

Press Release

FARMAÈ ACQUIRES 100% OF AMICAFARMACIA

THE FIRST ONLINE GROUP IN ITALY IN THE HEALTH AND WELLBEING SECTOR IS BORN

IN THE FIRST 100 DAYS SINCE THE TRANSACTION WAS ANNOUNCED IMPORTANT SYNERGIES HAVE BEEN FORGED THAT CONSOLIDATE THE MARKET LEADERSHIP AND ACCELERATE THE DEVELOPMENT OF THE BUSINESS MODEL

Viareggio, 29 September 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 (“**Farmaè**” or the “**Company**”) – announces that today it has executed the “mixed” transaction, under the terms and conditions of the framework agreement signed on 28 June 2021 (the “**Framework Agreement**”), concerning:

- (i) the purchase of 100% of the share capital of AmicaFarmacia S.r.l. (“**AmicaFarmacia**”) – owner of the “Madonna della Neve” pharmacy located in Bagnolo Piemonte – by Farmaè, following the partial spin-off (completed on 28 September 2021) of the latter’s assets by means of the attribution of the business unit dedicated to the online marketing of cosmetic products, over-the-counter drugs, supplements, children’s products and other products currently sold through the website www.amicafarmacia.com, including a parapharmacy (the “**OnLine Company**”) to MDF Holding S.r.l, a newly incorporated company wholly owned by Marco Di Filippo (“**MDF Holding**”);
- (ii) the contribution by MDF Holding to Farmaè of the OnLine Company in the context of a share capital increase reserved to it (the “**Transaction**”).

The Transaction gives birth to the first online group in Italy in the distribution – according to an omnichannel approach – of over-the-counter medicines and health products, with aggregate revenues in 2020 exceeding Euro 93 million.

*“Since the announcement of this important agreement – **comments Riccardo Iacometti, Founder and CEO of Farmaè** – we have worked side by side with professionals, top management and shareholders of AmicaFarmacia to cement the synergies of this integration and we can already confirm that, in the first 100 days of our collaboration, our business plan approach has proved to be correct as we immediately achieved a series of mutual benefits and improved the positioning of the two brands. With the aim of continuing to grow in Italy and abroad, we have created the first online group in Italy in the distribution of over-the-counter medicines and health and wellness products. Today we can serve a larger customer base, with a user base of almost 60 million people and, thanks to the significant technological potential of our platforms, also relying on artificial intelligence, we can create personalised offers and unique sales opportunities for corporate clients. The acquisition of AmicaFarmacia is only the starting point exploring the numerous growth potentials of the market and, even if the growth targets are ambitious, we are continuing on our path, on the strength of the professionalism and innovativeness which are engrained in our DNA”.*

*“Over these 100 days, working side by side with Riccardo Iacometti and all the Top Management of Farmaè – **Marco Di Filippo, founder of AmicaFarmacia, goes on say** – has done nothing but corroborate the fact that we have made an excellent choice. I was impressed by the business vision and proven strategic capabilities of the entire team as well as a fast and determined approach to operational practice. Key components of modern business development. Today is a rewarding day for me for the work I have done so far, but also a new starting point since I will be operationally involved in the Farmaè Group together with all AmicaFarmacia’s people, with the ambition and the drive to achieve, with everyone pulling together, the next challenging objectives of the Group”.*

In the first 100 days from the announcement of the Transaction, Farmaè and AmicaFarmacia have already started the preparatory activities for the integration, sharing the strategic objectives and laying the foundations for the achievement of important synergies aimed at **consolidating the market leadership and accelerating the development of the business model**. In particular, the acceleration of the positioning of new sales and marketing strategies, has made it possible to **increase the conversion rate of AmicaFarmacia from 1.6% to 3.3%**, approaching in just three months that achieved by **Farmaè in the second quarter of the year, equal to 4.3%**. **All functions are already integrated today** (Marketing; Purchasing, IT, Finance and Administration, Operations) **and a new Group governance has already been implemented** so as to design new organisational charts, functions and procedures. The two teams worked in perfect harmony during these 100 days and in addition to immediately boosting the revenues of AmicaFarmacia, all the preparatory activities are already in place for the release of the new logistics activities in Piedmont and the implementation of all technological and management systems to promote single management of the collaboration. The marketing and purchasing department of the Farmaè Group has also presented the Transaction to the main firms in the industry, receiving **incredibly enthusiast feedback from the industrial partners – fundamental support for accelerating the growth of the business – who recognise Farmaè’s acquisition of AmicaFarmacia as unique in the national panorama**.

Shareholders’ Meeting of Farmaè S.p.A.

The Shareholders’ Meeting of Farmaè today resolved to increase the share capital, against payment and with the exclusion of pre-emptive rights, in an indivisible manner, pursuant to Articles 2343-ter, paragraph 2, letter b), 2440, 2441, paragraph 4, of the Italian Civil Code, by a nominal amount of Euro 556,135.00, with a total share premium of Euro 31,443,872.90 and a unit share premium of Euro 28.27, by issuing 1,112,270 ordinary shares with no indication of nominal value, having the same characteristics as those outstanding, with regular dividend entitlement, intended exclusively for subscription by MDF Holding, to be released by means of the contribution of the OnLine Company, which is the subject of the expert report issued on 30 August 2021 by the expert accountant Gianni Pierotti, in his capacity as independent expert pursuant to Article 2343-ter, paragraph 2, letter b) of the Italian Civil Code (in relation to the publication of the report, reference should be made to the press release of 13 September, available in the Investor Relations section of the Company’s website www.farmae-group.it).

On the same date, MDF Holding subscribed the increase which will be effective as of the registration of the relevant Shareholders’ Meeting resolution at the competent Register of Companies and executed, with immediate effect, the transfer of the OnLine Company by signing the relevant deed together with Farmaè.

In exchange for the transfer of the OnLine Company, Farmaè today paid to MDF Holding a cash amount of Euro 2.5 million, since AmicaFarmacia has reached a revenue target for the period 1 January 2021 - 30 June 2021 in excess of Euro 15 million, in accordance with the provisions of the Framework Agreement.

The total value of the Transaction is therefore Euro 39 million.

Consistent with the actual time necessary, subsequent to the filing of the resolution of the Shareholders' Meeting for the capital increase with the competent Register of Companies, 1,112,270 Farmaè ordinary shares will be issued to MDF Holding, which will have the same characteristics as those outstanding and will therefore be traded on the AIM Italia market. The registration and consequent issue of these shares will be announced in an appropriate press release.

Following the completion of the Transaction and, in particular, with the issue of the new shares, Riccardo Iacometti will hold a total of 58.63% of the share capital of Farmaè (i.e. 2.92% directly and 55.71% through RIAC Holding S.r.l.) and MDF Holding will hold 16.25%.

The same Shareholders' Meeting also resolved to increase the number of Directors to seven and to appoint Marco Di Filippo and Marco Guidi as new members of the Board of Directors. Both will remain in office like the other Directors, until the approval of the financial statements for the year ending 31 December 2021.

It should be noted that, on the basis of the information available to the Company, Marco Guidi and Marco Di Filippo do not, as at today's date, hold shares in the Company, it being understood that the latter, through MDF Holding, will hold 16.25% of Farmaè's share capital upon the issue of the new shares.

Marco Guidi also stated that he meets the independence and integrity requirements of the applicable laws and the Corporate Governance Code.

The *curricula vitae* of Marco Guidi and Marco Di Filippo, as well as the list of directorships and auditing positions held in other companies as of today and the certifications regarding satisfaction of the requirements to hold the relevant position, are available in the Governance - Shareholders' Meetings section of the website www.farmaegroup.it.

The Shareholders' Meeting also redetermined the total annual amount of the emoluments of the members of the Company's administrative body, at Euro 385,000.00, including Directors holding special offices.

The Board of Directors of Farmaè S.p.A.

Today, after the Shareholders' Meeting, the Board of Directors of Farmaè met and, *inter alia*, (i) ascertained that the new Director Marco Guidi met the above-mentioned independence requirements on the basis of the declarations submitted by the latter, the documentation produced and the information available to the Company; (ii) appointed Marco Di Filippo as "*General Manager of the AmicaFarmacia Online Business Unit*" for the purposes of managing the business relating to the OnLine Company and, following the integration of the latter into the Company, the business unit linked to the "AmicaFarmacia" brand (and to this end an administration agreement was signed between Marco Di Filippo, Farmaè and AmicaFarmacia); (iii) appointed Marco Di Filippo, for the entire duration of his office – i.e. until the approval of the financial statements as at 31 December 2021 – as a member of the Management Committee and of the Strategic/Operational Committee of the Company; and (iv) resolved on the declaration pursuant to Article 2343-*quater*, paragraph 3, of the Italian Civil Code, given that no significant new facts have occurred since the date of the evaluation of the aforesaid estimate report on the OnLine Company and that the requirements of professionalism and independence of the independent expert are met, and the relative filing with the competent Company Register.

Shareholders' Agreement

For the sake of completeness, please note that today, Riccardo Iacometti, RIAC Holding S.r.l., Marco Di Filippo and MDF Holding have signed a shareholders' agreement (the "**Shareholders' Agreement**") which provides, *inter alia*, for (i) the commitment of Riccardo Iacometti and RIAC Holding S.r.l. to include in their list of candidates for the position of Director of Farmaè, Marco Di Filippo, (ii) the prior consultation (non-binding) with Marco Di Filippo on certain relevant matters, (iii) the commitment of MDF Holding not to transfer its shareholding in Farmaè until the expiry of the eighteenth month following today's date, except in the case of permitted transfers; and (iv) the right of co-sale of MDF Holding – *pro-rata* and under the same conditions – in the event that Iacometti and/or RIAC Holding S.r.l. transfer/s to a third party shares of Farmaè held by them.

In accordance with the provisions of the Shareholders' Agreement, the following meetings were held today: (i) the AmicaFarmacia Shareholders' Meeting which resolved, *inter alia*, to adopt new Articles of Association and to appoint a Board of Directors comprising three members, in the persons of Riccardo Iacometti (Chairman), Marco Di Filippo and Alberto Maglione, in office until the approval of the financial statements for the year ending 31 December 2023; and (ii) the new Board of Directors of AmicaFarmacia to appoint Marco Di Filippo as Chief Executive Officer and to grant him the related powers as provided for in the administration agreement.

For further information regarding the terms and conditions of the Transaction governed by the Framework Agreement, please refer to the press release published on 28 June 2021 and available in the Investor Relations 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 was assisted by Pedersoli Studio Legale (Law Firm) as regards the legal aspects, with a team headed up by the equity partner Alessandro Marena, supported by the associates Elisa Bertoni and Edoardo Bononi as well as the trainee Alice Paini and, for the capital market aspects, by the lawyer Francesca Leverone and by Deloitte with a team led by the partner Davide Bertoia in relation to the accounting aspects, which included the partner Gabriele Arioli as well as the managers Paolo Cornago and Marco Manfredi, and by the partner Giorgio Orlandini for the tax aspects.

Marco Di Filippo and MDF Holding were assisted by Studio Legale Gattai Minoli & Partners (Law Firm), by a team composed of partner Gerardo Gabrielli, assisted by senior associate Carolina Gattai and associate Edoardo Pistone and by Studio Sismondi-Galvagno e Associati dottori commercialisti s.s. in the person of Giorgio Rabbia.

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

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

Established in Viareggio in 2014, Farmaè is the first Health and Wellbeing OnLife eRetailer in Italy. OnLife retail is a new economic paradigm characterised by the integration of online, offline, logistics and data in a single chain of value. The company today operates primarily in eCommerce with more than 45,000 items marketed in 14 different product categories sold, but it is also present throughout the country with 9 Farmaè Stores and 1 Beautyè Store.

By sharing the new “OnLife” philosophy, Farmaè intends to put Customers at the centre of its business by responding immediately, rapidly and pragmatically to all their needs and ensuring a unique customer experience regardless of which sales channel is used.

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