Tecnotree Board of Directors approves the Long Term Incentive (LTI) plan for 2019 -2022 and the issuance of shares to Tecnotree; Tecnotree Board of Directors resolves upon a directed share issue to CEO

Tecnotree announced today that its Board of Directors has approved the company's employee incentive program for 2019-2022 (the "LTI Plan") designed to align the participants' focus with Tecnotree's growth strategy and long-term success. The LTI Plan includes the following instrument:

- Restricted Share Units (RSUs) giving a contractual right to receive shares over the next 3 year period as per an equated semi-annual vesting schedule.

LTI Plan Objective

Having shown recovery from a difficult period where bonus pay-outs and salary increments were suspended for the key employees and considering the growth trajectory that the company aspires to follow - it was felt that the key employees must be retained and their interests be aligned to that of the Company.

RSU Plan Coverage

Restricted Share Units are granted to Tecnotree management executives and other key eligible employees for purposes related to retention and recruitment to ensure that Tecnotree is able to retain and recruit the talent which are critical for the future success of the company.

RSU Plan Timetable

Under the LTI Plan, the RSUs are divided into six semi-annual tranches spread over 3 years, each tranche consisting of one sixth of the RSUs granted.

RSU Plan - Quantum of Shares

The grant under the LTI plan could result in an aggregate maximum number of 14.5 million Tecnotree shares being granted to Tecnotree employees. At the current share price of EUR 0.10 (as the approximate average in October 2019) the aggregate value of the LTI plan is EUR 1.45 million.

Share issuance for the settlement of shares for the purpose of the LTI Plan

Tecnotree's Board of Directors has resolved to issue, without consideration, [14.5] million Tecnotree shares to Tecnotree to be later used to fulfil the company's obligations under the LTI Plan. The resolution to issue shares is based on the authorization granted to the Board of Directors by the Annual General Meeting on 15 May 2019 (General Authorization).

Directed share issue to the CEO

In recognition of the good work done over the last few years without an increment or a bonus-payout and with an intention to align the interest of the CEO to the long-term financial interest of the Company, the Board of Directors of Tecnotree Corporation has resolved to carry out a directed share issue of 12,500,000 shares to the company's CEO.

The decision on the directed share issue and deviation from the shareholders' pre-emptive subscription rights was made based on the authorisation granted by the Annual General Meeting of 15 May 2019 (General Authorization). There is a weighty financial reason for the directed issue [as the

CEO’s investment and shareholding in the company is expected to strengthen the CEO's commitment to the implementation of the company's strategy and to its financial targets].

The subscription price per share will be 1 cent, i.e, 125,000 euro in aggregate. The subscription price provides a discount of 90% compared to the current market price of 0.10 euro (as the approximate average in October 2019). In determining the subscription price, the Board has taken into account that the company has not in recent years been in a position to pay any cash bonuses to its CEO and has settled the one time bonus pay-out for last few years of service. Accordingly, the share issue is intended to provide compensation for good performance while enabling the CEO to invest into the company.

The CEO has subscribed for all shares offered to her. The share issue will be carried out by issuing new shares that will carry full rights after they are registered in the Trade Register. After the registration, admission to trading will be sought for the shares. The shares will be subject to a lock-up period of 2 years, as per agreed terms, from the date of registration of the shares

The subscription price will be recognised in full in the reserve for invested non-restricted equity. The company will provide no financing for the subscription.

Dilution effect

Once the 14,500,000 shares issued to the company and the 12,500,000 shares issued to the CEO have been registered with the Trade Register, the company will have in aggregate 274,628,428 shares. The new shares represent approximately 9.8% of all the shares after the share issue.