

**Italeaf: TerniEnergia enters in the digital energy sector and complete its positioning along the energy value chain**

- **Signed a MOU with Ingefi S.p.A. and B.Soft Srl for the acquisition in two phases of the 100% of the share capital of Softeco-Sismat Srl and Selesoft Consulting Srl**
- **The two companies are active in the development and industrial production of solutions and smart technologies for the transmission and distribution of energy (smart grid), the flexible and timely management of production and energy consumption, the energy efficiency, the digital management of renewable energies and cleantech (energy islands) and in the services, software and IT solutions**
- **Closing, subject to a number of conditions precedent, by October 31, 2016**
- **Consideration of the transaction amount to 3 million treasury shares of TerniEnergia to be listed on the STAR segment of the Italian Stock Exchange until February 28, 2017 and Euro 2.3 million to be paid in cash in two phases (Euro 1 million by November 30, 2017 to Ingefi SpA and Euro 1.3 million to B.Soft by March 31, 2018) with no award of interest**
- **Authorized by CDA the subscription of TerniEnergia into the Proteco Consortium, to promote solutions to the energy and power grids market, smart cities and smart grid, transportation and mobility, telecommunications, internetworking and optical transport, big data, and cloud applications**
- **Strategic and commercial alliance between TerniEnergia G&P and Roma Gas & Power Group for the Natural Gas Trading**
- **Signed framework agreement for the construction of a photovoltaic plant with a capacity of 86 MW in South Africa on behalf of a leading international investor**

The 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, reviewed and approved today two MOUs, one with Ingefi S.p.A. (a holding company involved in investments companies active in the design, development, trade and maintenance of software) and its shareholders and the other with B.Soft Group srl (holding active in the IT and Engineering sectors), aimed both to the acquisition in two stages of the 100% of the share capital of Softeco-Sismat Srl and Selesoft Consulting Srl (the "Target Companies").

Softeco Sismat and Selesoft Consulting, with headquarters and offices in Genoa, Milan, Rome and Catania and over 300 employees, with technical professional profiles of high level and high skills, are leading national players in the development and industrial production of solutions and smart technologies for the transmission and distribution of energy (smart grid), the flexible and timely management of power generation and energy consumption, energy efficiency, management of

renewable energies and cleantech (energy islands) and in the services, software and IT solutions sectors. The two companies have achieved in 2015 combined revenues of approximately Euro 26.4 million, total Ebitda of approximately Euro 2.2 million and a total NFP equal to around Euro 6.2 million.

**Stefano Neri, Chairman and CEO of TerniEnergia**, commented as follows:

*"The rapid global transformation of the energy system and the utilities market requires to industry players to introduce new business rules and a logic of operational, organizational and technological change. Putting TerniEnergia in thje position to complete its path toward the model of "smart energy company", we intend to play an innovative role in the global energy industrial revolution, placing ourselves side by side to the leading groups active in the generation, transmission, storage, distribution and sale of energy, with innovative solutions in line with the main market trends and technologies. Through the acquisition of companies as Softeco and Selesoft, representing the Italian excellence in the smart field of management of networks and of digital application solutions along the entire value chain of the energy industry, we believe to start a new business with unique characteristics and know-how in the age of energy digitization".*

**Ugo Moretto, Co-Founder and CEO of Softeco Sismat**, stated:

*"We strongly wanted this agreement with TerniEnergia, whose many years of industrial experience is known and recognized throughout the industry, creating the optimal conditions for a strategic integration between two complementary and oriented to synergy companies. We believe that, thanks to strong agreement that has now been established with the management of TerniEnergia Group on common vision of development of the sector, we will be able to grow quickly and harmonious internationally and we will be in the best condition to leverage each other's strengths to attack a potential of business by the new boundaries, with a portfolio of products and relevant innovative capacity and value-added services and solutions of the highest quality".*

Through the transaction, TerniEnergia will present itself as an ideal partner for large and leading groups, with whom they are already in place or under development alliances and operational partnership, active on the industrial and international markets, in the automation of transmission and distribution grids for energy, transportations and telecommunications. The agreement will create a player of international standing, in the most promising sectors of the energy chain, which can match the track record and the industrial know-how of TerniEnergia as a system integrator and the excellence in the field of information and communication technology of Softeco Sismat and Selesoft.

With the acquisition of the two Target Companies, TerniEnergia intends to complete the process of full transformation into a smart energy company, entering the market of the "digital energy" sector by integrating the "physical" and industrial business and the digital and "virtual" one, and completing its competitive position along the entire value chain of the energy sector.

In particular, due to the MOU signed and mentioned and following the completion of various transfers of shareholdings between B.Soft Group srl, Ingefi S.p.A. and AVM Asset Management Value S.p.A. (majority shareholder of B.Soft Group srl), TerniEnergia will acquire a stake of about 66% of the Target Companies by Ingefi S.p.A. and the remaining 34% from B.Soft Group srl, according to the terms, procedures and conditions summarized briefly below.

The signing of the investment contracts (closing) and the transfer of ownership of shares, expected by the end of October 31, 2016, is subject to the satisfactory of the legal, accounting and tax due diligence

as well as the occurrence of a number of conditions precedent, including the obtaining of an agreement, in the form of a waiver, for the sale of shares of Softeco Sismat by the Bank which, pursuant to a loan agreement, holds the entire pledge of the share capital of the company representative.

TerniEnergia will acquire the Target Companies into two distinct phases:

1. 66% of the share capital of the Target Companies will be acquired from Ingefi S.p.A., at a price equal to (i) n. two million TerniEnergia treasury shares (with a fixed and unchanging value of Euro 1.2 each) to be listed on the STAR segment of the Italian Stock Exchange by 28 February 2017; and (ii) Euro 1 million to be paid in cash by November 30, 2017, no award of interest;
2. the remaining 34% of the share capital of the Target Companies will be acquired from B.Soft Group, at a price equal to (i) n. one million treasury shares to be listed on the STAR segment of the Italian Stock Exchange by 28 February 2017; and (ii) Euro 1.3 million to be paid in cash by March 31, 2018, no award of interest.

*Orrick law firm, with a team led by partner, head of corporate Italian team, Marco Nicolini, has assisted the parties in the transaction definition and negotiation of the contractual documentation.*

The Board has therefore decided to grant to the Chairman and CEO, Stefano Neri, the mandate to convene the Shareholders' Meeting of TerniEnergia to deliberate on the use of treasury shares for the acquisition of Softeco Sismat and Selesoft Consulting.

The Board of TerniEnergia approved the subscription of the company into the Proteco Consortium, formed by the companies Softeco Sismat, Selesoft Consulting, Proxy and Technovo, to foster the proposal of solutions to the market of energy and power grids, smart cities and smart grids, transportation and mobility, telecommunications, internetworking and optical transport, big data, and cloud applications. The participation in the Proteco Consortium allows to TerniEnergia to enhance its industrial know-how and skills, and complement the activities in renewable energy, energy efficiency, energy management and innovative systems and solutions with high added value, thanks to partnership with leading companies in their sectors complementary to those of the Group.

The Board of Directors also noted the signing of a two-year framework agreement between TerniEnergia Gas & Power, a wholly owned subsidiary of TerniEnergia active in energy management, and Rome Gas & Power (RGP), among the major national player in private sector energy management, vertically integrated in gas and electricity present on all major European hub for the sale of natural gas. The supply and marketing activities related to the gas market, that will be regulated by the terms and conditions to be defined by subsequent agreements. Will reinforces the strategic partnership between the two groups, after the agreement signed for the development of the energy efficiency market of industrial scale.

The Board of Directors of TerniEnergia has finally approved the Memorandum of Understanding preliminary to the signing of a subsequent EPC contract (Engineering, procurement and construction) with the supply of panels and inverters for the construction of a photovoltaic "giant" plant in South Africa with a total capacity of about 86 MW, on behalf of a leading international investor.

***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' websites: [www.italeaf.com](http://www.italeaf.com) and [www.ternienergia.com](http://www.ternienergia.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.*