

COMUNICATO STAMPA

INNOVATEC S.p.A.

**ASSEMBLEA DEGLI OBBLIGAZIONISTI TITOLARI DEL PRESTITO
OBBLIGAZIONARIO "INNOVATEC EURO 10 MILIONI NOTES DUE 2020"
ISIN IT0005057770 TENUTASI IN DATA 8 MAGGIO 2018**

**AVVENUTA ISCRIZIONE PRESSO IL REGISTRO DELLE IMPRESE DI MILANO IN DATA
23 MAGGIO 2018 DELLA DELIBERA ASSEMBLEARE ASSUNTA ALL'UNANIMITA':**

- riduzione dell'importo complessivo del Prestito da Euro 10 milioni a circa Euro 3 milioni, tasso: 2%, *bullet*, con allungamento della durata al 21 luglio 2021 ed opzione di convertibilità per ogni n. 1 obbligazione in n. 545.240 nuove azioni *strike price* Euro 5,5 cents ("AuCap da Convertibile");
- riduzione degli importi massimi delle garanzie emesse da Volteo Energie S.r.l. e Gruppo Waste Italia S.p.A. con obblighi di pagamento da parte di quest'ultimi a favore dei portatori dei titoli obbligazionari, rispettivamente di Euro 1,7 milioni e Euro 0,3 milioni;
- aumento di capitale della Società riservato ai *bondholders* per massime n. 65.618.000 nuove azioni ad un prezzo di Euro 3,2 centesimi e complessivamente pari a circa Euro 2,1 milioni tramite conversione di parte del Prestito originario di Euro 10 milioni ("AuCap da Conversione");
- proposta di assegnazione di Warrants 2018-2021 gratuiti ai *bondholders*, i quali avranno diritto – in caso di esercizio – all'assegnazione di massime n. 65.618.000 azioni della Società ad un prezzo di Euro 5,5 cents e complessivamente pari a circa Euro 3,6 milioni ("AuCap per Warrant");
- rinuncia di tutti gli interessi dovuti nelle date di pagamento 21 Ottobre 2016, 21 Aprile 2017, 21 Ottobre 2017 e 21 Aprile 2018 e pagamento forfetario di Euro 0,2 milioni da effettuarsi il 30 giugno 2018, in luogo degli interessi dovuti nel periodo intercorrente tra il 22 aprile 2018 ed il 21 luglio 2018 ("Rinunce Interessi");
- rinuncia all'esercizio del diritto al rimborso anticipato del Prestito per qualsiasi tipologia di eventi occorsi o che dovessero occorrere fino alla data che cade il 21 luglio 2018.

Milano, 30 maggio 2018 - Innovatec S.p.A. ("Innovatec" e/o "Società" e/o "Emittente"), quotata sul mercato AIM Italia, attiva nello sviluppo e offerta di tecnologie innovative, prodotti e servizi per il mercato corporate e retail nell'ambito della generazione distribuita smart grid e smart cities, dell'efficienza energetica e dello storage di energia, rende noto che in data 23 maggio 2018 è avvenuta l'iscrizione presso il Registro Imprese di Milano della delibera dell'assemblea dei *bondholders* - titolari del prestito obbligazionario emesso da Innovatec S.p.A. "Innovatec 2020" 8,125% OCT20 EURO 10MM ISIN IT0005057770 (di seguito il "Prestito") tenutasi in data 8 maggio 2018. All'unanimità dei presenti, la predetta Assemblea ha approvato la proposta di ristrutturazione del Prestito - nei suoi tratti essenziali come segue - modificando altresì il regolamento del Prestito:

- (a) riduzione dell'importo complessivo del Prestito da 10.000.000 a Euro 2.998.820,00 con opzione di convertibilità del Prestito. Nello specifico il Prestito viene ristrutturato in un prestito obbligazionario convertibile 2018-2021 di Euro 2.998.820,00 con assegnazione – in caso di

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COMUNICATO STAMPA

- esercizio del diritto di conversione da parte dei *bondholders* - di massime n. 54.524.000 azioni di nuova emissione della Società derivanti dall'aumento di capitale riservato ai *bondholders* (i cui termini e condizioni verranno illustrati nel prosieguo) ("**AuCap da Convertibile**");
- (b) riduzione degli importi massimi delle garanzie emesse da Volteo Energie S.r.l. e Gruppo Waste Italia S.p.A. con obblighi di pagamento da parte di quest'ultimi a favore dei portatori dei titoli obbligazionari, rispettivamente di Euro 1,7 milioni e Euro 0,3 milioni (stima ad oggi dei flussi di cassa derivanti dalle procedure concordatarie delle due società, subordinatamente al consenso degli organi delle medesime) senza nessun ulteriore obbligazione da parte delle rispettive procedure concordatarie né pretese avanzabili alle stesse da parte di alcun obbligazionista;
- (c) proposta di un aumento di capitale della Società riservato ai *bondholders* per massime n. 65.618.000,00 nuove azioni ad un prezzo unitario di 3,2 centesimi di Euro e complessivamente pari a Euro 2.099.776,00 tramite conversione di parte del Prestito originario ("**AuCap da Conversione**");
- (d) rinuncia di tutti gli interessi dovuti ai *bondholders* nelle date di pagamento 21 Ottobre 2016, 21 Aprile 2017, 21 Ottobre 2017 e 21 Aprile 2018, ai sensi dell'articolo 5 del regolamento del Prestito nonché approvazione di un pagamento forfettario da parte della Società di Euro 200.000 da effettuarsi in data del 30 giugno 2018, in luogo degli interessi dovuti nel periodo intercorrente tra il 22 aprile 2018 ed il 21 luglio 2018 sempre ai sensi dell'articolo 5 del regolamento del Prestito ("**Rinuncia Interessi**");
- (e) rinuncia all'esercizio del diritto al rimborso anticipato del Prestito previsto dall'articolo 7 del regolamento del Prestito per qualsiasi tipologia di eventi occorsi o che dovessero occorrere fino alla data che cade il 21 luglio 2018;
- (f) la proposta della Società di assegnazione di n. 65.618.000 Warrants 2018-2021 gratuiti ai *bondholders*, i quali avranno diritto - in caso di esercizio - all'assegnazione di massime n. 65.618.000 azioni di nuova emissione della Società a servizio dei Warrants ad un prezzo di 5,5 centesimi di Euro per azione e complessivamente pari a Euro 3.608.990,00 ("**AuCap per Warrant**").

In sintesi, con la predetta delibera, il Prestito è stato quindi convertito nel POC INN 2% 2021 EUR, pari a Euro 2.998.820,00 diviso in 100 Notes ("obbligazione" e/o "Note"), quest'ultimi convertibili a tre anni *bullet*, per ogni n. 1 obbligazione in n. 545.240 nuove azioni tasso annuale 2% act/365, coupon semestrale, strike price di Euro 5,5 centesimi (il "**Prestito Convertito**").

Si veda per maggiori informazioni il comunicato stampa emesso in data 8 maggio 2018.

I nuovi termini e condizioni del Prestito Convertito, e il regolamento Warrants 2018-2021 sono disponibili sul sito www.innovatec.it, nella sezione nella sezione Prestito Obbligazionario/Assemblea, <http://www.innovatec.it/wp-content/uploads/2018/05/Assemblea-08-maggio-2018.pdf>

Il presente comunicato è disponibile sul sito di Borsa Italiana e sul sito della società www.innovatec.it
Per ulteriori informazioni:

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COMUNICATO STAMPA

TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

INNOVATEC S.P.A.

(a joint stock company incorporated under the laws of the Republic of Italy)

Euro 2,998,820 Convertible Notes due 2021

ISIN CODE IT0005057770

Innovatec S.p.A.

Registered office: Via G. Bensi 12/3, Milano

VAT no.: 08344100964

Share capital: Euro 4,173,444.00 fully paid in



The following is the text of the terms and conditions (the “**Terms and Conditions**”) of the Notes issued by Innovatec S.p.A. (the “**Issuer**”), on the 21st of October 2014 (the “**Issue Date**”), pursuant to articles 2410 and followings of the Italian Civil Code, as amended on May 9, 2018.

In these Terms and Conditions:

1. DEFINITIONS

“**Additional Amount**” has the meaning ascribed to it in Condition 9(vii) (*Covenants by the Issuer*).

“**AIM Italia**” means the *Alternative Investment Market Italia* system of trading organised and managed by Italian Stock Exchange.

“**Assets**” means the tangible and intangible assets and/or shares and financial instruments held by the Issuer.

“**Bankruptcy Law**” means Royal Decree No. 267 of 16 March 1942, as subsequently amended and supplemented.

“**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in London and Milan and the Trans-European Automated Real Time Gross - Settlement Express Transfer System (or any successor thereto) is open.

“**Calculation Agent**” means BNP Paribas Securities Services.

“**Change of Control**” means any event or circumstance in which any person(s) or entities acquire Control of the Issuer, other than Sostonya or any entity Controlled by this latter.

“**Condition**” means each clause of the present Terms and Conditions.

“**CONSOB**” means the *Commissione Nazionale per le Società e la Borsa*.

“**Conversion Notice**” means the notice to be delivered to by the relevant Noteholder to its custodian of the Notes (“*intermediary*”) in accordance with the regulation “*Disciplina dei servizi di gestione accentrata, di liquidazione, dei sistemi di garanzia e delle relative società di gestione*” jointly issued by the Bank of Italy and CONSOB) in order to exercise its Conversion Right.

“**Control**” has the meaning ascribed to it by art. 93 of the TUF and “**Controlled**” shall be interpreted accordingly.

“**Conversion Date**” has the meaning ascribed to it in Condition 6.2 (*Conversion Dates*).

“**Conversion Rate**” has the meaning ascribed to it in Condition 6.1 (*Conversion Right*).

“**Conversion Right**” has the meaning ascribed to it in Condition 6.1 (*Conversion Right*).

“**Decree 213/1998**” means the Italian Legislative Decree No. 213 of 24 June 1998.

“**Default Interest**” has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

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COMUNICATO STAMPA

“**Default Early Redemption Date**” has the meaning ascribed to it in Condition 7 (*Events of Default*).

“**Delivery Date**” has the meaning ascribed to it in Condition 6.3 (*Conversion Notice, Issuance and delivery of the Shares*).

“**Dividend**” means any dividend or distribution to the class of holders of share of the Issuer.

“**Early Redemption Date**” means, as the case may be, an Optional Early Redemption Date and a Default Early Redemption Date.

“**Event of Default**” has the meaning ascribed to it in Condition 7 (*Events of Default*).

“**Extraordinary Dividends**” means dividends other than dividends deriving from the Issuer’s yearly balance sheet approval.

“**Final Maturity Date**” has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

“**First Conversion Period**” has the meaning ascribed to it in Condition 6.2 (*Conversion Dates*).

“**First Interest Payment Amount**” means the interest that will accrue on the Principal Amount Outstanding until the Interest Payment Date falling in July 2018, that will be equal to Euro 200,000 (two hundred thousand/00).

“**Independent Advisor**” means any of the following, at the Issuer’s discretion: KPMG, E&Y, Deloitte, RIA, Grant Thornton, and Baker Tilly.

“**Insolvency Proceedings**” means any bankruptcy or similar proceeding applicable to any company or other organization or enterprise under the relevant laws of incorporation or operation, and in particular, as for Italian law, under the Bankruptcy Law and including but not limited to the following procedures: *fallimento, concordato preventivo, liquidazione coatta amministrativa, and amministrazione straordinaria delle grandi imprese in stato di insolvenza*.

“**Interest Calculation Period**” means each period from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

“**Interest Determination Date**” means, with respect to any Interest Calculation Period, the date falling on the second Business Day immediately preceding such Interest Calculation Period.

“**Interest Payment Amount**” means the amount payable as interest on the Notes in respect of the relevant Interest Calculation Period calculated by applying the relevant Interest Rate to the Principal Amount Outstanding of the Notes.

“**Interest Payment Date**” has the meaning ascribed to it in Condition 5.1 (*Interest*).

“**Interest Rate**” has the meaning ascribed to it in Condition 5.2 (*Interest Rate*).

“**Issue Date**” has the meaning ascribed to it in Condition 4 (*Issue Date and Final Maturity Date*).

“**Issuer**” means Innovatec S.p.A. a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy, with registered office in Via G. Bensi 12/3, Milano, fiscal code, VAT number and registration number with the Company Register of Milan, no. 08344100964, share capital equal to Euro 4.173.444,00 fully paid.

“**Issuer EBITDA**” means, based on the results of the annual or semi-annual, as the case may be, financial statements of the Issuer “*stand alone*”, the algebraic sum of the following items of the profit and loss account (*Conto Economico*):

- (i) (+) A) revenues; other operating income; change in inventories of semi-finished and finished products; and

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COMUNICATO STAMPA

(ii) (-) B) costs of raw materials, consumables, and goods for resale; costs for services; personnel costs; other operating costs.

“**Issuer Net Financial Debt**” means the net financial debt of the Issuer based on the results of the annual or semi-annual financial statements “*stand alone*”, as the case may be, of the Issuer.

“**Issuer Total Assets**” means the algebraic sum of:

- (i) total non-current assets;
- (ii) total current assets; and
- (iii) assets held for sale;

as indicated under the annual or semi-annual, as the case may be, financial statements of the Issuer “*stand alone*”.

“**Italian Stock Exchange**” means *Borsa Italiana S.p.A.*, with registered office in Milan, Piazza degli Affari, 6.

“**Liens**” means any guarantee, mortgage, pledge, charge or lien or privilege on assets as security for the obligations of the Issuer and / or any third party (including any form of destination and segregation of assets).

“**Market Business Day**” means a day on which AIM Italia, or such other multilateral trading system or regulated market on which the shares of the Issuer are traded, is open for business.

“**Modified Following Business Day Convention - unadjusted**” means, for any Interest Payment Date, other than the Final Maturity Date, that falls on a day that is not a Business Day, that any payment due on such Interest Payment Date will be postponed to the next day that is a Business Day; provided that interest due with respect to such Interest Payment Date shall not accrue from and including such Interest Payment Date to and including the date of payment of such interest as so postponed; and provided further that, if such day would fall in the next succeeding calendar month, the date of payment with respect to such Interest Payment Date will be advanced to the Business Day immediately preceding such Interest Payment Date.

“**Monte Titoli**” means Monte Titoli S.p.A., with registered office in Milano, Piazza degli Affari n.6.

“**Nominal Value**” has the meaning ascribed to it in Condition 2.1 (*Denomination*).

“**Net Proceeds**” means the consideration received by the Issuer for the sale, lease or transfer of any of its Asset(s), after deducting the repayment of any outstanding indebtedness incurred by the Issuer for the purchase of the relevant Asset.

“**Noteholders**” means the beneficial owners of the Notes.

“**Noteholders’ Representative**” has the meaning ascribed to it in Condition 12 (*Meetings of the Noteholders*).

“**Notes**” means 100 notes due the 21st of July, 2021, issued by the Issuer, for an aggregate of Euro 2,998,820.00 (two million nine hundred ninety thousand and eight hundred twenty/00).

“**OPA**” a public offering of the purchase of all or part of the share capital of the Issuer (*offerta pubblica di acquisto*) in accordance with the provisions of art. 94 *et seqq.* of the TUF.

“**Optional Early Redemption Date**” has the meaning ascribed to it in Condition 6.1 (*Optional Early Redemption*).

“**Principal Amount Outstanding**” means, at any relevant date, the Nominal Value of each Note minus the aggregate of all repayments of principal made thereon, provided that the residual principal of each Note as at July 21, 2018 is equal to 29,988.20 (twenty nine thousand, nine hundred eightyeight/20).



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COMUNICATO STAMPA

“**Qualified Investors**” means the subjects listed in annex II, part 1 and 2 of the directive 2004/39/CE (“**Mifid**”). These subjects are “qualified investors” (*investitori qualificati*) as described in article 100 of TUF which, considering the reference to article 34-ter of Consob Regulation No. 11971 dated 14 May 1999 and article 26 of Consob Regulation No. 16190 dated 29 October 2007, are equivalent to “professional clients” (*clienti professionali*) under the provisions of Mifid.

“**Reference Date**” means (i) the 30th of June of each year starting from 2019, with respect to any semi-annual consolidated financial statement of the Issuer, and (ii) the 31st of December of each year starting from 2019, with respect to any annual consolidated and “*stand alone*” financial statement of the Issuer.

“**Residual Amount Outstanding**” has the meaning ascribed to it in the Condition 2.1 (*Denomination*).

“**Restricted Period**” has the meaning ascribed to it in Condition 6.4 (*restriction on exercise of Conversion Rights*).

“**Second Conversion Period**” has the meaning ascribed to it in Condition 6.2 (*Conversion Dates*).

“**Shares**” means each fully paid share in the capital of the Issuer which will be issued on the conversion (if any) of the Notes in accordance with Condition 6 (*Conversion of the Notes*), at no nominal value, without any option attached, admitted or to be admitted to trading on AIM Italia, issued in dematerialised form, wholly and exclusively deposited with Monte Titoli.

“**Sostenya**” means Sostenya Group Plc, a company incorporated under the laws of the England and Wales, with registered office at 44 Welbeck Street, London W1G 8DY (UK), registered in the England and Wales company register no. 8926790, share capital: £ 53,590,000.00.

“**Sostenya Group**” means Sostenya and any other entity qualified as Controlled by Sostenya pursuant to article 93 of TUF.

“**TUF**” means the Italian Legislative Decree no. 58 dated February 24th, 1998, as subsequently amended and supplemented.

“**Usury Law**” means Italian Law No. 108 of 7 March 1996, as subsequently amended and supplemented.

“**Valuation Date**” means the first Business Day falling after (i) 60 (sixty) calendar days following the Reference Date referring to any semi-annual consolidated financial statement of the Issuer, and (ii) 120 (one hundred twenty) calendar days following the Reference Date referring with respect to any annual consolidated and “*stand alone*” financial statement of the Issuer.

2. NOTES

2.1 Denomination

The total amount of the Notes will be equal to Euro 2,998,820.00 (two million nine hundred ninety thousand and eight hundred twenty/00) as from July 21, 2018 (the “**Residual Amount Outstanding**”).

Subject to the Residual Principal Amount Outstanding, the Notes were issued on the Issue Date and will have a minimum denomination of Euro 29,988,20 (twenty nine thousand nine hundred eighty eight/20) and additional increments of Euro 0,01 (zero/01) thereafter (the “**Nominal Value**”).

2.2 Form and Title

The Notes were issued in dematerialised form and will be wholly and exclusively deposited with Monte Titoli. The Notes will at all times be evidenced by book-entries in accordance

COMUNICATO STAMPA

with the provisions of articles 83-*bis* et seq. of the TUF and Regulation 22 February 2008 jointly issued by CONSOB and Bank of Italy, both as amended from time to time.

Any transaction regarding the Notes (including transfers and granting of Liens), as well as the exercise of proprietary rights, may only be made in accordance with the provisions of articles 83-*bis* et seq. of the TUF and Regulation 22 February 2008 jointly issued by CONSOB and Bank of Italy. The Noteholders will not be able to request delivery of the documents representative of the Notes, save for the right to request the certification referred to in articles 83-*quinquies* and 83-*sexies* of the TUF.

2.3 Status

The Notes are obligations solely of the Issuer. In respect of the obligation of the Issuer to repay principal and pay interest on the Notes, the Notes will rank *pari passu* and without any preference or priority among themselves except for the obligations of the Issuer which are preferred according to the general provisions required by law.

The Notes will be convertible into shares of the Issuer in accordance with Condition 6.

3. SUBSCRIPTION AND TRANSFER OF THE NOTES

The Notes were exclusively placed to, and successively held by and retransferred to, Qualified Investors.

The Notes were issued with exemption from the obligation to publish a prospectus for the purposes of article 100 of the TUF and article 34-*ter* of the Regulation adopted by Consob Resolution no. 11971/1999, as subsequently amended and supplemented.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as subsequently amended or supplemented, or any other applicable securities law in force in Canada, Australia, Japan or any other country in which the transfer and/or the subscription of the Notes is not permitted by the relevant authorities.

Notwithstanding the foregoing, any transfer of the Notes to any of abovementioned Countries, or in Countries other than Italy and to non-residents or entities not incorporated in Italy, will be allowed only under the following circumstances: (i) to the extent which is expressly permitted by the laws and regulations applicable in the Country in which it is intended to transfer the Notes, or (ii) if the applicable laws and regulations in force in these Countries provide for specific exemptions that allow the transfer of the Notes.

The transfer of the Notes will be made in compliance with all applicable regulations, including the provisions relating to anti-money laundering referred to in Italian Legislative Decree no. 231/2007, as subsequently amended and supplemented.

4. ISSUE DATE AND FINAL MATURITY DATE

The Notes were issued on the 21st of October, 2014 (the "Issue Date").

The final maturity date (save for what otherwise provided herein under Condition 7 (*Events of Default*)) will fall on the Interest Payment Date falling in July 2021 (the "Final Maturity Date").

5. INTEREST

- 5.1 Interest will accrue in each Interest Calculation Period on the Principal Amount Outstanding of each Note starting from the Interest Payment Date falling in July 2018 (included) up to the earlier of (a) any Conversion Date (excluded) on which a Conversion Right is exercised with respect to the relevant Principal Amount Outstanding and (b) the later of (a) the Early Redemption Date (excluded) and (b) the Final Maturity Date (excluded), and will be payable in Euro semi-annually on the 21st of January and July of each year (each an "Interest Payment Date").

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COMUNICATO STAMPA

Interest accrued on the Principal Amount Outstanding of the Notes will be calculated by the Calculation Agent on each Interest Calculation Period.

Interest shall cease to accrue on any part of the Principal Amount Outstanding of the Notes from (and including) (i) the due date for redemption of such part or (ii) the relevant Conversion Date (if any), unless payment of principal due and payable but unpaid is improperly withheld or refused, whereupon interest shall continue to accrue on such principal (as well after as before any judgment) at the rate from time to time applicable to the Notes.

If an Interest Payment Date or the Final Maturity Date would fall on a day other than a Business Day, Modified Following Business Day Convention – unadjusted shall apply.

5.2 Interest Rate

Other than with respect to the First Interest Payment Amount, the Notes shall accrue interest at a semi-annual fixed rate determined on the basis of the Actual/365 equal to 2% (two per cent.) (the “Interest Rate”).

The Interest Payment Amount will be determined by the Calculation Agent on the relevant Interest Determination Date.

Should the Issuer fail to pay any amount payable by it in relation to the Notes, it shall pay the Interest Rate on the overdue amount plus a margin of 2% (two per cent.) *per annum*, in accordance with the applicable regulation (the “Default Interest”), to be calculated by the Calculation Agent from the date on which this payment should have been made (including) until the date of actual payment (excluded).

If the relevant Interest Rate and/or the relevant Default Interest exceed the limits provided by the Usury Law, they shall be deemed automatically reduced (for the period strictly necessary) to the maximum interest rate allowed by such law to be calculated by the Calculation Agent.

6. CONVERSION OF THE NOTES

6.1 Conversion Right

Subject as provided in these Conditions, each Noteholder shall be entitled to convert (the “Conversion Right”) the full Nominal Value, but not part of it, of each Note into 545,240 (five hundred forty five thousand and two hundred and forty) Shares (the “Conversion Rate”).

6.2 Conversion Dates

Subject to and as provided in these Conditions, the Conversion Right in respect of a Note may be exercised, at the option of the relevant Noteholder thereof, (subject to any applicable laws or regulations) on any of the following days (each a “Conversion Date”):

- (a) on any Market Business Day during the following periods:
 - (i) from January 21 to February 5 2021 (“First Conversion Period”); and thereafter
 - (ii) from April 22 to May 7 2021 (“Second Conversion Period”);
- (b) following the exercise of the Issuer’s right pursuant to Condition 7.2 (*Optional Early Redemption*), within, but excluding, the *Optional Early Redemption Date*;
- (c) following an Event of Default, within, but excluding, the *Default Early Redemption Date*;
- (d) following the notice of an OPA.

6.3 Conversion Notice, issuance and delivery of the Shares

A Noteholder may exercise the Conversion Right by delivering a Conversion Notice to the specified office of the Issuer or as otherwise provided by mandatory provisions of law.

Upon exercise of Conversion Rights by a Noteholder, the Issuer will issue the relevant

COMUNICATO STAMPA

number of Shares to the relevant Noteholder within the tenth Market Business Day (i) falling after (a) April 21 with respect to the First Conversion Period (b) July 21 with respect to the Second Conversion Period and (c) the exercise of the Conversion Right with respect to the letters (b), (c) and (d) of the Condition 6.2 (*Conversion Date*) or (ii) should authorizations, permits, consents or grace period be required by any applicable law, competent authority or ADM Italia, falling after such authorization, permits, consents or grace period (the "*Conversion Date*"). The Issuer will procure that the Shares to be issued and delivered on exercise of Conversion Rights will be issued and delivered to the relevant Noteholder without any further action being required to be taken by, and without any cost or expense to, the relevant Noteholder.

The Issuer shall, at its own expense, be entitled to do all such things and make all such entries in the Issuer's registers of shareholders and execute all such documents on behalf of the relevant Noteholder as may be necessary to effect any such delivery of Shares.

Conversion Rights are not exercisable in respect of any specific Shares and no Shares have been or will be charged, placed in custody or otherwise set aside to secure or satisfy the obligations of the Issuer in respect of the delivery of Shares.

Upon the issuance and delivery of the Shares upon exercise of the Conversion Right by a Noteholder, the Principal Outstanding Amount of such Note converted into Shares will be cancelled and the Issuer shall have no further liability in respect thereof.

The Notes will only be converted upon exercise of the Conversion Rights.

6.4 Restriction on exercise of Conversion Rights

Conversion Rights may not be exercised, and any Conversion Notice submitted by a Noteholder shall be deemed not to have been delivered and shall be null and void if the board of directors of the Issuer resolves to convene a shareholders' meeting, during the period commencing on (but excluding) the day on which the relevant shareholders' meeting is convened and ending on (and including) the date of the shareholders' meeting (which, if such meeting is adjourned, shall be deemed to be the date of the adjourned meeting) (the "*Restricted Period*"), provided that if the meeting has been convened to resolve upon the distribution of Dividends, the Restricted Period shall end on the Market Business Day immediately following the relevant date for the payment of the Dividend (if the resolution is approved at the relevant shareholders' meeting) or the day on which such shareholders' meeting (which, if such meeting is adjourned, shall be deemed to be the day of such adjourned meeting) is actually held (if the resolution is not approved at the relevant shareholders' meeting). Should the Restricted Period falls – in full or in part – during any of the conversion periods set forth in condition 6.2 (*Conversion Date*), the Noteholders may exercise their Conversion Right during the 10 (ten) days following the end of the Restricted Period.

6.5 Adjustment of the Conversion Right

- (a) After January 2019, upon the happening of any of the events described below, the Conversion Rate shall be adjusted as follows:
- (i) should the Issuer carry out a consolidation (*raggruppamento*) or subdivision (*frazionamento*) affecting its share capital, the Conversion Rate shall be adjusted on the basis of the rate upon which such consolidation or subdivision will occur. Such adjustment shall become effective on the date the consolidation or subdivision, as the case may be, takes effect on the AIM Italia.
 - (ii) should the Issuer issue any shares for no consideration to its shareholders

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COMUNICATO STAMPA

(*aumento di capitale a titolo gratuito*), the Conversion Rate shall be adjusted by increasing *pro rata* the number of Shares convertible by each Noteholder; provided that, no adjustment will occur if a capital increase for no consideration (*aumento di capitale a titolo gratuito*) will be made without the issuance of new shares; and provided further that any increase in the nominal value of the shares (*valore nominale unitario*) will also apply to the Shares. Such adjustments shall become effective on the first day on which the new shares issued for no consideration will be admitted on the AIM Italia;

- (iii) should the Issuer issue shares to its shareholders for a consideration (*aumento di capitale a pagamento*) or grant option, warrants or securities which carry rights of conversion into, or exchange in, or subscription of shares, for a consideration, in each case under circumstances where an option to any of the above instruments is granted to the shareholders, such option, upon the same terms and conditions, shall also be granted to the Noteholders; provided that, no adjustment will occur for issuances of shares for a consideration (*aumento di capitale a pagamento*) performed by the Issuer in accordance with a restructuring plan under article 67 of the Bankruptcy Law;
 - (iv) should the Issuer reduce its share capital due to losses incurred by the Issuer (*riduzione del capitale per perdite*) by cancelling shares, the number of Shares to be delivered under the Conversion Rate will be reduced by the number of Shares which would have been cancelled had the Shares already been delivered as at the date on which the share capital reduction is approved; provided that, no adjustment will occur if the share capital is reduced via a reduction of the nominal value of the shares (*valore nominale unitario*) of the shares, that will also apply to the Shares;
 - (v) should the Issuer merge (*fusione*) or spin-off (*scissione*), shares of the resulting entity or entities, as the case may be, will be delivered to the Noteholders in an amount equal to the amount the Noteholders would have received had the Notes been converted before such merger or spin-off had occurred;
- (b) Should any event detailed under items (i) to (v) above (included) fall prior to the applicable Delivery Date, but its effect fall after such Delivery Date, the Issuer will issue additional Shares within the tenth Market Business Day following (a) the occurrence of such effects or (b) should authorizations, permits, consents or grace period be required by any applicable law, competent authority or AIM Italia, such authorization, permits, consents or grace period.
- (c) Should the outcome of any of the calculations under items (i) to (v) above (included) not result in an integer number of Shares, the decimal portion of such number shall be paid by the Issuer to the Noteholders in cash at the relevant Delivery Date at the weighted average price of the Share on such Delivery Date.
- (d) Should the Issuer make any changes to its share capital which are not referred to in items (i) to (v) above (included), an Independent Advisor designated by the Issuer at its sole discretion will determine the adjustment of the Conversion Rate, in accordance with market standards calculations, in compliance with any applicable laws and regulations; provided that, no adjustment will occur in case of share capital increase in kind (*aumenti di capitale tramite conferimento*) or reserved (*aumenti di capitale riservati*). A written opinion of such Independent Advisor in respect thereof shall be conclusive and binding on the Noteholders and the Issuer, save in the case of manifest error.

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COMUNICATO STAMPA

7. REDEMPTION AND CANCELLATION

7.1 Redemption

Unless previously redeemed in full and cancelled, the Notes will be redeemed on the Final Maturity Date.

7.2 Optional Early Redemption

The Issuer shall have the right to early redeem in full the Notes on any Interest Payment Date (the "Optional Early Redemption Date") by serving a 30 (thirty) days prior written notice given in accordance with the applicable provisions of law.

On the relevant Optional Early Redemption Date, the Issuer shall pay to the Noteholders any amount due in relation to the Principal Amount Outstanding and interest accrued on the Notes.

8. EVENTS OF DEFAULT

The Noteholders, following to a resolution approved under Condition 12 (*Meeting of the Noteholders*) below, shall have the right to request the early redemption of the Notes upon the occurrence of any of the following conditions (each event below shall be treated as an "Event of Default"):

- (a) **Payment Default:** any failure of the Issuer to pay any principal or interest amounts payable on the Notes within 30 calendar days from the due date, unless such failure is due to an administrative or technical error which is not due to wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Issuer and the relevant payment is performed within 5 (five) Business Days of the relevant discovery of the administrative or technical error.
- (b) **OPA and Change of Control:** an OPA is made by any person or entity or a Change of Control occurs;
- (c) **Insolvency Proceedings of the Issuer:** (i) a judicial steps have been taken against the Issuer aimed at commencing any Insolvency Proceedings, and/or (ii) the Issuer is subject to any Insolvency Proceedings or has entered into any agreement provided for by article 182 *bis* of the Bankruptcy Law; provided that the above subparagraphs (i) and (ii) shall not apply to any proceeding which is discharged, stayed or dismissed within 120 (one hundred twenty) days from its commencement.
- (d) **Transfer of assets to creditors:** the transfer of assets to creditors by the Issuer pursuant to article 1977 of the Italian Civil Code.
- (e) **Liquidation:** the adoption of a resolution of the competent body of the Issuer whereby it is resolved the winding up of the Issuer.
- (f) **Litigation:** the filing against the Issuer of any litigation, arbitration or administrative proceedings (including any dispute with any statutory or governmental authority) for amounts exceeding Euro 10,000,000 (ten million/00) in relation to the Issuer; provided that this subparagraph shall not apply to any litigation, arbitration or administrative proceedings which is discharged, stayed or dismissed within 120 (one hundred twenty) days of its commencement.
- (g) **Cross default of the Issuer:** the failure by the Issuer to pay any payment obligation (other than those payment obligations arising from the Notes), for amounts exceeding Euro 10,000,000 (ten million/00) unless such payment is made within 180 (one hundred eighty) days starting from the relevant failure.
- (h) **Covenants:** any of the covenants under Condition 9 (*Covenants by the Issuer*) is not complied with by the Issuer; provided that if the circumstances that gave rise to that event may be remedied, are not remedied within 180 (one hundred eighty) days since the date on which the Issuer is aware of such circumstance.

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COMUNICATO STAMPA

- (i) **Compulsory nationalization of the Issuer's assets:** nationalization, expropriation or dispossession by a government, public or regulatory body of the Assets of the Issuer.
- (j) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under, or in respect of, the Notes or the present Terms and Conditions, or an event occurs, as a consequence of which one or more obligations of the Issuer under the present Terms and Conditions become invalid, illegal, or cease to be effective or enforceable.
- (k) **Delisting:** the adoption of an act or measure whose consequence is the delisting of the shares of the Issuer from the AIM Italy, unless, within 30 days, listed in another multilateral trading system or regulated market of the European Union.

The amounts payable by the Issuer to the Noteholders shall become due and payable with respect to the Principal Amount Outstanding and interest accrued thereon within 10 (ten) Business Days (the "**Default Early Redemption Date**") following the resolution approved under Condition 12 (*Meeting of the Noteholders*) requesting the early redemption of the Notes upon the occurrence of an Event of Default.

9. COVENANTS BY THE ISSUER

As long as any Note remains outstanding and unless a waiver is approved by a resolution of the Noteholders under Condition 12 (*Meeting of the Noteholders*), the Issuer shall:

- (i) maintain its properties, machinery and equipment in good condition, as well as to take out and maintain adequate insurance coverage in place with leading insurance companies in relation to them, in accordance with good commercial practice;
- (ii) not approve or carry out extraordinary transactions of any kind, including without limitation special transactions on its share capital, corporate transformations (*trasformazioni*), merger (*fusioni*) or spin-off (*scissioni*), other than (A) any transaction with an entity belonging to the Sostenya Group and (B) any transaction whose nominal value is equal to or lower than the 10% (ten per cent.) of the then most recent, annual or semi-annual, as the case may be, consolidated financial statement of the Issuer;
- (iii) not sell, lease, transfer or otherwise dispose of any of its Assets whose value exceeds 25% (twenty five per cent.) of the Issuer Total Assets and pay Extraordinary Dividends to its shareholders in an amount higher than 15% (fifteen per cent.) of the Net Proceeds received by the Issuer for the sale, lease, transfer or disposal of the relevant Asset(s); provided that, the Issuer may dispose of Assets whose value exceeds 25% (twenty five per cent.) of the Issuer Total Assets, if such disposal occurs at a fair market value, as evaluated by a lead market appraisal selected by the Issuer;
- (iv) without prejudice to Condition § (ii) above, not change its by-laws (*atto costitutivo* and *statuto*) in any material respect and shall not change the date of its financial year's end;
- (v) ensure that all of its corporate books are correct, complete, accurate and not misleading in all material respects, and are regularly kept in accordance with the laws and accounting standards;
- (vi) not reduce its share capital, except for the mandatory cases provided for by law; and, in the event that the share capital is reduced due to losses pursuant to applicable laws, ensure that, no later than 60 (sixty) Business Days from the resolution approving such reduction, the Issuer's share capital required by applicable laws is restored;
- (vii) ensure that the Issuer Net Financial Debt/Issuer EBITDA ratio be less than 5X (five times) on each Valuation Date;
- (viii) not pay any dividend to its shareholders;

COMUNICATO STAMPA

- (ix) make all payments due in connection with the Notes without any deduction or withholding on taxes or otherwise unless is required by law. In such case:
- (i) the Issuer shall procure that the deduction or withholding shall not exceed the minimum amount required by law; and
 - (ii) the amounts due by the Issuer to the Noteholders shall be increased of an additional amount (the “Additional Amount”) to allow that the amount less paid, excluding the relevant deduction or withholding, is equal to the amount that would be due to the Noteholders without any such deduction or withholding;
- provided that, no such Additional Amount shall be payable to a non-Italian resident legal entity or non-Italian resident individual, which is resident in a country that does not allow for a satisfactory exchange of information with the Republic of Italy;
- (x) publish on its own website its annual consolidated financial statements of the last financial year preceding the Issue Date; provided that its financial statements shall be audited by an external auditor pursuant to Italian Legislative Decree no. 39 dated 27 January 2010; in addition to that, publish on its own website its annual and semi-annual financial statements for each financial year following the Issue Date, until the full redemption of the Notes and ensure that any such annual financial statements are audited by an external auditor in accordance with the abovementioned Legislative Decree no. 39 dated 27 January 2010;
- (xi) promptly notify to the Noteholders the occurrence of any failure by the Issuer to fulfill its obligations under the present Terms and Conditions or any event which may cause an Event of Default;
- (xii) diligently fulfill all the obligations undertaken by the Issuer towards Monte Titoli, in relation to the centralized management of the Notes;
- (xiii) not take any step or institute any proceeding for the purpose of obtaining a reduction in the rate of interest applicable to the Notes or total cancellation of all payable interest.

10. PAYMENTS

Payments of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by authorized intermediaries.

Payments of principal and interest in respect of the Notes are subject in all cases to any fiscal or other applicable laws and regulations.

11. NO ADMISSION TO TRADING

The Issuer has not filed and will not file for admission to trading of the Notes on any multilateral trading system or regulated market.

12. MEETINGS OF THE NOTEHOLDERS

The Noteholders may convene a meeting in order to protect common interests related to the Notes. All meetings of the Noteholders will be convened and held in accordance with applicable provisions of Italian law in force from time to time.

Notwithstanding the provisions of article 2415, third paragraph, of the Italian Civil Code, any meeting of the Noteholders will be validly held if there are one or more persons present being or representing Noteholders holding at least the absolute majority of the Principal Amount Outstanding of the Notes at that time.

Notwithstanding the provisions of article 2415, third paragraph, of the Italian Civil Code, the majority required to pass a resolution at any meeting (including any adjourned meeting)

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COMUNICATO STAMPA

convened to vote on any resolution will be one or more persons holding or representing at least the absolute majority of the Principal Amount Outstanding of the Notes at that time.

A Noteholders' Representative, subject to applicable provisions of Italian law, may be appointed by the Noteholders in accordance with the applicable provisions of Italian law in force at the time.

13. STATUTE OF LIMITATION

Claims against the Issuer for payments in respect of the Notes will be barred and become void (*prescritti*) unless made within ten years in the case of principal or five years in the case of interest from the date the relevant payment are due.

14. TAXATION

Any tax and fee, present and future, applicable to the Notes shall be borne by the Noteholders; no other costs will be borne by the Issuer.

15. NOTICES

Notices to the Noteholders will be given in accordance with the provisions of law applicable from time to time.

16. GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, Italian law.

The Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Notes.

Il presente comunicato è disponibile sul sito di Borsa Italiana e sul sito della società www.innovatec.it
Per ulteriori informazioni:

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Innovatec S.p.A., holding operativa e di partecipazioni quotata sull'AIM Italia è attiva tramite anche sue controllate nei settori delle energie rinnovabili ed efficienza energetica. La società ha come primario obiettivo lo sviluppo ed offerta di tecnologie innovative, prodotti e servizi per il mercato corporate e retail nell'ambito dell'Efficienza Energetica.

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