



Milan, 28 August 2019

**COMPLETED TODAY AN AGREEMENT FOR THE ACQUISITION BY PLC S.P.A.
OF A MAJORITY STAKE OF SCHMACK BIOGAS S.R.L.**

A binding agreement (“**Agreement**”) was finalized today for the acquisition by PLC S.p.A. (“**PLC**”) of 51% of the share capital of Schmack Biogas S.r.l. (“**Schmack**”), a company with its registered office in Bolzano, active in the design, development, construction and maintenance of biogas plants.

With this Agreement, signed with the current Schmacks’ owner, PLC, in line with its strategic vision to qualify as a multi-technology operator with an international presence, enters the biogas market and biomethane, both Italy and the European market, expanding its range of services on the sector of renewable sources which sees it active in the wind, photovoltaic and hydroelectric sectors, as well as in high and extra-high voltage and industrial electrical infrastructures; in particular, we underline that due to the recent Italian and European regulations biomethane is acquiring a central importance in the transport decarbonization policy.

In the light of Italian interministerial Decree of 2 March 2018, indeed, that promotes the use of biomethane and other advanced biofuels in the transport sector and that represents a strategic measure aimed at promoting the use of renewable sources in transport, a significant growth in the sector is foreseen.

Schmack is capable to offer full support to producers of electricity from biogas or biomethane. From the feasibility analysis to the design, from the permitting process to the realization, from the assembly to the start-up, up to the ordinary and extraordinary maintenance, Schmack is able to offer a complete service.

The Transaction is structured as follows: *i)* a capital increase reserved to PLC for a total value of Euro 2,000,000.00, following which PLC will hold a percentage equal to 51% of Schmack share capital, *ii)* the granting by the PLC of a ten-year shareholder loan of Euro 500,000.00, with an interest rate to be determined by the parties in the final agreements; *iii)* the commitment from PLC to issue any comfort letters in favour of Schmack aimed at obtaining a documentary credit line for Euro 3,000,000.00 to support the business activity of Schmack (“**Transaction**”).

The Transaction will be financed in part using its own resources and partly by recourse to banks.

Schmack in 2018 had a turnover of EUR 6.7 million with a negative net profit of 0,31 million Euro and a net financial position positive for 0,69 million Euro.

The Agreement also determines the governance aspects after completion of the Transaction, regulating the composition of the administrative body, as well as the matters subjects to qualified majorities both in shareholders’ meeting and board of directors.

The Agreement provides, finally, in the event of non-renewal of the shareholder agreement or in the case of decision-making deadlock in relation to the matters under qualified majorities, the assignment of a put option to the current Schmack shareholders on their 49% of the share capital, to be settled through the assignment of PLC shares (if necessary in the context of a capital increase of PLC) and, in the event that the aforementioned put option would not be exercised, the granting of a call option, to be settled in cash, to PLC on 49% of the share capital of current Schmack shareholders. The operating value of such options will be determined by the average of two independent analysis entities acquired by the parties under the terms provided in the Agreement.



The execution of the Transaction is subject to the negotiation and signing, by the deadline of September 30, 2019, of the investment agreement between PLC and Schmack, the shareholders' agreement and any other documents necessary to the completion of the Transaction.

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