



PRESS RELEASE

ACOTEL GROUP:

- **Acotel Group SpA's Board of Directors establishes terms and conditions for capital increase approved by EGM of 26 June 2018**
- **Offer period from 9 July 2018 to 27 July 2018 (inclusive)**
- **Rights to be traded on Borsa Italiana's MTA market from 9 July 2017 to 23 July 2018 (inclusive)**

Rome, 4 July 2018 - During today's meeting of the Board of Directors of Acotel Group SpA ("**Acotel**" or the "**Company**"), the Board established the final terms and conditions for the capital increase in the form of a rights issue (the "**Capital Increase**") approved by the Extraordinary General Meeting ("**EGM**") of shareholders held on 26 June 2018.

In exercising the authority granted to it by the EGM, the Company's Board of Directors has established that, among other things:

1. the total value of the Capital Increase is to be €3,702,217.50 and the total number of new no-par shares to be issued is 822,715, ranking *pari passu* with those already in issue, at an issue price of €4.50 each, including a share premium of €4.24;
2. the rights will be offered to all the holders of the Company's ordinary shares, in proportion to each holder's interest, based on a ratio of 1 new ordinary share for every 5 shares held;
3. the rights (ISIN code IT0005338535) may be taken up during the offer period from 9 July 2018 to 27 July 2018, inclusive, and that the rights will be traded on the stock market in the period between 9 July 2017 and 23 July 2018, inclusive. Any rights not taken up will be offered for sale on Borsa Italiana's MTA market within a month of the end of the offer period, as required by art. 2441, paragraph three of the Italian Civil Code;
4. the Chairman of the Board of Directors is to be given all the powers required in order to carry out all the necessary and/or appropriate activities involved in implementation of the above resolutions.

The issue price was determined by the Board of Directors taking into account general market conditions and the performance of the Company's shares, the outlook for both the Company and the Group of which it is the holding company and the closing market price of the Acotel shares today.

Acotel Group's ordinary shares are listed on Borsa Italiana's MTA market. The newly issued shares will be traded automatically, in accordance with the requirements of art. 2.4.1 of the Regulations for markets organised and managed by Borsa Italiana SpA, on the market in which Acotel's shares will be traded at the time of issue.

Acceptance of the rights must be submitted using the correct form to an authorised intermediary, belonging to the centralised clearing system operated by Monte Titoli SpA, with which the rights have been deposited. Intermediaries are required to pass on the related instructions to Monte Titoli SpA by 2.00pm on the last day of the offer period.



Acceptance of the offer will be irrevocable and no conditions may apply.

Payment in full for the newly issued shares must be made at the time of subscription to the authorised intermediary through which the request to take up the related rights was submitted, in accordance with the terms and conditions indicated on the acceptance form. There will be no related charge or fee to be paid to the Company by subscribers.

The newly issued shares subscribed for by the end of the offer period will be credited to the accounts of intermediaries belonging to the centralised clearing system operated by Monte Titoli SpA at the end of the settlement period on the last day of the offer period, with the shares available to be traded from that date.

As more fully described in the Board of Directors' Explanatory Report on the only item on the agenda for the general meeting of shareholders held on 26 May 2018 (the "**Explanatory Report**"), available in the Corporate governance section of the website at www.acotel.com, the Capital Increase aims to return the Company to profit and financial stability and, above all, provide the financial resources necessary to meet its operating expenses and raise fresh capital to enable it to pursue the objectives set out in its business plan. The plan's strategic guidelines were approved by the Board of Directors on 15 May 2018.

The business plan envisages:

- a) development of the Programmatic Advertising business, including through alliances with international players;
- b) reinforcement of the Group's presence in IoT (Internet of Things) applications for the retail market, including through the business agreements recently entered into with Live Protection Srl – a subsidiary of Linkem SpA – and Vodafone Italia SpA;
- c) an increase in personnel tasked with marketing the Group's energy management and security services to businesses.

Further information on the guidelines in the plan and the purposes of the Capital Increase is provided in section 3 of the Explanatory Report.

As already disclosed pursuant to art. 114, paragraph 5 of Legislative Decree 58/98, at 31 May 2018 the Acotel Group has no financial debt and there are no past due payables of a financial, tax or social security nature or past due amounts due to employees.

In terms of trade payables, talks are underway with a view to agreeing payment schedules that will avoid creditors taking formal debt recovery action.

As the reader will be aware, the Group reported consolidated losses of €5,479 thousand and €6,544 thousand for 2016 and 2017, respectively.

Based on the definition of working capital contained in Recommendation ESMA/2013/319 ("the sources of liquidity needed by the issuer in order to meet its liabilities as they fall due"), and on the basis of reliable estimates, at 31 March 2018, the reporting date for the latest interim report approved by the Board of Directors on 15 May 2018, the Company does not have sufficient



working capital to meet its requirements in the next 12 months, defined as the difference between current assets and current liabilities.

Consolidated net current liabilities amount to €1,570 thousand at 31 March 2018 and break down as follows.

Acotel Group		<i>(€000)</i>
	31 December 2017	31 March 2018
Inventories	217	304
Trade receivables	2,983	2,172
Other current assets	904	1,305
Trade payables	(3,323)	(3,398)
Other current liabilities	(1,968)	(1,953)
TOTAL NET CURRENT LIABILITIES	(1,187)	(1,570)

Based on the business plan, the Company believes that the financial resources available to the Group, as shown in the analysis of net funds included in the interim report for the first quarter of 2018, are sufficient to meet the Group's ordinary operating expenses through to August 2018.

In view of this, the Company estimates that the proceeds from the Capital Increase will enable the Group to meet its ordinary operating expenses through to the Group's achievement of breakeven, expected for 2019.

Further information is provided in section 5 of the Explanatory Report.

In terms of shareholders' commitments to subscribe for the new shares resulting from the Capital Increase, the Company wishes to remind readers that, as previously announced:

- CLAMA Srl has confirmed its commitment to subscribe for its share of the Capital Increase, amounting to up to €1,574,720, inclusive of any share premium, and to subscribe for any unsubscribed shares in the amount of 41.44% of such shares, with a total value of up to €670,988, and to thus subscribe for shares to be issued under the Capital Increase, taking into account subscription for its share of the rights issue, with a total value of approximately €2,245,708, inclusive of any share premium;
- MACLA Srl has confirmed its commitment to subscribe for its share of the Capital Increase, amounting to up to €606,100, inclusive of any share premium, and to subscribe for any unsubscribed shares in the amount of 15.95% of such shares, with a total value of up to €258,259, and to thus subscribe for shares to be issued under the Capital Increase, taking into account subscription for its share of the rights issue, with a total value of approximately €864,359, inclusive of any share premium.

Acotel Group SpA has also been informed by third parties that they are willing to subscribe for any remaining unsubscribed shares, amounting to up to €689,933.00: on this basis the Capital Increase will be fully subscribed.

Pursuant to the combined provisions of art. 34-ter, letter c) of the Regulation adopted with CONSOB Resolution of 11971 of 14 May 1999 (the "**Regulations for Issuers**") and art. 1,



paragraph 5.1, letter a) of Regulation (EU) 2017/1129 (as referenced in art. 57 of the Regulations for Issuers), the offer is exempted from the obligation to publish a rights issue prospectus or a prospectus for admission to listing on the *Mercato Telematico Azionario* managed by Borsa Italiana.

A copy of the notice of the rights issue, to be filed with Rome Companies' Register, will be available in the "Investors" section of the Company's website.

For further information contact:

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