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● PRESS RELEASE ●

MERGER BY INCORPORATION OF ICB INTO TPS

Gallarate (VA), 5 June 2019 – TPS S.p.A. (TPS: IM), operational holding of the TPS Group, leading company in technical services and engineering for the aeronautical industry (“**TPS**” or the “**Company**”), hereby makes known that its Board of Directors and the administrative body of the wholly owned subsidiary I.C.B. S.r.l. (“**ICB**” or the “**Merged Company**”, and along with TPS the “**Participating Companies**”) today approved the common draft terms of merger by incorporation of ICB into TPS (respectively, the “**Draft terms of merger**” and the “**Merger**”).

The Merger is part of the broader process of the corporate redefinition of the group headed by TPS aimed at simplifying its structure and better enhancing its possible operational, administrative, and company synergies. The Merger will make it possible to concentrate the activities previously undertaken through ICB within the Company, thus making it possible not only to rationalize and optimize decision-making, manage resources and facility costs, but also to eliminate corporate, accounting, fiscal, and administrative duplications and overlaps.

Given that TPS already owns - and will own at the completion date of the Merger - the entire share capital of ICB, no shares of the Company will be allotted in exchange of the shareholding directly held in the Merged Company, which will therefore be cancelled. Therefore, there will be no share capital increase of TPS for the purpose of the exchange, no modification of the number and characteristics of the outstanding TPS shares, and no cash payment. The Company will take on the assets and liabilities of the Merged Company into its net assets, once the Merger has been completed.

The Art. 3 (“*Object*”) of the Company’s articles of association will be amended to integrate the Merged Company’s business purpose, given that, as a result of the Merger, TPS will immediately and directly pursue the same activity as the one previously carried out in a mediated and indirect manner through ICB. This amendment will not legitimise any right of withdrawal for the TPS shareholders as the integration of the business purpose will not involve “*a significant change in the activities*” pursued by the Company as per art. 2437, paragraph 1, letter a) of the Civil Code.

The decisions regarding the Merger will be adopted (*i*) for TPS, by the Administrative Body, pursuant to the Company’s articles of association, without prejudice to the possibility for the shareholders owning shares representing at least 5% of the share capital to request (as per art. 2505, paragraph 3 of the Civil Code), within 8 days of the deposit of the Draft terms of merger with the relevant Business Register, that this decision is taken at the Shareholder’s Meeting, whereas (*ii*) for the Merged Company, the decision will be taken by the relevant Shareholder’s Meeting at the notary office.

In the light of the above, the existing rules on the so-called “simplified” merger apply to the Merger, pursuant to art. 2505, paragraph 1, of the Civil Code, being the Merged Company wholly owned by the Company. More specifically, as per art. 2505, paragraph 1, of the Civil Code, the drawing up of the reports of the administrative bodies of the Participating Companies, pursuant to art. 2501-*quinquies* of the Civil Code is not required and the obligation to acquire the experts’ report on the fairness of the exchange ratio, as per art. 2501-*sexies* of the Civil Code, is not applicable. Under art. 2501-*quater*, paragraph 2, of the Civil Code, the balance sheets of the Participating Companies are replaced by the related financial statements at 31 December 2018.

Pursuant to art. 2504-*bis*, paragraph 2, of the Civil Code, the Merger will become effective upon the last registration of the deed of Merger in the relevant Business Register, as per art. 2504, paragraph 2, of the Civil Code, or other deadline (subsequent to the last registration) set forth in the same deed of merger.

The transactions undertaken by the Merged Company will be attributed to the TPS Financial statement, also for income tax purposes, from the first day of the financial year during which the effects of the Merger will take place, as per said art. 2504-*bis*, paragraph 2, of the Civil Code.

Anyway, it is expected that the Merger will be completed before the end of the current financial year.

There are no special treatments for specific categories of shareholders or holders of securities other than shares, benefits or advantages for the directors of the Participating Companies.

Under the “*Procedure for Transactions with Related Parties*”, approved by the Board of Directors of the Company on 21 March 2017 (“**RPT procedure**”), TPS and ICB are related parties, being the latter wholly owned by the Company. However, it should be noted that, in compliance with combined provisions of art. 12 (“*Subsidiary and associated companies, management and coordination*”) and 17 (“*Exclusions and exemption*”) of the RPT Procedure, the provisions on preliminary stage, assessment, and endorsement of the transaction do not apply, as said provisions do not apply to transactions pursued with/between subsidiaries, for which there should be no interests qualified as significant of other related parts of the Company; this circumstance must be ruled out in the Merger in question. Hence, the Company will not be held to publish the information document about the transaction, except for the related disclosure obligations being the Company an issuer of securities quoted on AIM Italy.

The Draft terms of merger will be filed with the relevant Business Register of Varese and the related deposit will be promptly communicated to the public.

Furthermore, said Draft term of merger, together with the additional documentation as per art. 2501-*septies* of the Civil Code, will be immediately made available to the public at the registered office and on the Company’s internet site www.tps-group.it, section *Investor Relations*, within the terms set forth in applicable law and regulations.



This press release is available to read on-line at www.tps-group.it (in the *Investor Relations/Press Release* section)



TPS S.p.A. is an operational holding company of the TPS Group, leader in the technical and engineering services field for the aeronautical industry, with specific focus on helicopters. TPS is a Borsa Italiana “Elite” company.

Founded in 1964, TPS has been working in the aeronautical, automotive, defence, rail and ship industries, providing Technical Publishing & Training services, Engineering, Design and Cost Engineering, as well as Avionic Software Development, System Integration, and Digital Content Management. The TPS Group can include leaders in the field of aircraft design and production, as well as the manufacture of aeronautical parts, as well as leading automotive and rail manufacturers among its client base.

ISIN code ordinary shares: IT0005246142 – Ticker ordinary shares: TPS

ISIN Code Warrant: IT0005246225 – Ticker Warrant: WTPS20

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