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● PRESS RELEASE ●

TPS PROCEEDS WITH THE CORPORATE RATIONALISATION PROJECT

Gallarate (VA), 25 September 2020 – TPS S.p.A. (TPS: IM), the operating holding company of the TPS Group, a leader in the field of technical and engineering services in the aeronautical and automotive industries (“**TPS**” or the “**Company**”), announces that its Board of Directors and the administrative body of the wholly-owned subsidiaries NEOS S.r.l., Adriatech S.r.l. and TPS Aerospace Engineering S.r.l. (“**NEOS**”, “**ADRIATECH**”, “**TPSAE**” or the “**Incorporated Companies**”, and together with TPS the “**Participating Companies**”) have today approved the joint plan for a merger by incorporation of NEOS, ADRIATECH and TPSAE in TPS (the “**Merger Plan**” or the “**Merger**”).

The merger operation is part of the wider process of corporate redefinition of the TPS Group, started in 2019, aimed at simplifying the structure and at better exploiting any operating, administrative and corporate synergies. The Merger will in fact allow the activities previously performed through the Incorporated Companies to be concentrated within the Company thus enabling not only rationalisation and optimisation of decision making, management of resources, and reduction of overheads, but also elimination of corporate, accounting, fiscal and administrative duplications and overlapping.

Given that TPS already holds – and will hold on the date of completion of the Merger – the whole share capital of NEOS, ADRIATECH and TPSAE, shares in the Company will not be granted in exchange for shares directly held in the Incorporated Companies, which will therefore be cancelled. There will not therefore be any increase in the share capital of TPS for the exchange, nor any change in the number and characteristics of outstanding TPS shares, nor will there be any cash payment. The Company will only acquire the assets and liabilities of the Incorporated Companies, once the Merger is completed.

The Company’s Articles of Association will be amended at art. 3 (“*Purpose*”) to include the purposes of the Incorporated Companies, since, as a result of the Merger, TPS will immediately and directly engage in the same activity that it previously carried out indirectly through NEOS, ADRIATECH and TPSAE. Such amendment shall not entitle TPS shareholders to any right of withdrawal as inclusion of the corporate purpose will not give rise to “*a significant change in the activity*” performed by the Company as per art. 2437, paragraph 1, lett. a) of the Italian Civil Code.

The resolutions concerning the Merger will be taken (*i*) for TPS, by the Administrative Body, as prescribed by the Articles of Association, without prejudice to the possibility for shareholders holding shares accounting for at least 5% of the share capital requesting (in accordance with art. 2505, paragraph 3, of the Italian Civil Code), within 8 days of filing the Merger Plan with the competent Business Registry, that such decision be taken in a shareholders’ meeting, whereas (*ii*) for the Incorporated Companies, the decision will be made by a shareholders’ meeting attended by a notary.

In light of the above, the Merger is governed by the regulations established for so-called “simplified” mergers under article 2505, paragraph 1, of the Italian Civil Code, the Incorporated Companies being wholly owned by the Company. More particularly, in accordance with art. 2505, paragraph 1, of the Italian Civil Code, there is no need for the administrative bodies of the Participating Companies to prepare the reports prescribed by art. 2501-*quinquies* of the Italian Civil Code, nor is the obligation to acquire the report by experts, prescribed by art. 2501-*sexies* of the Italian Civil Code, on the adequacy of the share-exchange ratio applicable. Pursuant to art. 2501-*quater*, paragraph 2, of the Italian Civil Code, the statements of the financial position of the Participating Companies are related to 30 June 2020.

In accordance with article 2504-bis, paragraph 2, of the Italian Civil Code, the Merger will be effective once the last record of the deed of merger prescribed by article 2504, paragraph 2, of the Italian Civil code is filed in the competent Register of Companies or on any different date (later than the last record) established in the deed of merger.

The transactions of the Incorporated Companies shall be recorded in TPS's accounts, also for income tax purposes, from the first day of the financial year in which the Merger will be effective in accordance with the cited article 2504-bis, paragraph 2, of the Italian Civil Code.

There shall be no treatment reserved for particular categories of shareholders or for holders of securities other than shares, nor benefits or advantages for the directors of the Participating Companies.

Pursuant to the "Procedure for Related Party Transactions", approved by the Company's Board of Directors on 21 March 2017 ("RPT Procedure"), TPS, ADRIATECH, NEOS and TPSAE are related parties since the three incorporated companies are wholly owned by the Company. It is, nevertheless, noted that pursuant to the combined provisions of articles 12 ("Subsidiaries and associated companies, management and coordination") and 17 ("Exclusions and exemption") of the RPT Procedure, the provisions concerning the preliminary stage, evaluation and approval of the transaction do not apply as these provisions do not apply to transactions that are carried out with or between subsidiaries, in relation to which there are no interests qualifying as significant of other related parties of the Company, which is to be excluded in the Merger concerned. The company shall not be obliged to publish the disclosure document relating to the transaction, except for the Company's reporting requirements being an issuer of shares listed on AIM Italia.

The Merger Plan will be filed with the competent Business Registry of Varese and the Company will promptly notify the public of it being filed.

Moreover, the Merger Plan, together with the additional documentation prescribed by art. 2501-septies of the Italian Civil Code, shall promptly be made available to the public at the Company's registered office and on the internet site www.tps-group.it, under *Investor Relations*, within the legal and regulatory deadlines.



This press release is available online at www.tps-group.it (in the *Investor Relations/Press Releases* section)



TPS S.p.A. is the operating holding company of TPS Group, a leader in technical and engineering services for the aeronautical industry, with a particular focus on the helicopter segment. TPS has been a Borsa Italiana "Elite" company since 2016.

TPS Group operates in the aeronautical, automotive, defence, railway, naval and cable transport systems sectors, providing Technical Publishing & Training, Engineering, Design and Cost Engineering, Avionic Software Development and Systems Integration, Digital Content Management. TPS Group's clients include leading businesses in the design and production of aircraft and aeronautical components, as well as leaders in the automotive, railway, defence and cable transport systems manufacturing sector.

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