GALA Shareholders’ Meeting approves the merger by absorption of three wholly owned subsidiaries

The resolution on the approval of the merger transaction has been registered in the Companies Register, thereby the 15-day period to exercise the withdrawal right begins effective immediately (Euro 4.28 per share)

Rome, June 18, 2020

The Shareholders’ Meeting of GALA S.p.A. in liquidation (hereinafter "the Company"), held today under the chairmanship of Mr. Filippo Tortoriello, approved the transaction involving the merger by absorption of the companies GALA Power S.p.A., GALA Tech S.r.l. in liquidation and PROXHIMA S.r.l., already wholly owned by the incorporating company and subject to the related management and coordination activities.

The merger allows the implementation of an industrial business plan, based on the restoration and reactivation of the ex-Solsonica production site in Cittaducale (Rieti), designating it as a production site for the latest generation of photovoltaic panels, making it one of the most important production centres in Europe, able to compete on all international markets.

The merger shall allow the Company to consolidate and rationalize the technical and energy-related assets, know-how and resources of the subsidiaries. To the current core business of the Company the following activities shall be added: the production of photovoltaic panels, the design, construction and management of photovoltaic systems, the production of renewable energy, the research, development, production and sale of redox-vanadium batteries.

The change and the extension of the Company’s corporate purpose, hence the exit from liquidation as consequence of the merger, shall make the Company one of the main players in the global drive towards the renewable energy transition, in perfect harmony with the European Green New Deal, which promotes investment in environmentally friendly technologies.

With reference to the proposed transaction, the Shareholders’ Meeting resolved:

- to eliminate, with effect from the execution of the merger, the cause of dissolution by adopting, again with effect from the execution of the merger, the social object resulting from the Articles of Association attached to the Merger Plan;
- to revoke, with effect from the execution of the merger, the current liquidation status;
- to approve the Merger Plan by absorption.
It should be pointed out that the above described merger is exempt from the application of the rules on related party transactions, since it is carried out with wholly owned subsidiaries, in compliance with the provisions of the procedure for related party transactions implemented by the Company.

The Shareholders’ Meeting also took note that the duration of the statutory audit assignment conferred to EY SpA by the Shareholders’ Meeting on November 6, 2017 is given for nine financial years (2017-2025). Furthermore, it also appointed a Board of Directors composed of Mr. Filippo Tortoriello as President and the Directors Mr. Adolfo Leonardi and Mr. Eugenio Maraghini Garrone (who declared that he possesses the independence requirements set out in art. 148, paragraph 3 of Italian Legislative Decree No. 58/98), with effect from the implementation of the merger and for the duration of three years (2020-2022).

The minutes of the Shareholders’ Meeting have been officially filed with the competent Companies Register and the resolutions of the Extraordinary Shareholders’ Meeting of the Company regarding the approval of the extraordinary transaction have been promptly registered.

**Information relating to the exercise of the withdrawal right (Euro 4.28 per share)**

It should be reminded that those Company Shareholders who did not participate (because absent, abstained or dissenting) in the adoption of the Shareholders’ Meeting resolutions concerning the modification of the corporate purpose (which determines a significant change in the Company’s activity) and the revocation of liquidation procedure are entitled to exercise the withdrawal right pursuant to article 2437 and 2437-bis of the Italian civil code. The conditions, limits and methods of the aforementioned withdrawal right are detailed in the Single Liquidator Explanatory Report on the liquidation value of the shares in favour of the Company's withdrawing Shareholders pursuant to art. 2437-ter of the Italian civil code. The Explanatory Report is available on the Company’s website at http://www.gala.it/investitori/#assemblee.

The liquidation value of the shares for which the withdrawal right is exercised has been determined pursuant to article 2437-ter of the Italian civil code and is equal to Euro 4.28 for each share of the Company.

The withdrawal right can be exercised by sending a communication, either (i) by registered mail which shall be sent to the Company's registered office (via Savoia, 43/47 - 00198 Rome) or (ii) by certified e-mail to the following certified e-mail address gala@pec.gala.it. In either case the communication shall be sent within 15 days of the date of registration in the Companies Register of the resolution of the Company Extraordinary Shareholders’ Meeting relating to the approval of the transaction, i.e. with deadline 3 July 2020.

In order to ensure the proper conduct of the procedure, those who are entitled and decide to send the communication by registered mail are also invited to send it by e-mail to the address ir@gala.it.

The withdrawal statement must include the following information of the shareholder: personal details, fiscal code, address and telephone number for communications relating to the procedure; the number of shares for which the withdrawal right is exercised; name and details of the intermediary with whom the shares are deposited; the details of the withdrawing Shareholder’s current account to which the liquidation value of the shares must be credited.

Furthermore, the withdrawing Shareholder shall request that the intermediary send the Company a proper communication attesting: (i) the uninterrupted ownership, from the date of the Shareholders’ Meeting until the date of the communication, by the applicant of the shares subject to withdrawal, (ii) the absence of pledges or other liens on the shares in relation to which the right of withdrawal has been exercised.

Should the shares be not free of pledge or other liens, the withdrawing shareholder shall send to the Company, as a condition for the admissibility of the Withdrawal Statement, a specific declaration by the
secured creditor or by such other person who has other liens on the shares, with which such person gives its irrevocable consent to carry out the liquidation of the shares in relation to which the right of the withdrawal is exercised, in accordance with the instructions given by the withdrawing shareholder. The intermediary shall send the communication by certified e-mail according to the instructions that shall be given by the Company through Monte Titoli S.p.A. with a specific service provision, and shall make unavailable the Company’s shares subject to withdrawal until the outcome of the liquidation procedure.

Consistent with the provisions of article 2437-bis of the Italian civil code, the withdrawal right, for all or part of the shares, may be exercised by those Shareholders of the Company who did not participate in the adoption of the resolutions provided in article 2437, paragraph 1, lett. a), and lett. d), of the Italian civil code that legitimize the exercise of the withdrawal right (i.e. the significant modification of the corporate purpose and the consequent revocation of the liquidation status).

Shareholders are reminded that, in accordance with the mandatory provisions of the law, the exercise of the withdrawal right is irrevocable and the shares on which it has been exercised are blocked (and therefore are non-transferable) in the period between the date of exercising the withdrawal right and the completion of the withdrawal procedure.

Shares in relation to which the withdrawal right has been exercised shall be offered in option to Shareholders other than those exercising the withdrawal right, in proportion to the number of shares held by the latter (the "Option Offering"). For the exercise of the option right, a term of not less than 30 days shall be granted starting from the date of the Option Offering. The Company Shareholders that shall exercise the option right in the context of the Option Offering, provided that a contemporaneous request is made, shall also have the right of pre-emption in the purchase of the shares that have remained unopted (the "Pre-emption Offering"). All the information requested regarding the Option Offering, the terms and conditions for the acceptance of the Option Offering, and any other relevant information, shall be included in the notice to be filed by the Company in the Companies Register, pursuant to article 2437-quater of the Italian civil code. After the aforementioned Option Offering and Pre-emption Offering procedures are completed, the provisions of article 2437-quater of the Italian Civil Code shall be applied to any remaining shares subject to the withdrawal right.

As already specified in the Single Liquidator Explanatory Report on the liquidation value in favour of the Company's withdrawing Shareholders pursuant to article 2437-ter of the Italian civil code, the aforementioned procedure, as well as the payment of any considerations due to the withdrawing Shareholders, is conditional on the completion of the extraordinary transaction (and, therefore, on the stipulation and registration in the Companies Register of the deed of merger). Consequently, if the extraordinary transaction shall not be completed, the shares in relation to which the withdrawal right has been exercised shall continue to be owned by the Shareholders who exercised the withdrawal right, without any payment being necessary in favour of the aforementioned Shareholders.

For any other information:

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