

Italeaf: from the merger of TerniEnergia and Softeco the new GreenTech Company is born algoWatt

- **The company focuses for approximately 90% on digital solutions for sustainable economy through a new business model based on as-a-service software and for the remaining 10% on O&M activities for renewable energy plants**
- **Through the 3 Business Units, it focuses on the urban energy, sustainable mobility and resilience of energy grids with high growth potential and aggregate revenues of more than Euro 20 million in 2018**
- **With more than 40 years of experience in the IT sector and investments in R&I of more than 10% of the turnover, it has a research and innovation centre with a significant track record and know-how in the fields of reference**

Italeaf, holding company and first Italian company builder, active in the cleantech and smart innovation sectors, listed on Nasdaq First North Growth Market, announces that:

algoWatt, GreenTech Company listed on the Italian Stock Exchange (MTA), operating in the design, development and integration of solutions for sustainable and socially responsible management of energy and natural resources, following the merger between TerniEnergia and Softeco, presents the new business model that focuses on digital solutions for sustainable economy and digital transformation and based mainly on as-a-service solutions.

The new core business is characterized by activities with higher added value and a streamlined and scalable organizational structure, reducing the capital intensive activities typical of utilities operating in the energy sector. The breakdown of the company's activities will be divided for approximately 90% into software design and development, products and solutions for the energy, utility and mobility sectors and for the remaining part into O&M activities for renewable energy plants.

*"Today's is the kick-off of the new company – states the **Chairman of algoWatt, Stefano Neri** – We have simplified the Group's corporate structure, concentrating the main industrial activities in a single company, thus preparing to pursue the growth of new businesses in the digital sector. With the acquisition and integration of Softeco, which culminated with the merger, algoWatt proposes itself as a new dynamic and innovative reality, with new technological infrastructures and highly specialized professionalism. GreenTech Company's new identity reflects our desire to play an important role in sectors with higher added value, to create value through the technological content of the business and to position ourselves in areas with higher growth prospects. In conclusion, it is a resilient path that follows the changes in the scenario of industrial sectors and the whole concept of sustainability".*

Focus on sustainability and new development potential

algoWatt proposes itself as a partner in the research and implementation of solutions for the sustainable and socially responsible management of energy and natural resources, generating competitive advantages for the reference sectors. The structure of the new company aims at cash generation in the technology segment following the evolution of the market and focusing on sectors with high potential. In particular, with

reference to "urban energy" and "electric mobility", both also characterized by a strong commitment to climate change issues.

*“Territorial needs for smart mobility and strategic technologies applied to smart cities are increasing exponentially. – declares the **General Manager of algoWatt, Massimo Mannori** – The aggregate expected growth rates of investment in infrastructure and platforms for urban energy and e-mobility management by 2030 are all double-digit. In Europe, within ten years, about 6 million electric or hybrid vehicles will be sold, while the greenhouse gas reduction targets require continental investments of about 10,000 billion Euros in the same period. Smart metering and smart energy grow with CAGR above 20%. The energy sector is crucial for Italy's transition to a green economy, integrating transport and mobility in this process, precisely through green technological innovation. The role of algoWatt will be that of solution integrator and provider of proprietary technologies, hardware and software, able to enable new concepts of energy efficiency in production and residential areas. Similarly, we will work with all actors in sustainable mobility to build integrated and on-demand digital service platforms to provide a better and greener travel experience. algoWatt will also continue to be a privileged technology partner of the energy sector in the transition to the expected surge in distributed and non-programmable renewable generation and a technology enabler for all emerging and as yet unforeseeable energy uses”.*

Technological innovation, R&I

With more than 40 years of experience in the IT and Digital sector, more than 100 customers, 7 offices in Italy, more than 200 employees, algoWatt has a Research & Innovation centre that aims to maintain technological excellence in order to propose innovative solutions and develop new products to access markets with higher development rates. Since the 1990s it has coordinated more than 25 European projects, 10 of which in the H2020 field, and has generated a network with more than 1000 partnerships with universities and research institutes for more than 100 projects.

3 business units: Green Energy Utility, Green Enterprise & City, Green Mobility

algoWatt is structured into the following **3 business units**:

- *Green Energy Utility*: proposes an IT offer dedicated to the Energy sector, covering all the needs of the value chain, from distributed and renewable generation to demand response. It includes flexible solutions for the monitoring and control of plants from renewable sources, including predictive maintenance, control and defence systems of the national transmission and distribution grids, systems for the design and production of remote control equipment of the National Transmission Grid, tools for the management of all aspects of electricity and gas supply and sale.;
- *Green Enterprise & City*: is aimed at the enterprise and smart city market with services and tools for diagnostics and remote control of large electrified transport infrastructures (railways, including high-speed railways, and subways), remote control of plants and buildings, management and monitoring systems of environmental plants (waste and water treatment), solutions for energy efficiency of energy-eating industrial plants, implementation and management of microgrid and storage systems;
- *Green Mobility*: is focused on the new urban mobility sector with software and platforms for fleet management, combined and intermodal mobility systems, management, design, installation and support to the operation of charging infrastructure for electric vehicles, system integration for port

boarding services, monitoring and management of road safety and critical infrastructure (bridges, road sections, etc.).

*"The change of brand name to algoWatt - explains **Laura Bizzarri, Managing Director** of the company - embraces the historical identity of the two companies that participated in the merger, but looks to the future from an international and innovative point of view. By combining the algorithm to symbolize digitization, and the Watt to recall electrification, we have outlined the identity of One Smart Company, which uses exponential technologies to reinvent its business model and open up markets related to sustainability and social impact issues. Where we maintain a backlog of industrial activities or expertise, for example in O&M and Energy Efficiency, we are introducing substantial innovation content, such as predictive maintenance work on plants or automated activities thanks to IoT, which enables better planning of actions and cost reduction. The organizational form we have given ourselves is able to quickly manage change and pursue continuous innovation. We are reducing owned assets as much as possible in order to accelerate the possibility of replicating the business and exporting it to markets not yet reached, keeping the structure lean and light. Finally, we set ourselves the goal of revolutionizing the business model: products are transformed into services and services into ecosystems".*

Action plan of the relaunch plan 2022

The **2022 relaunch plan** is articulated through the following "actions":

- *Programme for the disposal of the assets* (photovoltaic and environmental), which involves a financial benefit also as a result of the buyers taking over the debt related to the plants;
- *Merger by incorporation of Softeco Sismat into TerniEnergia*, which allows the strategic control of the Green Tech Solutions sector;
- *Integration of digital technologies in the traditional businesses of TerniEnergia*, with reference to energy efficiency and maintenance of renewable energy plants (predictive O&M).
- *Simplification of the Group structure and Financial Agreement*, which provides for debt rescheduling and rescheduling.

algoWatt (ALW), *greentech solutions company*, designs, develops and integrates solutions for energy and natural resource management in a sustainable and socially responsible manner. The Company provides management and control systems that integrate devices, networks, software and services with a clear sector focus: digital energy and utilities, smart cities & enterprises and green mobility. algoWatt is the result of the merger of TerniEnergia, a leading company in the renewable energy and environmental industry, and Softeco, an ICT solutions provider with over 40 years of experience for customers operating in the energy, industry and transport sectors. The company, with more than 200 employees located in 7 locations in Italy and investments in research and innovation for more than 12% of turnover, operates with an efficient corporate organization, focused on the following markets: Green Energy Utility: renewable energy, digital energy, smart grids; Green Enterprise&City: IoT, data analysis, energy efficiency, building and process automation; Green Mobility: electric, shared and on demand. Different markets, a single focus: sustainability. algoWatt is listed on the Mercato Telematico Azionario (MTA) of Borsa Italiana S.p.A..

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 07.00 CET on 05 March 2020.

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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.