribution of Garaguso and contingent interruption of another field
- Strong improvement of oil production of Cavone field after 2018 maintenance activities

■ International activities:

Offshore concession “Pelican XIII and Midia Shallow XV Blocks” ongoing:

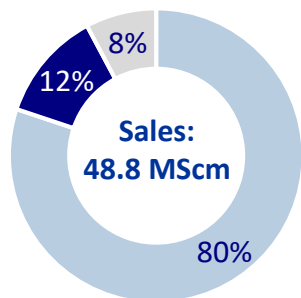
- Development phase started, after National Agency for Mineral Resources (NAMR) approval of the Field Development Plan
- Executed 5% interest farmout and accounted the upfront and deferred price
- 2P reserves evaluated by an independent Reserves Auditor at 725 MScm for the 10% Gas Plus stake after farmout

- As of June 30th 2019, domestic and international 2P hydrocarbon reserves are 4.923 Mscme vs. 4.271 Mscme in 1H2018 (+15%)



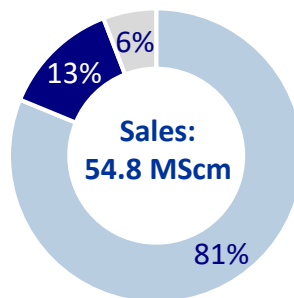
P&L - Retail

1H 2019



- Residential
- Small Business
- Industrial

1H 2018



Retail	1H19	1H18	Δ (%)
Sales (MScm)	48.8	54.8	-10.9%
Residential	39.1	44.5	-12.1%
Small Business/Multipod	5.9	7.1	-16.9%
Industrial	3.8	3.2	18.8%
EBITDA (M€)	3.1	3.7	-16.2%

- EBITDA decrease due to:
 - Sales reduction due to a negative thermal curve;
 - Marginality decrease due to:
 - reduction of the marginality of the “regulatory formula”, following the elimination of the GRAD authority component;
 - reduction of the marginality of some clusters, in particular of the industrial and small business customers.
- Constant attention to limit the switch rate providing customized offers to meet the needs of the customers (both Residential and Small Business) and focusing on the most interesting areas.



1H 2019 P&L – Network Contribution

	1H19	1H18	Δ (%)
Distributed Volumes (MScm)	114.4	119.4	-4.2%
Direct end users (#K)	108.8	95.9	13.5%
Pipeline (Km)	1,764.5	1,561.7	13.0%
EBITDA (M€)	3.5	3.6	-2.8%
Capex (M€)	12.9	0.7	+1,742.9%

1H 2019 P&L – Transportation Contribution

	1H19	1H18	Δ (%)
Transported Volumes (MScm)	5.5	5.9	-7%
Pipeline (Km)	41.8	41.8	0%
EBITDA (M€)	0.1	0.1	0%

- Stable EBITDA, since the acquisition in March of Rete Gas Fidenza Srl (RGF), a company operating in the gas distribution in the Municipality of Fidenza, had a small impact only in Q2 (usually a poor quarter in terms of distributed volumes)
- Strong Capex increase mainly due to the acquisition of RGF
- Thanks to the acquisition of RGF:
 - Direct end users increase (+13.5%)
 - Pipeline length increase (+13%).
- Evaluation of the new ATEM tenders in order, at least, to maintain the same perimeter of activities.



Three projects located in Central Italy, characterized by few storage sites, and in the same area allowing for operational synergies:

SAN BENEDETTO (84,7% Gas Plus - Operator)

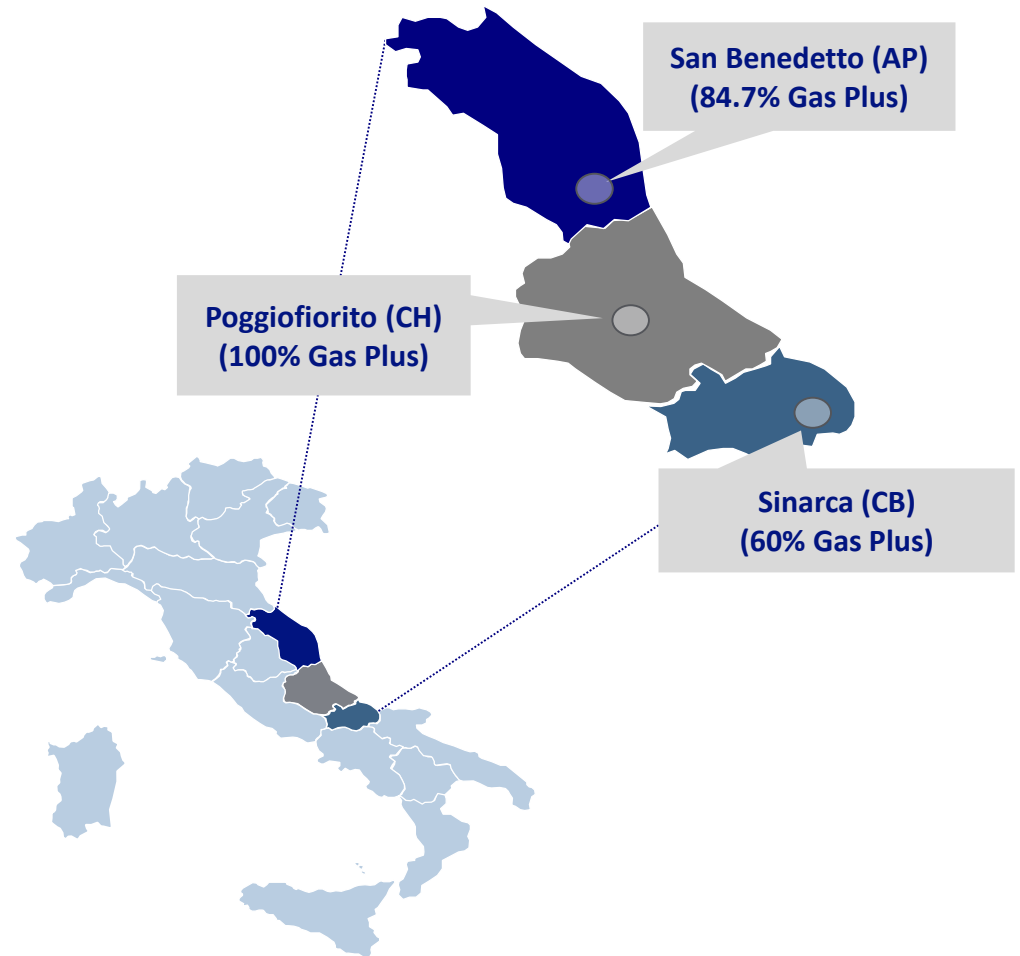
- EIA* obtained in June 2014, application for EIA duration extension ongoing.

POGGIOFIORITO (100% Gas Plus)

- EIA obtained in June 2014, application for EIA duration extension ongoing.

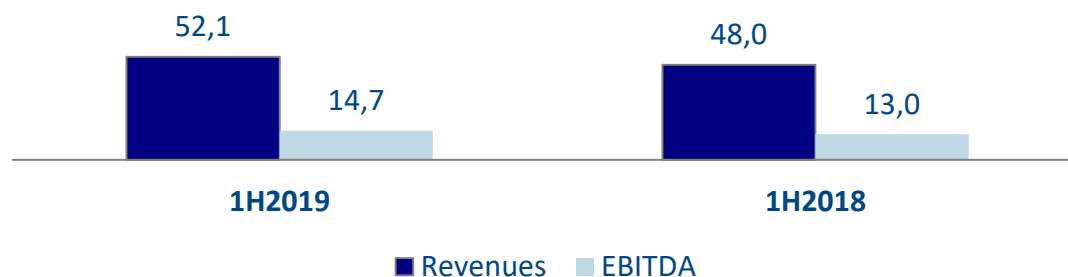
SINARCA (60% Gas Plus - Operator)

- Final authorization obtained. Technical and economic evaluation ongoing



(*): Administrative claims related to the EIA issuing; refer to 2019 half-yearly report for more information

1H 2019 – Group P&L

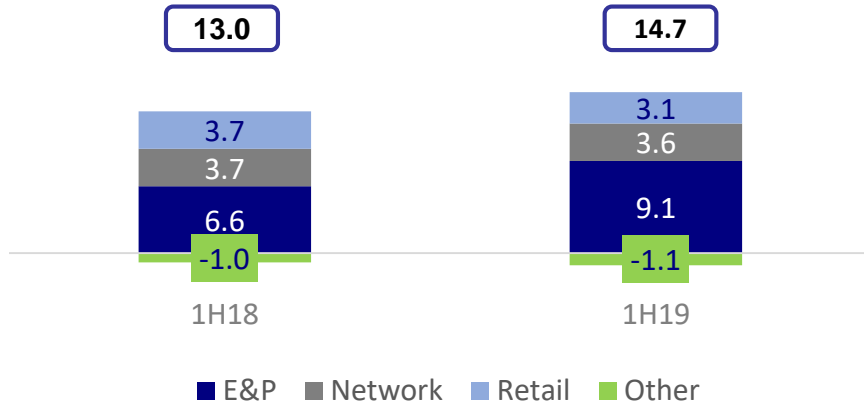


Group (M€)	1H19	1H18	Δ (%)
Revenues	52.1	48.0	9%
Operating Costs	37.4	35.0	7%
EBITDA	14.7	13.0	13%
EBIT	5.0	0.4	1 150%
EBT	4.4	(2.6)	n.a.
Net Result	3.1	(2.1)	n.a.
EPS (€)	0.07	(0.05)	n.a.

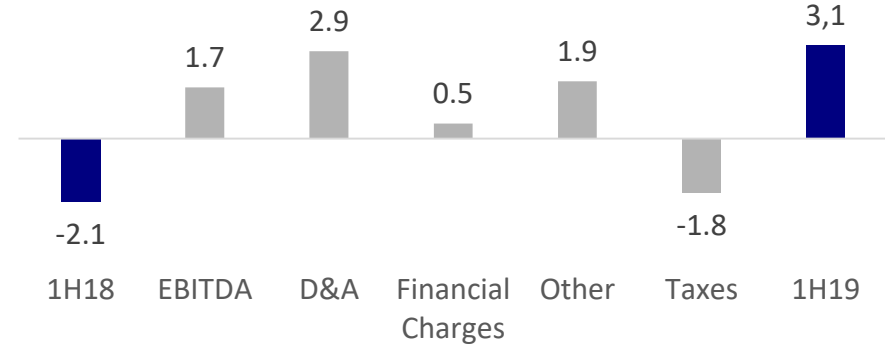
- Growth in:
 - revenues, thanks to E&P production sales (due to higher hydrocarbon production) and Retail gas sales (due to higher selling price)
 - operating costs only due to higher gas supply costs of retail activities
- Increase in EBITDA thanks to the improvement of E&P activities results and in EBIT (2018 results affected by the full amortization of two dry wells in Romania)
- Positive net result of € 3.1 vs - 2.1 of 1H18 after the transfer of the 5% stake in the Midia Project and the strong reduction in financial charges

Financial Results

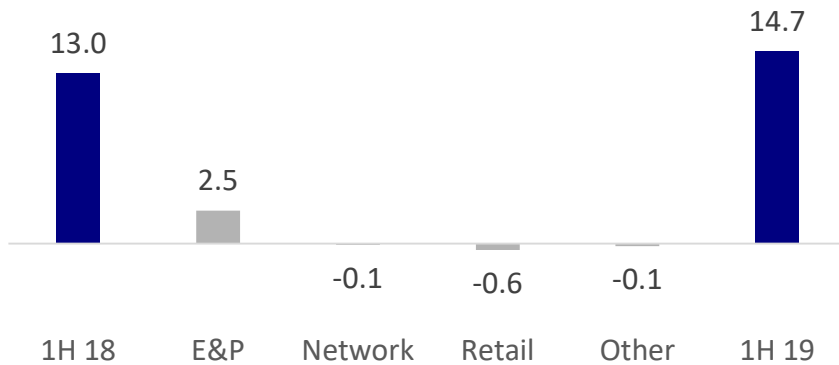
EBITDA Breakdown by BU (M€)



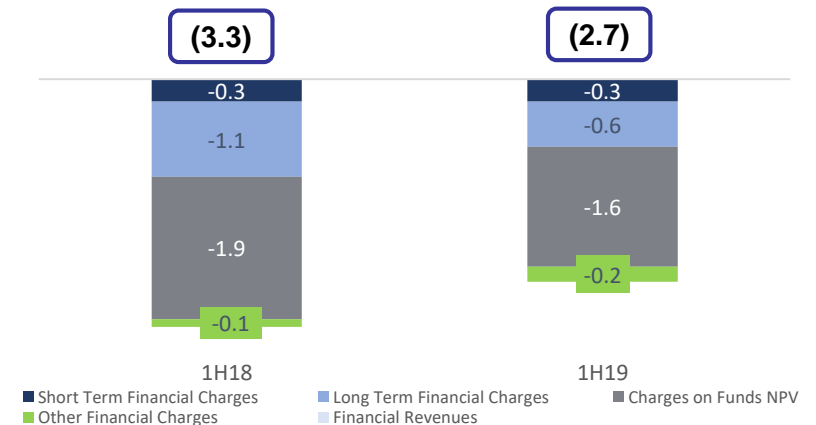
Group Net Result Evolution (M€)



Group Ebitda Evolution (M€)



Net Financial Charges Evolution (M€)



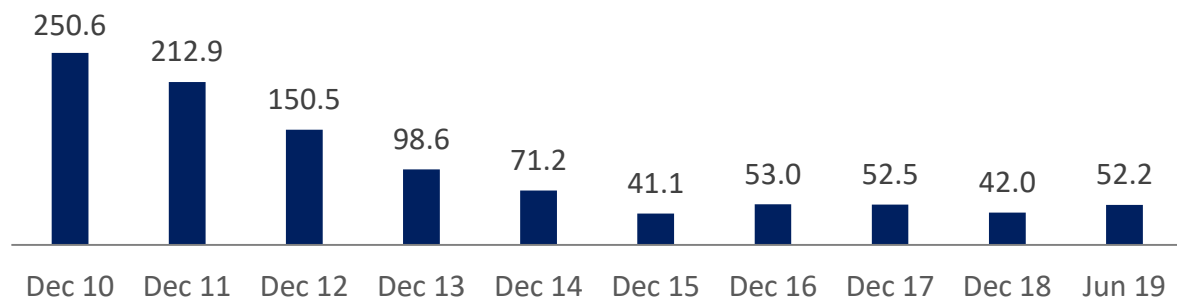
June 30, 2019 – Group Balance Sheet

Group (M€)	June 30, 2019	Dec 31, 2018	Δ (%)
Inventories	3.7	3.5	6%
Receivables	17.6	26.9	(35%)
Payables	(18.9)	(29.6)	(36%)
Other working Credits/Debits	(9.3)	(1.2)	675%
Non current Assets	454.9	436.0	4%
Taxes, Abandonment, Severance and Other provision	(180.3)	(180.6)	(0%)
Net invested capital	267.6	255.0	5%
Net Financial Debt	52.2	42.0	24%
<i>of which long term</i>	26.2	25.5	2%
<i>of which short term</i>	25.9	16.6	56%
Equity	215.5	213.0	1%
Total Sources	267.6	255.0	5%

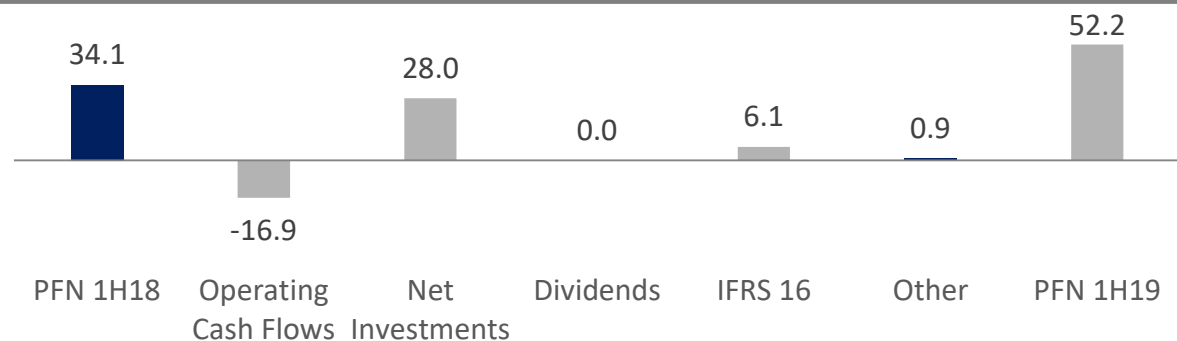
- Decrease in Working Capital due to seasonal effects
- Increase in Non Current Asset above all for the investments in E&P and Network activities
- Growth in Net Financial Debt vs 31 December 2018 exclusively due to higher investments and the new accounting standard IFRS 16 on leasing contracts
- Debt/equity ratio at 0.24

Financial Results: NFP Trend

Group NFP Historical Trend (M€)



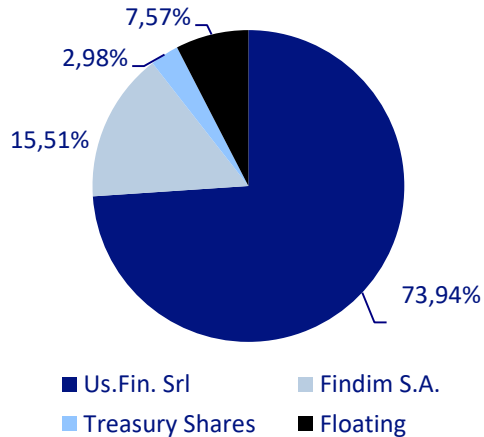
Group NFP Evolution (M€)



- NFP remained at low levels but affected by both the higher investments and the effects of the new accounting standard IFRS 16 on leasing contracts
- The positive operating cash flows mitigated the NFP growth
- After the end of 1H19 the signing of a new loan agreement enabled the Group to extend the existing debt duration and increase available cash resources for investments

Company Profile

Shareholding as at 30 June 2019



Share information

N. of share: 44.909.620

Share price as of 28.06.2019: € 2.0500

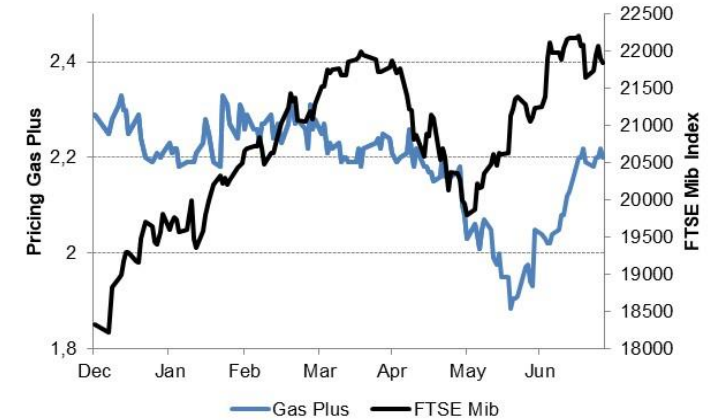
Share price as of 06.08.2019: € 2.1387

Mkt cap 28.06.2019: € 92.1 million

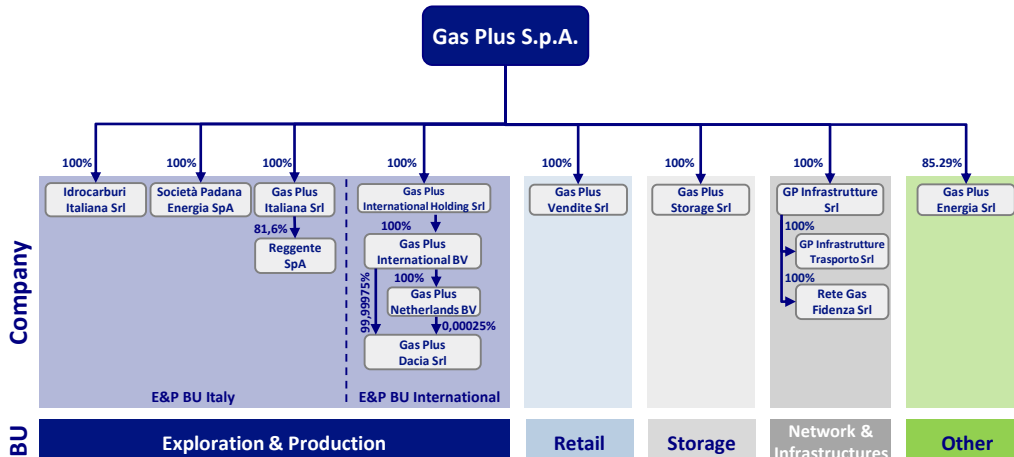
Italian Stock Exchange – segment MTA

Own shares as of 28.06.2019: 1.336.677

Share price performance



Group structure*



Management

Davide Usberti	Chairman and CEO Gas Plus S.p.A.
Lino Gilioli	VP and Lead Independent Director Gas Plus S.p.A.
Cinzia Triunfo	Group General Manager and Director of Gas Plus S.p.A.
Germano Rossi	Group CFO
Massimo Nicolazzi	Executive VP Gas Plus International B.V. (E&P Int. Activities)
Regulated Activity - Network	
Leonardo Dabrassi	Chairman – GP Infrastrutture S.r.l
Achille Capelli	Network Manager

(*): Gas Plus Group Structure as of 30 June 2019

Disclaimer

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gas Plus. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Gas Plus to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target", "risks", "goals", "should" and similar terms and phrases. There are a number of factors that could affect the future operations of Gas Plus and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for the Group's products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including potential litigation and regulatory effects arising from re-categorisation of reserves; (k) economic and financial market conditions in various countries and regions; (l) political risks, project delay or advancement, approvals and cost estimates; and (m) changes in trading conditions.

All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this presentation. Neither Gas Plus nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this presentation.