

PRESS RELEASE**The Board of Directors approves the Interim Financial Report
as at March 31, 2018****Trend confirmed: growth in all economic indicators in the quarter****EBITDA +21% Pre-tax result +52% compared to first quarter 2017****Net financial debt improved****Guidance increased for current year.**

- **Revenues** Euro 92.1 million (+18.9%) compared to Euro 77.5 million in the first quarter of 2017;
- **EBITDA**¹ Euro 54.8 million (+21.0%) compared to Euro 45.3 million in the first quarter of 2017;
- **Pre-tax result** Euro 29.8 million (+52.7%) compared to Euro 19.5 million for the first quarter of 2017;
- **Net financial debt**, excluding the fair value of derivatives, up Euro 490.4 million compared to Euro 537.2 million as at December 31, 2017;
- **Guidance** increased for current year.

Milan, May 10, 2018 - In a meeting held today, **the Board of Directors of Falck Renewables S.p.A.** reviewed and approved the Interim Financial Report as at March 31, 2018.

Chief Executive Officer Toni Volpe commented as follows: "I'm very satisfied with the results achieved in the first quarter 2018. Results obtained thanks to efficiency, growth in installed capacity and good wind conditions."

¹ EBITDA - The Falck Renewables Group measures EBITDA as earnings before income and expense from investments, net financial income/expense, amortization, depreciation, impairment, provisions for risks and income taxes. This amount has been determined in line with best market practice taking into consideration the project financing contracts entered into by the Group.

Consolidated income statement results as at March 31, 2018 and March 31, 2017

	(thousands of Euro)		
	3.31.2018	3.31.2017	12.31.2017
Revenue	92,092	77,452	288,619
Direct personnel expense	(3,506)	(3,002)	(12,693)
Direct costs and expenses	(40,885)	(37,842)	(148,336)
Total cost of goods sold	(44,391)	(40,844)	(161,029)
Gross profit	47,701	36,608	127,590
Other income	669	1,050	4,524
Indirect personnel expense	(4,680)	(4,004)	(16,280)
General and administrative expenses	(5,197)	(5,483)	(40,470)
Operating profit (loss)	38,493	28,171	75,364
Net financial expense	(9,844)	(9,755)	(35,265)
Net investment income			45
Net equity investment income	1,144	1,101	2,284
Profit (loss) before taxation	29,793	19,517	42,428
Income taxes			(10,362)
Profit (loss) for the year			32,066
Profit (loss) attributable to non-controlling interests			11,716
Profit (loss) attributable to the owners of the parent			20,350
EBITDA (1)	54,836	45,303	149,366

Introductory note

With reference to the accounting principles in force as from January 1, 2018, referred to those applicable to FY 2017, the only significant impact is related to the adoption of **IFRS 9 Financial instruments**.

In 2018, the “Other Businesses” sector was introduced, comprising the companies Falck Renewables SpA and Falck Renewables Energy Srl. Up until December 31, 2017, Falck Renewables Energy Srl (“FRE”) was part of the “WtE, biomass and photovoltaic” sector. This change was made insofar as, starting January 1, 2018, FRE operates in Energy Management (in accordance with Group policies); this activity, addressed to the Group includes, amongst others, the dispatching, management of imbalance, sale and hedging of the commodity risk, potentially for all Group sectors.

Although the variation, with regards to the first quarter of 2017, was not significant, the data of the sectors as at March 31, 2017 has been restated to allow for comparison with the results of the first quarter of 2018, in light of the new sectors.

Results of the first quarter of 2018

The first quarter of 2018 shows a very positive performance both in terms of revenue and margins, which is reflected in a **pre-tax result of Euro 29.8 million**, showing good growth on the Euro 19.5 million booked for the first quarter of 2017.

The **quarter revenues grow by 18.9% to Euro 92.1 million**, as compared with the Euro 77.5 million of the first quarter of 2017; this is mainly due to: (i) the increase in electricity production thanks to the greater wind levels in all countries in which the Group operates; (ii) the greater production deriving from the increase in installed capacity (913 MW in the first quarter of 2018, as compared with 785 MW in the first quarter of 2017) as a result of the coming into complete operation of the Auchrobert (United Kingdom) wind power plant and the acquisition of the Innovative Solar 42 photovoltaic plant (92 MW) in North Carolina (USA) in December 2017; and (iii) the sale of energy purchased from the market by Falck Renewables Energy Srl, in order to mitigate the cost of imbalances and optimize sales, for Euro 2.6 million.

The GWh produced by the Group's technologies totaled 691, up 24% on the 557 of the first quarter of 2017. The positive performance booked by production more than offset the general reduction (apart from in the United Kingdom) of the price of sale of electricity.

Below is the performance of revenues per sector:

Wind power: the sector records revenues of Euro 72.1 million, up 19.6% thanks to the generalized increase in wind levels and greater production as a result of the above-specified increase in installed capacity. During the first quarter of 2018, the GWh produced by the wind power sector totaled 607 as compared with the 497 of the first quarter of 2017 (+22% on the same period of 2017). Revenues also benefited from the increase in energy prices in the United Kingdom (+4%), partly offset by the devaluation of the sterling against the euro (2.6%) and the reduction in the prices of energy sales in Italy (-7%, including the incentive) and in Spain (-17%); in France, the feed in tariff mechanism neutralized the oscillation of prices (+1%).

WtE, Biomass and Photovoltaic: the sector has revenues that increase slightly in the first quarter, up to Euro 15 million as compared with the 14.6 million of the first quarter of 2017. This performance is due to the greater production deriving both from the increased solar production capacity and the quantity of waste managed by the company Esposito, to a large extent offset by the planned (two-yearly) downtime of the Rende hybrid plant and the lower prices of sale of electricity, as compared with the first quarter of 2017. Electricity prices in Italy, including the incentive, are down 20% for the WtE plants and 3% for the biomass plants but up 2% for solar plants on the first quarter of 2017. The Innovative Solar 42 photovoltaic plant in the USA has instead stipulated a contract of sale for electricity at a fixed reference price.

Services: the sector books revenues of Euro 2.9 million, as compared with the Euro 2.7 million for the first quarter of 2017, mainly due to greater revenues from transactions and engineering services in Japan, Italy, Bulgaria and Mexico.

Other businesses: the revenues, of Euro 7.8 million, as compared with the Euro 0.1 million for the first quarter of 2017, restated to reflect the breakdown of the new sectors, relate to the sales of electricity made by Falck Renewables Energy Srl.

FALCK RENEWABLES

EBITDA for the first quarter comes to Euro 54.8 million, up 21.0% on the Euro 45.3 million of the first quarter of 2017 (with an incidence on revenues that goes to 59.5% from 58.5%); this reflects the greater period production, despite the devaluation of the sterling against the euro and the downturn to the prices of energy in some countries in which the Group operates.

EBIT comes to Euro 38.5 million, up 36.6% on the Euro 28.2 million in the first quarter of 2017, with an incidence on revenues of 41.8% (36.4% in the first quarter of 2017). The Result benefits both from the rise in EBITDA and the lesser amortization/depreciation as a result of the revised useful life of plants (starting from the interim report for 2017), partially reduced by growth in amortization/depreciation connected with the greater capacity installed in the United Kingdom and the United States of America.

Net financial expenses of Euro 9.8 million are basically in line with the first quarter of 2017. Financial expenses are affected by the coming into force, as from January 1, 2018, of the accounting standard IFRS 9, which resulted in greater interest expense for the Group in the amount of Euro 1 million, as a result of the restating of financial liabilities that had an after tax positive impact of Euro 13 million on equity reserves as at January 1, 2018 (for more information, refer to the management report). The greater interest was almost entirely offset: (i) by the management actions aimed at making debt management more effective; (ii) by the lesser interest with reference to the debt at fair value of the royalty instruments; and, to a lesser extent (iii) by the devaluation of the pound sterling.

Thanks to the factors described above, and to cost control and improvement in plant performances, in the first quarter of 2018 the Falck Renewables Group recorded a **result before taxes and before non-controlling interests** of Euro 29.8 million, and therefore well up (+52.7%) on the figure recorded in the first quarter of 2017.

Net Financial Position

Net financial position, net of the fair value of derivatives, improved with a debt balance of Euro 534.5 million compared to Euro 583.7 million as at December 31, 2017. This trend is mainly due to period net investments, for approximately Euro 7 million, offset by cash generated by the operating plants of approximately Euro 38 million, whilst the devaluation of the euro against the pound has resulted in a worsening of approximately Euro 4 million, while the variation in the fair value of derivatives had a positive effect on the net financial position of Euro 5 million. Moreover, following the coming into force of the new standard IFRS 9, the net financial position drops by Euro 17 million following the recalculation of the effects for all loans being renegotiated.

Investments

During the first quarter of 2018, total investments came to Euro 7.1 million and mainly regarded the construction of wind farms of Auchrobert (Euro 0.3 million), Brattmyrliden (Euro 0.6 million), Åliden (Euro 1.5 million), Falck Renewables Vind (Euro 1.1 million) and the HG Solar photovoltaic plant (Euro 3.3 million) and other minor investments (Euro 0.1 thousand). The data relating to the acquisition of the HG Solar photovoltaic plant will be subject to purchase price allocation in accordance with IFRS 3, to be completed within 12 months of the date of acquisition.

Installed production capacity

Technology	(MW)		
	At 3.31.2018	At 12.31.2017	At 3.31.2017
Wind power	769,9	769,9	733,9
Wte	20,0	20,0	20,0
Biomass	15,0	15,0	15,0
Photovoltaic	108,1	108,1	16,1
Total	913,0	913,0	785,0

Installed capacity has increased by 128 MW on March 31, 2017.

In December 2017, the company Innovative Solar 42 LLC, owner of the 92 MW photovoltaic project in North Carolina, United States of America, joined the Group.

Please also note that in April 2017, the wind power plant of Auchrobert in the United Kingdom, was powered up, consisting of 12 turbines for installed power of 36 MW.

Most important management events during the first quarter of 2018

On January 15, 2018, through its Swedish subsidiaries, Falck Renewables SpA stipulated two contracts with the Nordex Group, worth a total of approximately Euro 121.7 million, for the supply of 31 wind power turbines N131/3900 and related infrastructural, civil and electrical works, on an EPC basis, for the construction of two projects recently acquired of Åliden and Brattmyrliden. Preliminary works have begun and will intensify in 2018 and 2019.

On February 14, 2018, Falck Renewables SpA announced the stipulation and simultaneous closing for the acquisition of a photovoltaic project of approximately 5.99 MW in Middleton (Massachusetts, USA) by the developer HG Solar and the stipulation of an EPC (Engineering, Procurement and Construction) agreement with the company Conti Solar, with a total investment of approximately 10.7 million dollars: it is expected to be commissioned during the second quarter of 2018.

Subsequent events

There are no significant events worthy of report.

Outlook

The Group's results in FY 2018 will benefit for the whole year from the production of the Innovative Solar photovoltaic plant (92 MW) in North Carolina, and for the second half from the production of the HG Solar Development LLC photovoltaic plant (5.99 MW) in Massachusetts.

The Business Plan, presented to the market on November 14, 2016 and updated on December 12, 2017, to which reference is made for more detailed information, envisages: (i) considerable growth in assets connected with the policy for monitoring financial solidity; (ii) renewed attention to the markets of Southern Europe and confirmed attention to North America; and (iii) an increase in volumes and business objectives of the services, with a focus on the asset management of renewable energy plants, energy management and energy efficiency, optimizing the internal digital platform.

At present, various investment options are being assessed in the geographic areas of interest included in the Business Plan.

Guidance

For 2018, the guidance envisaged for the main economic-financial indicators, is increased:

- **EBITDA** from around Euro 148 million to **Euro 151 -153 million**;
- Consolidated net income prior to minorities from approximately Euro 29 million to approximately Euro 30 million;

Net financial position (including the fair value of derivatives) improved from approximately Euro 687 million to **Euro 660 million**.

Due to a communication received by CONSOB (Italian supervisory commission for companies and stock exchange), today the Board of Directors approved a modification of the articles of association to align them to law and regulation provisions regarding minimal quotes for the presentation of Board candidates' lists, in line with article 20 of the articles of association themselves.

The Executive responsible for drawing up the company's accounting documents, Paolo Rundeddu, certifies – in accordance with paragraph 2, article 154-bis of the Financial Act (TUF) – that the accounting information contained in this document corresponds to documentary evidence, books and accounting records.

The Interim Financial Report at March 31, 2018 is available as required by law at the registered office at Corso Venezia 16, Milan, with Borsa Italiana SpA and online in the Investor Relations section of the www.falckrenewables.eu website.

At 6:00 PM a.m. on May 10, 2018, a conference call will be held for analysts, investors and banks to present the interim financial report. Details on how to participate are available at www.falckrenewables.eu, in the News section. Support material will be made available online, in the Investor Relations section, when the conference call begins.

Falck Renewables S.p.A., listed in the STAR segment of the Italian stock exchange, develops, designs, builds and manages renewable source power production plants, with an installed capacity of 950 MW in 2017 (913 MW according to the IFRS 11 reclassification) in the United Kingdom, Italy, the United States, Spain and France, generated by wind power, solar and biomass sources. The Group is an international player offering technical consultancy for renewable energy and third party asset management, through its subsidiary Vector Cuatro, which provides customers with these services, for total installed capacity in excess of 1800 MW, thanks to experience accrued in more than 25 different countries worldwide.

FALCK RENEWABLES

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Interim Financial Report as at March 31, 2018 – Income statement

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Interim Financial Report as at March 31, 2018 - Net financial position

	(thousands of Euro)		
	3.31.2018	12.31.2017	3.31.2017
Current financial liabilities - third parties	(76,960)	(89,259)	(68,909)
Current financial liabilities - intragroup			
Current financial receivables - third parties	1,968	1,720	22
Current financial receivables - intragroup			
Other securities			
Liquid funds	296,364	261,517	252,087
Current net financial position	221,372	173,978	183,200
Non-current financial liabilities - third parties	(769,117)	(769,946)	(750,179)
Non-current financial liabilities - intragroup			
Other securities			
Non-current financial position	(769,117)	(769,946)	(750,179)
Net financial position pursuant to Consob			
Communication no. DEM/6064293/2006	(547,745)	(595,968)	(566,979)
Non-current financial assets - third parties	13,248	12,251	1,946
Non-current financial assets - intragroup			
Total net financial position	(534,497)	(583,717)	(565,033)
- of which non recourse project financing	(777,605)	(792,308)	(731,642)
- of which fair value of derivatives	(44,074)	(46,479)	(59,043)
Net financial position net of fair value of derivatives	(490,423)	(537,238)	(505,990)