

**RECORDATI: MERGER BY ABSORPTION OF ROSSINI INVESTIMENTI S.p.A. AND FIMEI S.p.A. INTO RECORDATI S.p.A. APPROVED BY THE EXTRAORDINARY SHAREHOLDERS' MEETING**

- *The merger plan relating to the reverse merger by absorption of Rossini Investimenti S.p.A. and Fimeì S.p.A. into Recordati S.p.A. has been approved by the extraordinary shareholders' meeting.*
- *The extraordinary shareholders' meetings of Rossini Investimenti S.p.A. and Fimeì S.p.A. have approved the merger on the date hereof too.*

Milan, 17 December 2020 – The extraordinary shareholders' meetings of Rossini Investimenti S.p.A. ("**Rossini Investimenti**"), Fimeì S.p.A. ("**Fimeì**" and, together with Rossini Investimenti, the "**Disappearing Companies**") and Recordati S.p.A. ("**Recordati**" or the "**Surviving Company**" and, together with the Disappearing Companies, the "**Participants in the Merger**" - all subject to the management and coordination activity of Rossini Luxembourg S.àr.l.), held on the date hereof, have examined and approved, with no amendments or supplementations, the merger plan relating to the reverse merger by absorption of Rossini Investimenti and Fimeì into Recordati (the "**Merger**" and the "**Merger Plan**").

**Exchange ratio**

On the basis of the assumptions described in detail in the Merger Plan and in the reports prepared by the management bodies of the Participants in the Merger (the "**Explanatory Reports**"), the Boards of Directors of the Participants in the Merger had determined the following exchange ratio (the "**Exchange Ratio**"): (a) against cancellation of the 10,000,000 shares representing the entire share capital of Fimeì, all held by Rossini Investimenti, as well as of the 82,550,000 shares representing the entire share capital of Rossini Investimenti, all held by Rossini S.àr.l., (b) all the 108,368,721 ordinary shares of Recordati currently held by Fimeì, or a different number of ordinary shares of Recordati held by Fimeì on the effective date of the Merger for statutory purposes (the "**Effective Date**"), will be reassigned to Rossini S.àr.l., with the maintenance by third-party shareholders (i.e. other than Rossini S.àr.l., following the Merger, and the Surviving Company itself) of the ordinary shares of Recordati held by them as at such date.

No cash settlements are envisaged.

**Approval procedure**

As already communicated to the market, since the Merger constitutes a "major" related party transaction pursuant to the regulation adopted by Consob under resolution no. 17221 of 12 March 2010 and most recently amended by resolution no. 21396 of 10 June 2020 (the "**OPC Regulations**") and to Recordati's regulations governing Related Party Transactions (the "**Procedure**"), Recordati's Control, Risk and Sustainability Committee (the "**Committee**"), which acts as the Related Party Transactions Committee pursuant to the Procedure, was involved in the negotiation and investigation of the Merger and in the approval of the proposed resolution to be submitted to the extraordinary shareholders' meeting of Recordati, and, on 28 September 2020, expressed its reasoned favourable opinion on the existence of the interest of Recordati in completing the Merger, as well as on the expediency and substantial fairness of the terms and conditions of the Merger itself, pursuant to the OPC Regulations and the Procedure. Such opinion is attached to the information document on "major"

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related party transactions prepared by Recordati pursuant to Article 5 and Annex 4 of the OPC Regulations and made available to the public on 7 October 2020 (the “**Information Document**”).

The Merger was also notified, pursuant to Decree Law no. 21/2012, converted with Law no. 56/2012, containing “*Rules concerning special powers over corporate assets in the defence and national security sectors, as well as for activities of strategic importance in the energy, transport and communication sectors*”, and subsequent measures in this regard, to the Presidency of the Council of Ministers, which, on 30 October 2020, communicated the completion of the related procedure, since no information elements on a serious threat to national interests were found.

Please also note that PricewaterhouseCoopers S.p.A., entrusted by the Court of Milan with the task to issue an opinion on the fairness of the Exchange Ratio pursuant to Article 2501-sexies of the Italian Civil Code, issued (contingent on the relevant assumptions, described in detail in the Merger Plan and in the Explanatory Reports, not changing) on 13 November 2020 a positive opinion on the fairness of the Exchange Ratio itself.

### **Purpose of the Merger**

The Merger is aimed at the following: (a) shortening the chain of control with respect to the operating companies and simplifying the corporate structure of the group to which Recordati belongs (the “**Group**”), in line with national and international practice, (b) reducing the administrative costs associated with maintaining the Disappearing Companies, with the consequent release of resources for the benefit of the entire Group, (c) obtaining administrative synergies and synergies linked to fixed structural costs, as well as greater financial efficiency resulting from a shortening of the chain of control, which will allow a faster recovery of dividend flows, and resulting in a lower tax cost as a consequence of the elimination of additional tax levels.

Furthermore, as a result of the Merger, Recordati will be able to enjoy the ACE tax benefits generated by Rossini Investimenti, as described in greater detail in the Merger Plan and in the Information Document. In this respect, please note that, as already made available to the market on 9 December 2020, the tax petition mentioned therein has obtained a positive answer from the Italian Income Revenue Authority.

Finally, it is to be recalled that the Merger will not alter the net financial position of Recordati, nor its capital allocation strategy or policy.

### **Conditions precedent and timetable**

Subject to fulfilment of the conditions precedent provided in the Merger Plan still pending on the date hereof - i.e. (a) non-occurrence of one or more events or circumstances with a significant negative effect on the activities, legal relationships, liabilities and/or operating results of the Participants in the Merger, and, in any case, such as to alter the risk profile or assessments on which the Exchange Ratio is based, by the Effective Date; and (b) the absence, on the Effective Date, of pledges or other rights in rem of third parties on shares representing the entire share capital of Fimeì and on shares representing the entire share capital of Rossini Investimenti, on the current accounts of Fimeì and Rossini Investimenti, on any claims of Rossini Investimenti against Fimeì as well as personal guarantees provided by Rossini Investimenti within the framework of the indirect acquisition of Recordati - as well as to execution of the Merger deed, and assuming the absence of events outside the sphere of control of the Participants in the Merger which could cause a delay in activities, it is envisaged that the Merger will be completed during the first half of 2021, effective from the last of the registrations provided

under Article 2504 of the Italian Civil Code, and in any event following the date of approval of the financial statements of the Disappearing Companies as at 31 December 2020 and of their closing balance sheets as at 31 March 2021.

#### **Right of withdrawal**

The shareholders of Recordati that did not vote in favour of the resolution to approve the Merger will not have the right of withdrawal, in any event, pursuant to Article 2437, paragraph 1, letter a), of the Italian Civil Code, or on any other grounds, as the corporate purpose of the Disappearing Companies does not provide for the performance of any commercial and/or industrial activity, but exclusively for the assumption, holding, management and disposal, in an entrepreneurial and organised form, of the shareholding held (directly or indirectly) in Recordati and in Recordati's affiliates, and therefore, following the Merger, no amendment will be made to Recordati's corporate purpose clause to include a significant change in its activity, nor will there be any delisting of Recordati.

#### **Further information**

For more information on the terms and methods of implementation of the Merger, please refer to the Merger Plan, the Information Document and the Explanatory Reports, made available to the public on the website [www.recordati.com](http://www.recordati.com) (in the "Investors" area, section "Shareholders' Meetings – Reverse Merger into Recordati S.p.A. 2020/2021") and on the authorised storage mechanism 1Info <https://www.1info.it>.

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The summary report of the polls and the minutes of the shareholders' meeting will be made available to the public within the terms and in the manner provided by applicable law. The prescribed information on the publication will be provided.

*Recordati, established in 1926, is an international pharmaceutical group, listed on the Italian Stock Exchange (Reuters RECI.MI, Bloomberg REC IM, ISIN IT 0003828271), with a total staff of more than 4,300, dedicated to the research, development, manufacturing and marketing of pharmaceuticals. Headquartered in Milan, Italy, Recordati has operations throughout the whole of Europe, including Russia, Turkey, North Africa, the United States of America, Canada, Mexico, some South American countries, Japan and Australia. An efficient field force of medical representatives promotes a wide range of innovative pharmaceuticals, both proprietary and under license, in a number of therapeutic areas including a specialized business dedicated to treatments for rare diseases. Recordati is a partner of choice for new product licenses for its territories. Recordati is committed to the research and development of new specialties with a focus on treatments for rare diseases. Consolidated revenue for 2019 was € 1,481.8 million, operating income was € 465.3 million and net income was € 368.9 million.*

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