

Press release

FARMAÈ ACQUIRES 100% OF AMICAFARMACIA, THE SECOND E-COMMERCE PLATFORM IN ITALY FOR THE SALE OF HEALTH AND WELLNESS PRODUCTS

With more than 93 million euros in aggregate revenues in 2020, the first group in Italy has been established with the aim of consolidating market leadership and accelerating the development of the business model.

The objectives of the transaction include: the growth of revenues from online platforms, the launch of synergies aimed at improving the economies of scale of the business, the expansion of logistics capacity, new commercial opportunities with industrial partners and the release of new technologies to improve service drivers.

Viareggio, 28 June 2021 – Farmaè S.p.A. – a company listed on the AIM Italia market of Borsa Italiana, leader in Italy in the e-retailing of health and wellness products - announces that today it has signed a binding framework agreement for the acquisition of AmicaFarmacia S.r.l. ("AmicaFarmacia").

The transaction establishes the first group in Italy with a leadership in the omnichannel distribution of over-the-counter medicines and health products, with aggregate revenues that in 2020 exceeded 93 million euro.

*"Following our listing on the stock exchange about two years ago, today we are taking another big step for our future," – stated **Riccardo Iacometti**, Founder and CEO of Farmaè – "together with a partner with whom we aim to grow in Italy and abroad. The Group, which is the result of the combination of our experiences and visions, aims to serve an increasingly broad and vast pool of customers, which today reaches almost 60 million customer base, and with the ability to offer brands and companies innovative platforms that, thanks to the potential of digital, artificial intelligence and new technologies, can explore unique sales opportunities. In the last three years we have grown with a CAGR of 63% for Farmaè and 29% for AmicaFarmacia respectively: I am certain that, by joining forces, we will be able to further consolidate this path, aiming at ambitious common goals."*

*"In fifteen years - stated **Marco Di Filippo**, founder of AmicaFarmacia - starting from the family-owned physical pharmacy, we have been able to set up a company with over 27 million euros in revenues, which sells over-the-counter medicines, supplements, cosmetics and wellness. We are very proud of this transaction, as it results in a Group that will act as a point of reference both for companies, with whom we will be able to build partnerships and targeted actions, and for end users, an increasingly large number of whom are used to buying online. I am sure that, thanks to important synergies and, above all, to the shared vision with Riccardo and the entire top management of Farmaè, we will be able to proceed rapidly in achieving important results."*

Business and history of AmicaFarmacia

AmicaFarmacia was founded in 2006, from an idea of Marco Di Filippo, as an e-commerce channel connected to the physical family-owned pharmacy. Fundamental for Marco, in addition to the passion for digital and the degree in Pharmacy, is the influence of his father Carlo Di Filippo, pharmacist entrepreneur since the eighties and owner of the Pharmacy Madonna della Neve at Bagnolo Piemonte (CN) from 1991 to 2020.

The company is active in the online marketing of over-the-counter pharmaceuticals, supplements and cosmetic products through the website www.amicafarmacia.com and is the owner of the Madonna della Neve pharmacy, where its registered office is located, as well as of a parapharmacy located in Via Roma 64, in Bagnolo Piemonte (CN) where is also located the logistics office.

In addition to the sale of over-the-counter drugs without prescription, today the site offers the following categories of products: cosmetics, supplements, diagnostics, electro-medical products, products for mother and child, special foods, wellness products, health, sports products and veterinary products.

Over the years, AmicaFarmacia has reported a striking growth in turnover, which in 2020 amounted to Euro 27.8 million, up 34% compared to the previous year, thus ranking second among the Health & Wellness online players, according to IQVIA.

AmicaFarmacia closed the 2020 financial year with a positive EBITDA of Euro 0.03 million and a negative Net Result of Euro 0.31 million. AmicaFarmacia has a team of 91 professionals.

Objectives of the Transaction and its effects on Farmaè

The purpose of the transaction to integrate AmicaFarmacia into Farmaè is to set up the first group in Italy in the online distribution of over-the-counter medicines and health and wellness products to meet the new needs of consumers and benefiting from:

- (i) further consolidation of the online channel through a significant increase in the user base and the expansion of the product offering;
- (ii) the acceleration of the positioning of new commercial and marketing strategies aimed, thanks also to the use of artificial intelligence, at promoting an offer targeted at satisfying the individual needs of the consumer (from today) also in real time;
- (iii) an expansion of the logistics capacity, which is expected to reach 12,000 square metres divided into two operating units;
- (iv) a greater critical mass and the consequent consolidation of commercial relations with industrial partners, which will allow for a further improvement in purchasing conditions and related bonuses and with which to implement marketing and communication actions, in order to benefit in terms of economic results (co-marketing revenues) and market visibility, thanks to a further enhancement of a single group Media Platform;
- (v) the release of new integrated technologies aimed at improving the purchasing experience on online platforms according to an omnichannel approach, including the Group's first "physical" pharmacy, the "Madonna della Neve" pharmacy;
- (vi) the integration of service systems for proximity, both in relation to improving delivery times (Farmaè Speed) and to a proactive role of customer care with targeted advice from online pharmacists.

Terms and conditions of the Transaction

Object and consideration

The transaction covered by the Framework Agreement (the "**Transaction**") entails, as a preparatory activity, the partial demerger (the "**Demerger**") of the AmicaFarmacia assets through the assignment of the business unit dedicated to the online marketing of cosmetics, over-the-counter drugs, supplements, baby products and other products sold through the website www.amicafarmacia.com, including the parapharmacy located in Bagnolo Piemonte instrumental for online marketing (the "**OnLine Company**"), to MDF Holding S.r.l., a newly incorporated company with capital wholly owned by Marco Di Filippo ("**MDF Holding**").

Following the completion of the Demerger, Farmaè:

- (i) will acquire from Marco Di Filippo 100% of the capital of AmicaFarmacia; and
- (ii) will approve a capital increase in favour of MDF Holding which will be, at the same time, released by the latter by means of the contribution of the OnLine Company. The capital increase provides for the issue of 1,112,270 ordinary shares of Farmaè at a price of Euro 28.77 for a total value of Euro 32.0 million.

The newly issued ordinary shares will have the same characteristics as those in circulation and will therefore be traded on AIM Italia. Therefore, the exemption for the publication of the listing prospectus pursuant to Regulation (EU) 2017/1129 and the information document pursuant to Article 27 of the AIM Issuers' Regulations will apply.

In return for the contribution of the OnLine Company, a cash amount of Euro 2.5 million will also be due provided that the revenue target for the period 1 January 2021-30 June 2021 of Euro 15 million or more is achieved by AmicaFarmacia.

The overall valuation of the OnLine Company is therefore equal to Euro 34.5 million and the value of the Transaction is Euro 39.0 million, equal to an overall valuation of Euro 39.6 million on an Enterprise Value basis (assuming a Net Financial Position equal to Euro 0.6 million).

Upon completion of the Transaction, MDF Holding will hold 16.25% of the share capital, Riccardo Iacometti will hold 58.63% and the free float will be 25.12%.

The Transaction falls within the scope of significant transactions pursuant to Article 12 of the AIM Issuers' Regulations.

Conditions precedent

The Transaction is subject to the occurrence of certain conditions precedent, including the completion of the Demerger and the non-occurrence of an event prejudicial to the Transaction.

Non-compete agreement

Di Filippo has a non-compete obligation in favour of Farmaè for a period of 3 years from the date of completion of the Transaction throughout the European Union.

Shareholders' Agreement and Administration Agreement

On the date of completion of the Transaction, a shareholders' agreement will be entered into by Riccardo Iacometti, Marco Di Filippo and MDF Holding, which provides for, inter alia, Riccardo Iacometti's commitment to include Marco Di Filippo in his list of candidates for the position of director of Farmaè and the prior (non-binding) consultation with Marco Di Filippo on certain relevant matters.

Under the terms of the shareholders' agreement, the AmicaFarmacia board of directors will be composed of three members, two of whom (including the Chairman) will be appointed by Farmaè and one by Marco Di Filippo himself.

Mr. Di Filippo will be the Chief Executive Officer of AmicaFarmacia and he will be assigned the duties and will be vested with the related powers as provided for in the administration agreement that will be entered into by Marco Di Filippo, Farmaè and AmicaFarmacia on the date of completion of the Transaction. This agreement also provides that Di Filippo, as director of Farmaè, will be assigned the role of General Manager of the business unit linked to the brand "AmicaFarmacia", furthermore Di Filippo will be a Member of the Steering Committee and of the Strategic/Operational Committee of Farmaè.

The shareholders' agreement also provides for (i) the commitment of MDF Holding not to transfer its shareholding in Farmaè until the end of the eighteenth month following the date of execution, except in the case of permitted transfers; and (ii) the right of co-sale of MDF Holding – pro-rata and under the same conditions – in the event that Iacometti transfers to a third party shares in Farmaè held by him.

The shareholders' agreement will have a duration of 5 years starting from the date of execution of the Transaction.

Shareholders' meeting

On the date of completion of the Transaction – which is expected to take place in the second half of September 2021 – the Shareholders' Meeting of Farmaè will be required to resolve on the capital increase to be paid through the contribution of the Company by MDF Holding and the consequent amendment to the articles of association; as well as an increase in the number of directors (from 5 to 7) to allow Marco Di Filippo and another person meeting the requirements of independence set forth in article 147-ter, paragraph 4, of the TUF and the Corporate Governance Code to join the Board of Directors.

The Shareholders' Meeting shall be convened in accordance with the procedures and terms provided for by the applicable regulatory provisions and the explanatory reports drafted by the Board of Directors on the items on the agenda of the Shareholders' Meeting to be convened shall be made available to the public in the section of the Company's website www.farmaegroup.it.

Alantra was the financial advisor of the Transaction with the managing partner Stefano Bellavita, Alfio Alessi and Valentina Perrone.

Farmaè S.p.A. was assisted by the Pedersoli Law Firm for the legal aspects with a team led by the equity partner Alessandro Marena, assisted by the associates Elisa Bertoni and Edoardo Bononi as well as by the trainee Alice Painsi and, for the capital market aspects, by the lawyer Francesca Leverone and by Deloitte with a team led for the accounting aspects by the partner Davide Bertoia, which involved the partner Gabriele Arioli as well as the managers Paolo Cornago and Marco Manfredi, and for the tax aspects by the partner Giorgio Orlandini.

Marco Di Filippo and MDF Holding were assisted by the Gattai Minoli & Partners law firm, with a team comprising partner Gerardo Gabrielli, assisted by the senior associate Carolina Gattai and the associate Edoardo Pistone, and by Studio Sismondi-Galvagno and Associati Dottori Commercialisti s.s. in the person of Giorgio Rabbia.

The Notary Public of the Transaction is Filippo Zabban of Studio ZNR Notai.

This press release is available in the Investor Relations section of the Company's website www.farmaegroup.it.

The Transaction will be presented to the financial market tomorrow, 29 June 2021, during a Conference Call at 3:00 PM (CET) to be attended by the Chairman and Chief Executive Officer of Farmaè, Riccardo Iacometti, the Vice Chairman of Farmaè, Alberto Maglione, and the Chairman and Chief Executive Officer of AmicaFarmacia, Marco Di Filippo.

Here follows a list of the numbers to be dialled to take part in the conference call:

- Italy (+39) 028020911
- Austria +43 1253021405
- Belgium +32 28948063
- Denmark +45 32727525
- France +33 170918704
- Germany +49 6917415712
- Ireland +353 15269444
- Spain +34 917699498
- Sweden +46 850510030
- Switzerland +41 225954728
- United Kingdom +44 1 212818004
- United States of America +1 718 7058796

In addition, you can watch the slide show at the following link: <https://bit.ly/3h1BHiU>.

Supporting material will be made available on the Company's website in conjunction with the start of the conference call.

Set up in Viareggio in 2014, Farmaè is the first OnLife eRetailer of Health and Wellness in Italy. "OnLife" retail is a new economic paradigm, characterised by the integration of online, offline, logistics and data in a single value chain. Today the company operates mainly in eCommerce with more than 45,000 SKUs in 14 different product categories, but it is also runs 9 Farmaè and 1 Beautyè physical stores. In sharing the new "OnLife" philosophy, Farmaè aims to put the customer at the centre of its circular activities, responding immediately, quickly and pragmatically to all their needs and ensuring a unique customer experience, regardless of the purchasing channel used.

For further information:

Nomad
Alantra Capital Markets
+39 02 63 67 16 01
Stefano Bellavita
stefano.bellavita@alantra.com

Specialist
Banca Profilo S.p.A.
+39 02 584081
Alessio Muretti
alessio.muretti@bancaprofilo.it

Investor Relation**Farmaè**

Investor Relations Officer

Alberto Maglione

+39 0584 1660552

ir@farmaegroup.it

CDR Communication srl

IR Advisor

Vincenza Colucci

Tel. +39 335 6909547

vincenza.colucci@cdr-communication.it

Media Relation

SEC Newgate – 02.624.999.1 – farmae@segrp.com

Laura Arghittu – arghittu@segrp.com

Federico Ferrari – 347 6456873 - ferrari@segrp.com

Daniele Pinosa – 335 7233872 – pinosa@segrp.com

Fabio Santilio – 339 8446521 santilio@segrp.com