

Italeaf: Approved the Merger by Incorporation in TerniEnergia of the wholly owned company TerniEnergia Gas & Power SpA

- **The proposed merger was approved by the Board of TerniEnergia and by the Extraordinary Shareholders' Meeting of TerniEnergia Gas & Power**
- **The strategic target of the transaction is to promote the development of the energy efficiency business**

The extraordinary Board of Directors of TerniEnergia, smart energy company active in the fields of renewable energy, energy efficiency, waste and energy management, listed on the Star segment of the Italian Stock Exchange and part of Italeaf Group, and the Extraordinary Shareholders' Meeting of TerniEnergia Gas & Power (now a wholly owned subsidiary of the same TerniEnergia), have approved today the Merger by Incorporation (hereinafter the "Merger") of TerniEnergia Gas & Power in TerniEnergia, through approval of the merger plan prepared pursuant to Article 2501-ter and 2505, Civil Code, and already made public in accordance with law.

The Merger is part of the industrial and strategic new program, already announced to the market with the press release issued by TerniEnergia dated May 2, 2016 and with the update of the Business Plan 2015-17 "Fast on the road smart energy" presented on October 2, 2015, aimed at developing the business of energy efficiency. In particular, the Merger will result in a shortening of the company's control chain that will allow a better financial management of energy trading, a better coordination of industrial energy management activity, the achievement of production and financial synergies and the fulfillment of significant savings in operating and managing fixed costs.

The resolution of the Board of Directors of TerniEnergia, resulting from public act pursuant to Article 2505, paragraph 2, Civil Code, will be published, once recorded in the Companies Register, on the website www.ternienergia.com, under Investor Relations/fusione-di-ternienergia-gas-power-in-ternienergia (where there are already documents relating to the Merger), as well as making available to the public at the registered office and in the manner provided by law.

The counterparty of the transaction is a related party, because it is a subsidiary of TerniEnergia and it is wholly owned by the same. The name of the counterparty of the transaction is TerniEnergia Gas & Power SpA. The merger falls within the cases of exclusion from the application of the procedures regarding transactions with related parties with respect to transactions with subsidiaries, as permitted under Article 14 paragraph 2 of Consob Regulation no. 17221/2010. In particular, the company has used the case of exclusion art. 8 letter e) of the Procedure for Related Party Transactions.

The signing of the merger is expected to take place by the end of next August of this year, once carried out the necessary actions for statutory required by law. The legal effects of the Merger shall be effective from the date defined in the same merger deed, while the accounting and tax effects shall be effective from the first day of the year at the moment of the occurrence of the real effects of the Merger.

TerniEnergia, a company incorporated in September of 2005 and part of Italeaf Group, is the first Italian smart energy company and operates in renewable energy, energy efficiency, energy and waste management. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own, for the Power Generation business, also through joint venture companies with leading national players. TerniEnergia operates in the waste management sector, recovery of the material and energy, development and production of technologies. In particular, the Company is active in the recovery of tires out of use, in the treatment of biodegradable waste through the implementation of biodigesters, management of plant for the biological depuration; development and production of technological apparatus. Through TerniEnergia Gas & Power, the Group is active in the energy management, energy sales to energy intensive customers, software and services for energy management, administrative, financial and credit management. The Group is also active on the natural gas and liquefied natural gas (LNG) market, offering a range of services and activities in order to develop Client's business and achieve a competitive advantage providing the best market conditions and creating a high added value.

TerniEnergia operates in the development of energy efficient plants both through EPC scheme and FTT scheme (Financing Through Third Parties), pursuing the objectives of increasing energy production from renewable sources, of energy saving and reduction of emissions as set forth by environmental European policy.

TerniEnergia is listed on STAR segment of Borsa Italiana S.p.A..

This press release is also available on the Companies website: www.italeaf.com and www.ternienergja.com

Certified Adviser

Mangold Fondkommission AB is the Certified Adviser of Italeaf on NASDAQ OMX First North.

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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, Milano and Lecce; has international offices in London and Hong Kong and a research and development centre in the Hong Kong Science and Technology Park. The company controls TerniEnergia, listed on the STAR segment of the Italian Stock Exchange and active in the fields of renewable energy, energy efficiency and waste management, WiSave in the "internet of things" field, for the development and production of thermostats and smart technologies for the remote control of electrical and heating items of buildings managed through a cloud infrastructure, and Skyrobotic, 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.