

PRESS RELEASE 28 MARCH 2019

Italeaf: the Board of Directors approves the recovery and relaunch plan and the related financial manouvre and the postponement of the approval of the annual financial statements as at 31 December 2018

The Board of Directors of **Italeaf**, a holding company active in the cleantech and smart innovation sectors, listed on Nasdaq First North, which met today, resolved to postpone the approval of the separate and consolidated financial statements to 31 December 2018.

In this regard, the Company's Board of Directors has noted that:

- a) on 22 March 2019, the Board of Directors of the subsidiary TerniEnergia, the parent company's main asset, resolved to postpone any decision on the approval of the draft financial statements and the consolidated financial statements as at 31 December 2018 until a later date, approximately between 17 and 28 June 2019, in order to be able to take fully into account, in approving these financial data, the impacts deriving from the definition of the restructuring agreement currently being defined;
- b) negotiations are in progress with the creditors and that some financial creditors are common to the two companies;
- c) the same creditors are waiting to receive Italeaf's updated plan to resolve on the restructuring of both companies, which have reserved the right to follow the progress of these negotiations with the aim of concluding them and defining their recovery and relaunch plans by June 30, 2019.

Taking into account the work in progress of this process - of which the market is and will be regularly informed - and the importance of the outcome of the above negotiations aimed at reaching a restructuring agreement that will allow the economic and financial rebalancing of Italeaf and TerniEnergia, the Board of Directors has therefore, deemed it appropriate to postpone any decision on the approval of the draft annual and consolidated financial statements as at 31 December 2018 until a later date, indicatively between 17 and 28 June 2019, in order to be able to take fully into account, in approving those financial data, the impacts arising from the definition of the restructuring agreement.

The Board of Directors also approved the proposed Plan for the recovery and relaunch of Italeaf, following the strategic guidelines approved on 27 April 2018, aimed at restoring the financial and equity balance of the Company in the long term, whose reasonableness will be certified by a professional advisor pursuant to Article 67, paragraph 3, letter d) r.d. 267/42 for the period 2018-2022 (the "Plan"), which was identified in Dr. Massimiliano Bonamini (subject with proven experience in the sector). Italeaf avails itself of Orrick law firm as its legal advisor.

The Plan, drafted with the support of KPMG as an industrial and financial advisor, represents an important part of the restructuring process undertaken by the Company. All the measures envisaged must be considered as a single measure, as they compete with each other to achieve the goal of restoring the Company.

The main terms of the proposed Plan approved today by Italeaf's Board of Directors, which are still the subject of negotiations with the creditors and, therefore, still potentially subject to amendments and/or additions, are set out below:

Extraordinary transactions to reduce and accelerate the return from the current bank exposure

- disposal of property and facilities located at the Nera Montoro (TR) industrial site and related management activities by the end of 2020. Although no binding letters of commitment have been signed, negotiations to date have led to initial expressions of interest in relation to the purchase of the Nera Montoro industrial site;
- sale of shares in Italeaf Real Estate relating to the goodwill connected with the contract for the provision of services to third-party companies by 2020;
- loan to start-ups to be carried out during the two-year period 2019-20, aimed at satisfying the primary cash requirements and the activities of the subsidiaries themselves;
- to encourage the intervention of third party investors, in co-participation, in the subsidiary Numanova with the aim of guaranteeing a sufficient equity contribution to support the definitive take-off of the company, currently in the initial "expansion" phase.

Business continuity

Italeaf S.p.A., in addition to maintaining its holding activity, may continue to provide until 2020 the possibility of providing services (administrative, management, full service, utilities, etc.) to the Group and/or to any third parties taking over the disposal process initiated by the subsidiary TerniEnergia. To date, in the absence of visibility on the agreements being defined with third parties, it is assumed that third parties will take over the former TerniEnergia's service contracts, as it is assumed that the sale of the Nera Montoro industrial site will take place at different times than the sale of the TerniEnergia's plants.

Rationalisation

In order to guarantee the ability to maintain an economic and financial equilibrium to cope with current operating activities, from 2018 onwards the Management has started a process of optimisation and rationalisation of Italeaf S.p.A.'s operating and structural costs. Starting to 2021, with the sale of the Nera Montoro site, a further significant reduction in costs is expected, primarily as a result of the utilities, the reduction in the organisational structure and the lower taxes linked to the industrial area to be sold.

Financial manoeuvre

Italeaf S.p.A. has made itself available for a financial restructuring based on a recovery and relaunch plan pursuant to art. 67 of the Italian B.L.. The proposal for Financial Manoeuvre is based on the debt as at March 31, 2018 and provides for the early repayment of the bank exposure in correspondence with the realisation of extraordinary transactions and the rescheduling of the bank debt with an amortisation plan based on the cash flows generated by the Company and the cash flows deriving from the subsidiary TerniEnergia from 2025 (the year in which TerniEnergia is expected to be completely restructured).

The Proposal for Financial Manoeuvre is based on the following guidelines:

- Request for a moratorium on bank debt principal and interest until 31 December 2019;
- Interest 2018: calculation at historical rates and payment PIK ("Payment in kind");

- Interest 2019: reduction from 1/01/2019 at a rate equal to Euribor 6 months + 100bps and payment PIK ("Payment in kind");
- Interest 2020-27: Euribor 6 months rate + 100bps and payment on PIYC basis ("Pay if you Can");
- Reimbursement of bank exposure as of 31 March 2018, as well as financial charges 2018 and 2019 capitalised in two phases: (a) early redemption in 2021 through the collection of the sale of Nera Montoro (TR); (b) redemption from 2025 through the flows deriving from the activities of the TerniEnergia Group.

The Board of Directors of Italeaf therefore resolved to continue negotiations with the creditors on the basis of the proposed Plan approved today, reserving the right to closely monitor the work in progress of negotiations with the aim of concluding them and defining the Plan by 30 June 2019.

This press release is also available on the Company website: www.italeaf.com

Italeaf SpA is obliged to make public this information pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 16.30 CET on 28 March 2019.

Certified Adviser

Mangold Fondkommission AB, +46 (0)8 5030 1550, is the Certified Adviser of Italeaf SpA on Nasdaq First North.

For further information please contact:

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Italeaf SpA, established in December 2010, is a holding company and a business accelerator for companies and startups in the areas of innovation and cleantech. Italeaf operates as a company builder, promoting the creation and development of industrial startups in the fields of cleantech, smart energy and technological innovation. Italeaf has headquarters and plants in Italy at Nera Montoro (Narni), Terni, and at Milano.

The company controls the smart energy company TerniEnergia, listed on the MTA of the Italian Stock Exchange, Skyrobotic, active in the business development and manufacture of civil and commercial drones in mini and micro classes for the professional market, Numanova, operating in the field of innovative metallurgy and additive manufacturing, and Italeaf RE, a real estate company. Italeaf holds, among others, a minority stake in Vitruviano LAB, a research center active in the R&D sector for special materials, green chemistry, digital transformation and cleantech.