



Milan, 19 december 2019

**PLC S.P.A. ENTERS INTO THE BIOMETHANE MARKET
EXECUTED THE INVESTMENT AGREEMENT RELATING TO THE ACQUISITION BY PLC S.P.A.
OF 51% OF THE SHARE CAPITAL OF SCHMACK BIOGAS S.R.L.**

Following the press releases of August 28, 25 October and November 15, 2019, the investment agreement ("**Investment Agreement**") was signed today of 51% for the acquisition by PLC S.p.A. ("**PLC**" or "**Company**") of the share capital of Schmack Biogas S.r.l. ("**Schmack**"), a company with registered office in Bolzano, active in the design, development, construction and maintenance of biogas plants ("**Schmack Transaction**").

The Investment Agreement contains some changes to the terms and conditions of the Transaction Schmack compared to the preliminary agreements already disclosed to the market in the press release of August 28, 2019.

Specifically, Schmack Transaction, as defined in the Investment Agreement, provides for the following:

- i)* a capital increase for the equivalent of Euro 1,500,000.00, reserved for subscription to the Company, at the outcome of which the Company would hold a stake representing 51 % of Schmack's share capital;
- ii)* the granting of two shareholder loans in favour of Schmack with a total value up to a maximum of Euro 500,000.00, both with a ten-year duration and an annual interest rate of 3%;
- iii)* the granting of a shareholders' loan in favour of Schmack equal to Euro 500,000.00, non-interest-bearing, for a 10-year term, the repayment of which may be waived by the Company, if it is reached by Schmack within 10 years from the closing of the Schmack Transaction, a minimum EBITDA value agreed between the parties in the relevant fiscal year;
- iv)* the commitment by PLC to issue a corporate guarantee in favour of Schmack aimed at obtaining signature credit lines for Euro 3,000,000.00 to support Schmack's core business.

The governance aspects after the completion of the Schmack Transaction were also regulated by regulating the composition of the Board of Directors, which will be composed of 5 members, three of whom will be members of the Company and two of the current shareholders, as well as matters subject to qualified majorities for the Shareholders' Meeting and the Board of Directors.

Finally, the Agreement provides, in case of non-renewal of the shareholders' agreements or in case of decisional stalemate in relation to the matters subject to qualified majorities, the assignment of a put option in favour of the current shareholders of Schmack on their 49% of the share capital, resulting from the outcome of the Schmack Transaction, to be settled through the assignment of PLC shares (if necessary as part of a resolution to increase PLC's share capital) and, if the put option is not exercised, the assignment of a call option, to be settled in cash, in favour of PLC on 49% of the share capital owned by the current shareholders. The exercise value of these options will be determined by taking as a reference the arithmetic mean between the value resulting from an equity reserch conducted by an independent analyst and the fair market value according to



the terms of the Investment Agreement

The Schmack Transaction will be financed using the Company's own resources.

Schmack achieved a turnover of 6.7 million Euro in 2018 with a negative net profit of 0.31 million Euro and a positive net financial position of 0.69 million Euro.

The subscription and full payment of the capital increase and, in general, the exchange of all documents and the execution, fulfillment and completion of all obligations, shares and transactions for the implementation of the Schmack Transaction is scheduled for January 9, 2020, subject to the fulfilment of certain conditions precedent provided for in the Investment Agreement consisting, inter alia, of the following:

- truthfulness and correctness of the representations and warranties provided by the current shareholders as well as the fulfilment by them of their management obligations in the period between today's date and the date of completion of the Schmack Transaction;
- no events prejudicial to Schmack;
- the resignation of the current administrative body;
- waiver of part of the shareholder loan granted by the current shareholders to Schmack;
- granting of any authorisation required by law.

On the date of completion of the Schmack Transaction, the Schmack shareholders' meeting will be called to resolve on the capital increase reserved for subscription to the Company, the adoption of certain amendments to the articles of association and the appointment of the new Board of Directors.

With the signing of the Investment Agreement and the execution of the Schmack Transaction, PLC, in line with its strategic vision to qualify as a multi-technology operator with international presence, enters into the ambitious and dynamic biogas and biomethane market both in Italy and in the European market, expanding its already wide range of services on the renewable sources chain that sees it active in the wind, photovoltaic, hydroelectric, as well as high and extra-high voltage and industrial electrical infrastructure, as well as consolidating its presence in the north of the peninsula.

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