



NOTICE TO SHAREHOLDERS

Notice of option offer pursuant to article 2437-quater, paragraph 2 of the Italian civil code of 1.076.131 Gala S.p.A. in liquidation ordinary shares

Rome, July 29, 2020

Whereas:

- the Shareholders' Meeting of GALA S.p.A. in liquidation (hereinafter "**GALA**"), held on the 18 June 2020 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 (hereinafter the "**Transaction**");
- on 18 June 2020, the minutes of the aforementioned Shareholders' Meeting were filed with the competent Companies Register, and the resolutions of GALA's Extraordinary Shareholders' Meeting were registered on the same date;
- those entitled 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 the liquidation procedure were entitled to withdraw pursuant to the law by sending a declaration to GALA, no later than 3 July 2020, indicating the number of shares subject to withdrawal, pursuant to article 2437-bis of the Italian civil code and the terms and conditions set out in the notice made available by GALA on 18 June 2020 according to the terms of the law;
- the liquidation value of the shares for which the right of withdrawal was exercised was determined pursuant to article 2437-ter of the Italian civil code and is equal to Euro 4.28 per share;
- the right of withdrawal was legitimately exercised for a total of n. 1,076,131 GALA ordinary shares (the "**Shares**"), for an overall settlement value of Euro 4,605,840.68. Pursuant to article 2437-quater of the Italian civil code, the Shares must be offered in option and pre-emption at the liquidation value to the Shareholders who have not exercised the right of withdrawal;
- the option and pre-emption offer of the Shares contained in this notice (the "**Offer**") was filed with the Companies Register located in Rome and it was made available on the GALA website on 29 July 2020;
- the withdrawal procedure and the payment of any consideration due to the withdrawing Shareholders are 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 Transaction shall not be completed, the shares shall continue to be owned by the



Shareholders who exercised the withdrawal right, without any payment being necessary in favour of the aforementioned Shareholders.

Modalities, terms and conditions of the Offer

The Shares are offered, in proportion to the number of shares held, on equal terms to entitled GALA Shareholders who have not validly exercised the right of withdrawal; therefore, each of these shares has an option right (jointly, the "**Options**").

The option ratio is equal to 1 share for every 14.209 available options. This relationship may be subject to changes as a result of withdrawal declarations sent by the deadline set by law (i.e. by July 3, 2020) and not yet received by the Company; any such changes shall be promptly communicated through a notice posted on the GALA website (www.gala.it).

The Options, represented by coupon no. 2, are non-negotiable and can only be exercised for an entire number of Shares, rounded down to the lowest unit.

The offer price is equal to the liquidation value corresponding to Euro 4.28 per Share purchased (the "**Offer Price**").

The period of acceptance of the Offer within which, under penalty of forfeiture, GALA's entitled Shareholders shall be able to exercise the Options and the pre-emption rights starts from July 30, 2020 to September 18, 2020 inclusive (the "**Acceptance Period**").

In order to validly accept the Offer, entitled GALA Shareholders must send a specific form, available on the GALA website (www.gala.it) and distributed by GALA to intermediaries through Monte Titoli S.p.A. (the "**Application Form**"), duly completed and signed, to the intermediary with whom their shares are deposited.

The regulation of the aforementioned offer and sale procedure, as well as the payment of any consideration due, are conditional on the completion of the Transaction (and, therefore, on the stipulation and registration in Companies Register of the deed of merger).

Right of pre-emption, assignment, distribution and placement of the Shares

Shareholders exercising the Options shall also have the right of pre-emption for the purchase, at the Offer Price, of the Shares that may have remained unexercised at the end of the Acceptance Period (the "**Residual Shares**"), provided they make a simultaneous request in the Application Form. To this end, in the appropriate section of the Application Form, the maximum number of Residual Shares for which the right of pre-emption is exercised must be indicated.

The Residual Shares shall be assigned to those who have exercised the right of pre-emption, in accordance with the aforementioned maximum limit. If the quantity of Residual Shares is less than the total number of Shares requested in pre-emption, the allocation shall be made among those who exercised the right of pre-



emption in proportion to the number of Options exercised by each of them.

Results of the option offer and regulation of the purchased Shares

GALA shall communicate the results of the Offer – including the possible exercise of the rights of pre-emption – by posting a notice on the GALA website (www.gala.it). This notice shall also contain the terms and methods of payment for the Shares, it being understood that the regulation of the purchased Shares, arranged through Monte Titoli S.p.A., remains conditional on the completion of the Transaction.

The number of Shares assigned to the shareholders adhering to the Offer who have exercised the Options and, possibly, the right of pre-emption, shall be communicated to the interested parties by their respective intermediaries within the terms and according to the procedure applied by them.

After the aforementioned Option Offering and Pre-emption Offering procedures are completed, the provisions of article 2437-quater of the Italian Civil Code, paragraphs 4 and 5, shall be applied to any remaining shares subject to the withdrawal right, and therefore:

- in the event that some Shares are not fully purchased by the Company's Shareholders, these Shares may be offered by the Company's Single Liquidator to third parties;
- in the event of non-placement with third parties, the Shares subject to withdrawal shall be redeemed by purchase by the Company, using reserves also available in derogation of the limits set out in art. 2357, paragraph 3 of the Italian civil code.

It should also be remembered that, in the event of failure to complete the Transaction, (i) the Shares shall return to being freely available to the withdrawing Shareholder and (ii) the sums intended for the payment of the Shares shall return to being freely available to the relevant buyers.

Exclusions

The Options and Shares offered in option and pre-emption pursuant to Italian law are not, nor can they be, offered or sold in those countries where the Offer is not allowed in the absence of a specific authorization in accordance with the applicable legislation, or notwithstanding the same. The Shares and Options are not registered in the United States of America pursuant to the 1933 Securities Act as amended (the "**Securities Act**") and cannot be offered, sold, pledged, subscribed, exercised, resold, waived, transferred or delivered, directly or indirectly, to the United States of America in the absence of registration under the Securities Act, except by virtue of an exemption or transaction not subject to the registration obligations of the Securities Act and in accordance with applicable state or local financial instrument laws of any state or other United States jurisdiction. In any case, the non-negotiability of the Options remains unchanged.



THIS DOCUMENT CANNOT BE PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN ANY COUNTRY IN WHICH THE OFFER DESCRIBED HEREIN IS NOT PERMITTED IN THE ABSENCE OF A SPECIFIC AUTHORIZATION OR EXEMPTION FROM IT.

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