

Italeaf: Alliance between TerniEnergia and Roma and Gas & Power to answer to the growing demand for energy efficiency in the corporate sector and public administration

- **Through the transaction the two companies intend to develop new opportunities to supply integrated addressed to energy users, covering the entire value chain**
- **Roma Gas & Power and TerniEnergia, each for its own part, will share and integrate their respective know how to provide innovative solutions to large industries, small and medium enterprises and public administrations**
- **The Framework Agreement will concern the development of projects, cross-selling trade, methods of energy audit, supply chain, technology options, and will enable innovative financial instruments**

TerniEnergia, a 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 **Roma and Gas & Power** (RGP), among the largest private national player in the field of energy management, vertically integrated in gas and electricity business, present on all major European hub, have signed a two-year framework agreement to collaborate on energy efficiency projects in the corporate, industrial and public administration sectors in Italy.

In particular, TerniEnergia operates as ESCOs (Energy Service Company) directly and through the platform "Hub", a new strategic alliance formula between all players in the energy industry to open up the sector to the capital market. Roma Gas & Power, however, has created a specific vehicle for the energy efficiency sector, Enershare (Advisory hub), and has launched a series of initiatives of scouting in the internet of things (IoT) industry to capture the value of new technologies to deploy into energy service segment.

The agreement signed today provides the opportunity to propose to potential customers (public administrations, small and medium-sized enterprises and large industries) an integrated global supply of energy efficiency performance (energy products and services), the supply of technologies and the activation of innovative financial instruments.

The application field of the common offering will start, therefore, from the production and distribution of energy carriers for the production process (electricity, heat, cold, etc.), to the modernization, operation and maintenance of energy systems for public and work environments (lighting, climate control, etc.).

The cooperation is expected throughout the supply chain of preparing and implementing projects: from the initial negotiations with potential customers (including through cross-selling strategies with RGP's loyal customers) to energy audits, to the proposal of technical and commercial offers, up to the realization in EPC (engineering, procurement and construction) of the interventions.

The implementation of the projects on industrial and public infrastructures will to integrate the reciprocal expertise. RGP will be mainly engaged in the phases of:

- Development, taking care of the market development and the proposal and assuming a coordination role of the projects in order to integrate the adoption of technology and finance, through an advisory hub model;
- Supply and energy management, ensuring oversight of energy markets, the optimal management of supplies and the ability to manage financial flows linked to them;
- Support and coordination of relations with institutional investors and specialized financial operators, with specific reference to efficiency projects targeted to the government market segment;

TerniEnergia will be mainly involved in the steps of:

- Supply and selection of technologies, ensuring a supervision of technology markets for energy efficiency, both by providing proprietary products and by ensuring know-how and expertise in procurement support in order to optimize the project costs;
- Management and operation of the project, overseeing the integration with local suppliers who will be involved in the logic of "short chain" based on their own experiences and methodologies developed over the years through the implementation of works and installations in the energy sector;
- Support and coordination of relations with institutional investors and specialized financial operators, with specific reference to efficiency projects suitable for the "HUB" platform.

Mr. **Stefano Neri**, CEO of TerniEnergia stated:

"Through this strategic partnership, TerniEnergia and Roma Gas & Power will create an innovative experience of co-marketing and business in one of the sectors with the highest potential growth rate, as the energy efficiency of industrial size. Their respective know-how and the relative positioning in the value chain of the two companies will enable the creation of very significant synergies in the integrated offering, in the market positioning in the heavy consumers segment, in the supply chain, in the implementation of measures aimed at saving energy and, finally, in the creation of an asset class for specialized investors in this area. We are confident that the "HUB" platform will be an element of great impact to open the energy saving to the capital market".

Mr. **Maurizio Argirò**, CEO of Roma Gas & Power, adds:

"We believe we have started a process that will lead to a win-win result through an alliance between RGP and TerniEnergia. Through the formula that we have created, we can schedule a solid development of our activities in the field of energy efficiency, enhancing the skills of the two companies in highly integrated and complementary sectors. Thus we will be able to cover the entire value chain, enhancing an innovative business model, developed in RGP group, involving financial market operators and ensure a stable long-term growth of capital performance and savings invested, combining the objectives of sustainability, innovation and employment generation through a local short chain approach. We will be able to provide competitive answers to our customers, which we will make more efficient from the point of view of energy, helping to reduce the costs of their activities, increasing productivity and improving the working environment and the urban ecosystems".

Through the signed framework agreement, the two companies intend to jointly enter into the market through an executive formula of cooperation able to generate economies of scale through the pooling of specific expertise. The agreement allows to overcome some of the problems that have slowed the

market's affirmation of energy saving. In particular, the alliance will develop standardized and replicable projects, ensuring the scalability of business; adopt a model of integration and involvement of accredited operators to implement an execution model through the enhancement of local skills; become reference partners for institutional investors through the activation of specific financial instruments; identify forms of corporate collaboration, such as the creation of stable consortia or dedicated companies, in order to make the agreement operational.

TerniEnergia, a company established 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..

Roma Gas & Power is a primary private-held company operating in the Italian natural gas and energy sector. In addition to the wholesale market, the company gradually entered the retail sector, so to reach a solid and sustainable position in the dynamically evolving Italian energy framework. In the two last fiscal years, Turnover exceed 1 billion euro, thanks to a nation-wide sales network and a diversified portfolio including large corporates, small and medium enterprises, hotel chains, large retailers, banks and public institutions. Next to these growth strategies, Roma Gas & Power put in place specific actions so to improve customer retention and to extend its offering, adopting an innovative approach to the development of the energy efficiency segment, carried out through a number of investments, among which the constitution of a ESCo (Salva Energia), the creation of an advisory hub dedicated to energy efficiency (Enershare) and the launch of several ICT and IoT initiatives (Sinte), aimed to extract the added value brought by new technologies serving the energy sector. In particular, through its subsidiary Enershare, the Group developed an innovative model based on performance contracts with a third-party financing approach that involves financial market operators and ensures a stable long-term growth for invested capital.

This press release is also available on the Companies' websites: www.italeaf.com, www.ternienergia.com and www.romagas.it.

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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.