

TERNIENERGIA: The merger by incorporation of Softeco Sismat Srl into TerniEnergia S.p.A. was approved

- **The transaction envisaged in the Group's Recovery and Relaunch Plan**
- **The merger will generate a "one smart company", focusing on the most value-added sectors of digital transformation in energy, networks and energy efficiency, transport, mobility, environmental industry and smart cities, as well as technological and industrial activities in the renewable energy sector**
- **The target of the merger is to strengthen the activities included within the scope of the "IT and Digital" segment, reducing the capital-intensive activities of the "Renewable Utilities" segment, with a consequent improvement in management, reduction of operating costs and recovery of value generation**

The Board of Directors of **TerniEnergia**, a smart company listed on the Italian Stock Exchange (MTA) and part of the **Italeaf** Group, and the Board of Directors of **Softeco Sismat** Srl, the Group's digital company, today approved the proposal for the merger by incorporation of the wholly owned subsidiary Softeco Sismat Srl into the parent company TerniEnergia S.p.A., as well as the related merger plan (hereinafter also referred to as the "Merger").

Purpose of the merger

The transaction approved represents one of the initiatives aimed at improving the efficiency of the management to be implemented as part of the Recovery and Relaunch Plan of the TerniEnergia Group 2018-2022.

The merger will start the crucial industrial and operational turnaround phase of the Group, which aims to complete the process of strengthening the activities included within the scope of the "IT and Digital" segment, reducing the capital-intensive activities of the "Renewable Utilities" sector. In this way, it will be possible to create a "one smart company" with a core business strongly focused on activities with greater added value in smart energy and digital transformation for the sectors of grids and energy efficiency, transport and mobility, environmental industry and smart cities, as well as technological and industrial activities in the renewable energy sector. The post-merger company will therefore have the identity of technological enabler to allow its customers to address in an optimal way the energy transition and digital transformation, with services and solutions enhanced by the integration of the technological and information technology skills of Softeco Sismat and industrial, plant development, asset management in the renewable energy and environment of TerniEnergia.

The Company, more efficient and more sustainable and therefore in the position to generate value from its evolution, can focus itself on the business of innovative solutions, which allow the exploitation of the potential offered - in a context of radical change - by Information Technology and digital transformation (One smart

company).

From an organizational point of view, it is believed that the merger will optimize the decision-making processes and improve the use and enhancement of resources and expertise currently existing in the merging companies which, by merging activities into a single legal entity, will lead to an improvement in management efficiency (corporate, accounting and administrative), the creation of synergies and the reduction of overall costs, avoiding the duplication of certain activities on two separate legal entities, with a consequent greater rationalization of costs.

Modalities, terms and timing of the merger

Since the share capital of Softeco Sismat Srl is wholly owned by TerniEnergia S.p.A., the merger will be implemented according to the simplified procedure set out in Article 2505 of the Italian Civil Code. As provided for by art. 2501-ter, first paragraph, no. 6 of the Italian Civil Code, the Merger will take effect from the day following the date of the last registration of the merger deed with the competent Company Register, or from the first day of the month following the date of registration of the merger deed.

Considering that the Merger is expected to become effective in 2020, for accounting purposes, the operations of the Merged Company will be charged to the financial statements of the Merging Company as from the first day of the current financial year on the date on which the Merger took effect, and, therefore, as from 1 January 2020. On the Effective Date of the Merger, the shares representing the share capital of Softeco Sismat Srl will be cancelled without exchange. Consequently, TerniEnergia will not change its share capital (and consequently issue new shares, the number of which will therefore remain unchanged) and will assume the assets and liabilities in its assets on the basis of their book values, as they will appear in the bookkeeping of Softeco Sismat at the Effective Date of the Merger. The merger in question is also exempt from the application of the Procedure for the regulation of transactions with related parties of TerniEnergia S.p.A., as it is carried out with a subsidiary and there are no significant interests of other related parties of TerniEnergia; it is also excluded from the obligation to publish the information document referred to in art. 70 of the Consob Issuers' Regulation no. 11971/1999, since the legal requirements are not met.

Deposit of documentation

TerniEnergia announces, pursuant to art. 70 of Consob Regulation no. 11971/1999, the filing at the registered office in Narni fraz. Nera Montoro, Strada dello Stabilimento n. 1, at Borsa Italiana S.p.A. and on the website of the company www.ternienergia.com / Investor relations / Extraordinary transactions of the Project of merger by incorporation into TerniEnergia S.p.A. of the wholly owned company Softeco Sismat Srl, together with the balance sheets of Softeco and TerniEnergia as at 31 July 2019, drawn up pursuant to Article 2501-quater of the Italian Civil Code.

It should also be noted that the financial statements of the companies involved in the merger for the last three financial years, together with the related reports, have been filed at the company's registered office.

Pursuant to Article 2505, paragraph 2, of the Italian Civil Code, the resolutions concerning the merger will be adopted by the Board of Directors by means of a resolution resulting from a public deed, once the legal terms have expired.

Press Release

Milano – 30 October 2019



This press release is also available on the Company's website: www.ternienergia.com.

TERNIENERGIA (TER. MI), established in September 2005 and part of the Italeaf Group, is the first Italian global technological enabler, committed to bringing energy solutions and efficient recovery of integrated and sustainable resources to the world. Organized into two strategic business lines (Assets and Smart solutions and services), with about 300 employees and a geographical presence worldwide, with operative and commercial offices, TerniEnergia develops innovative solutions, products and services based on digital and industrial technologies for the energy supply chain, grids, smart mobility, industrial automation and the recovery of marginal resources. TerniEnergia, also through its subsidiaries (Softeco Sismat, Greenled Industry, GreenAsm, GreenAsm, Purify, Wisave, Ant Energy), pursues the objectives of increasing energy production from renewable sources, saving energy and reducing emissions and actively participates in the energy revolution of distributed power generation and smart grids, with innovative digital solutions. TerniEnergia is the ideal partner for large utilities, distribution operators and network operators, energy producers, public administrations, industrial customers and investors who intend to realize large projects for the production of renewable energy, modern systems and plants with high energy efficiency, solutions for the management and maintenance of infrastructure and electrical installations. TerniEnergia has completed its transformation from a leader in the international photovoltaic market into a smart energy company and technological enabler for the sustainable use of resources through a complete commercial offer of solutions, the development and supply of digital technologies and the creation of "intelligent" services and solutions aimed at public and private customers in emerging sectors. TerniEnergia is listed on the MTA of Borsa Italiana.

For further info:

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