

Zingonia-Verdellino (BG), 08 October 2021

Notice under Article 102, paragraph 1, of Legislative Decree no. 58 dated 24 February 1998, as subsequently amended and supplemented Consolidated Law on Finance (hereafter “TUF”) and Article 37 of the Regulations adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (“Issuers’ Regulations”) concerning the mandatory takeover bid promoted by Fine Foods N.T.M. S.p.A. on the Euro Cosmetic S.p.A. ordinary shares (the “Notice”)

Under article 102, paragraph 1, of the TUF, and article 37 of the Issuers’ Regulations, Fine Foods N.T.M. S.p.A. (“**Fine Foods**” or the “**Bidder**”) announces that the legal requirements have been met for Fine Foods to promote a takeover bid under articles 102 and 106, paragraph 1 of the TUF, on the ordinary shares of Euro Cosmetic S.p.A. (“**Euro Cosmetic**” or the “**Issuer**”), a company whose shares are listed on the AIM Italia multilateral trading system (the “AIM Italia”) organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”), under ISIN code IT0005425456 (the “**Bid**”).

The application of the above TUF provisions, articles 102 et seq., and the relevant implementing provisions of the Issuers’ Regulations are voluntary under article 6-bis of the AIM Italia Issuers’ Regulations and article 6 of the Issuer’s Articles of Association.

The Bid’s legal grounds, terms and essential elements are outlined below.

Following the publication of this notice (the “**Notice**”), the Bidder will transmit to Consob the bid document (the “**Bid Document**”) for publication under applicable law, to which reference should be made for a full description and assessment of the Bid.

1. PARTIES PARTICIPATING IN THE BID

1.1 The Bidder and controlling entities

The Bidder is “Fine Foods N.T.M. S.p.A.”, a joint-stock company incorporated under Italian law, with its registered office in Verdellino, Zingonia (BG), Via Berlino no. 39, registered in the Bergamo Companies Register under number 09320600969 and Economic and Administrative Index BG - 454184.

The Bidder’s share capital is € 22,770,445.02 divided into 25,560,125 shares without nominal value, of which (i) 22,060,125 ordinary shares without nominal value, equal to approximately 86.31% of the shares representing the Bidder’s share capital and approximately 66.47% of the voting rights, and (ii) 3,500,000 multiple-voting shares without nominal value, equal to approximately 13.69% of the shares representing the Bidder’s share capital and approximately 33.53% of the voting rights. The Bidder holds 1,244,750 treasury shares equal to approximately 4.87% of the shares representing the Bidder’s share capital as of the Notice date.

Fine Foods ordinary shares are listed on the STAR segment of Mercato Telematico Azionario, organised and managed by Borsa Italiana, while Fine Foods multiple-voting shares are not listed.

Fine Foods & Pharmaceuticals N.T.M. S.p.A.

The following is a description of the Bidder's shareholding chain.

Eigenfin S.r.l. ("**Eigenfin**"), a company incorporated under Italian law, with its registered office in Verdellino, Zingonia (BG), Via Berlino no. 39, share capital of € 100,000, fully paid up, registered in the Bergamo Companies Register under number 05000090968 and Economic and Administrative Index BG - 435553, directly holds 12,658,940 Bidder's ordinary and multiple-voting shares, equal to approximately 49.53% of the shares representing the Bidder's share capital and approximately 62.78% of the voting rights. Eigenfin holds:

- (i) 9,158,940 Bidder's ordinary shares, equal to approximately 35.83% of the shares representing the Bidder's share capital and approximately 29.25% of the voting rights; and
- (ii) 3,500,000 Bidder's multiple-voting shares, equal to approximately 13.69% of the shares representing the Bidder's share capital and approximately 33.53% of the voting rights.

The Eigenfin share capital is held for € 99,000, equal to 99%, by Marco Francesco Eigenmann.

Marco Francesco Eigenmann, Executive Chairman of the Bidder's Board of Directors, directly holds 666,260 Bidder's ordinary shares, equal to approximately 2.61% of the shares representing the Bidder's share capital and approximately 2.13% of the voting rights.

The Bidder is directly and indirectly controlled, under Article 93 of the TUF, by Marco Francesco Eigenmann

1.2 *Persons acting in concert with the Bidder*

The following are those acting in concert with the Bidder: (i) under Article 101-bis, paragraph 4-bis, lett. b), of the TUF, Eigenfin, Marco Francesco Eigenmann, and the Bidder's subsidiary Pharmatek PMC S.r.l.; and (ii) under Article 101-bis, paragraph 4-bis, lett. a), of the TUF, the parties, holders of 300,000 Bidder's ordinary shares, who as of today's date are bound by a *lock-up* agreement dated 14 October 2016 not to transfer such shares until April 2022: Fulvio Conti (in his own right and through Enerfin S.r.l.), Paolo Ferrario (in his own right and through Augent Partners S.r.l.), Magenta Consulting S.a.s., Francesco Gianni, Angelica Pansa and Giacomo Pansa (both as successors of Alessandro Pansa, and through Angi S.r.l.) (the "**Persons Acting in Concert**").

The obligation to promote the Bid by the Bidder and the Persons Acting in Concert is met by the Bidder.

1.3 *The Issuer*

The Issuer is Euro Cosmetic S.p.A., a joint-stock company incorporated under Italian law, with its registered office in Trenzano (BS), Via Dei Dossi no. 16, registration number with the Brescia Companies Register, tax code and VAT number 01949590069, Economic and Administrative Index BS - 479551, having a share capital of € 1,582,968 and divided into 4,761,600 ordinary shares without nominal value.

The Issuer's shares are listed on AIM Italia, organised and managed by Borsa Italiana under ISIN code IT0005425456.

The company's corporate purpose is "*the production, processing, packaging and marketing of cosmetic, pharmacosmetic, herbalist and perfumery products in general.*"

The Issuer has not issued any convertible bonds or warrants or financial instruments granting voting rights, or voting rights limited to specific issues, at ordinary or extraordinary shareholders' meetings,

or other financial instruments as of the Notice date, which may grant third parties the right to acquire Issuer shares or voting rights in the future, even if limited.

To the best of the Bidder's knowledge, the Issuer does not hold treasury shares.

2. LEGAL GROUNDS AND REASONS FOR THE BID

2.1 *Legal grounds*

The obligation to launch the Bid follows the completion, on today's date, of the acquisition by the Bidder of 3,474,800 Issuer's ordinary shares, equal to approximately 72.98% of the share capital, at a price per Euro Cosmetic ordinary share as set out below, in the execution of the sale and purchase agreement set out below (the "**Majority Shareholding**"), the signing of which was subject to market disclosure under Article 17 of EU Regulation 596/2014 on 21 September 2021.

Particularly:

- on 21 September 2021, the Bidder, as purchaser, and MD S.r.l. ("**MD**") and Findea's S.r.l. ("**Findea**"), as sellers, agreed on the purchase by Fine Foods of (i) 1,845,069 Euro Cosmetic ordinary shares, representing approximately 38.75% of the Issuer's share capital, held by MD (the "**MD Shareholding**") and (ii) 1,629,731 ordinary Euro Cosmetic shares, representing approximately 34.23% of the Issuer's share capital, held by Findea (the "**Findea Shareholding**") and, a total of approximately 72.98% of the Issuer's share capital (the "**Euro Cosmetic Agreement**"); the price agreed in the Euro Cosmetic Agreement is (i) € 8.13 (eight/13) per Euro Cosmetic ordinary share being part of the MD Shareholding (the "**MD Unit Price**") and (ii) € 7.25 (seven/25) per Euro Cosmetic ordinary share being part of the Findea Shareholding (the "**Findea Unit Price**");
- on 8 October 2021, the parties executed the Euro Cosmetic Agreement and, consequently, Fine Foods purchased 3,474,800 Euro Cosmetic ordinary shares, equal to approximately 72.98% of the Issuer's share capital, at (i) the MD Unit Price for each Euro Cosmetic ordinary share included in the MD Shareholding and (ii) the Findea Unit Price for each Euro Cosmetic ordinary share included in the Findea Shareholding.

With the above purchases, the legal requirements for Fine Foods to mandatorily promote the Bid have been met as of today's date.

Under article 101-bis, paragraph 3, letter c) of the TUF, the Bidder and the Issuer are not subject to the obligations to inform employees or their representatives provided for by the TUF, as the Bidder currently holds the majority of the voting rights exercisable at the Issuer ordinary shareholders' meeting.

2.2 *Reasons for the Bid and Bidder future plans concerning the Issuer*

The Bidder's objective is to acquire the entire share capital of Euro Cosmetic and delist the Issuer's ordinary shares, to achieve a complete and adequate integration of the Issuer's business into the group to which Fine Foods belongs (Fine Foods and its subsidiaries, the "**Fine Foods Group**").

The acquisition of Euro Cosmetic and the integration of its business into the Fine Foods Group are part of Fine Foods' strategic plan to consolidate its entry into the contract research, development and manufacturing of "*Personal Care*" products (*hair care, body care, oral care, skincare and fine fragrances*) for large companies operating in the cosmetics, pharmaceutical and large-scale retail trade to create synergies with its Pharmatek subsidiary and the nutraceutical and pharmaceutical sector.

The Bidder believes that successful and efficient integration of Euro Cosmetic within the Fine Foods Group can be pursued better and efficiently by a single shareholder or a limited number of shareholders for stronger and faster actions in the Fine Foods Group operational management.

After the Bid completion and depending on its outcome (including a possible Tender Period Reopening or the fulfilment of the Sell-out under article 108, paragraph 2, of the TUF, the fulfilment of the Sell-out under article 108, paragraph 1, of the TUF and the exercise of the Squeeze-out, as defined below), the Bidder shall assess its ability to realise what follows in the twelve months following the Payment Date (as defined below) (or the Payment Date upon Tender Period Reopening, as defined below): (a) if the Issuer is delisted, the merger of the Issuer into another company of the Fine Foods Group, even if unlisted, (b) if the Issuer's shares remain listed on AIM Italia, the merger of the Issuer into another company of the Fine Foods Group, even if unlisted, to delist the Issuer, or (c) other extraordinary transactions such as transfers of business assets or branches involving companies of the Fine Foods Group and Euro Cosmetic, or contributions involving the Issuer's capital increases.

If, following the Bid, Euro Cosmetic shares are not delisted from AIM Italia, the Bidder may pursue delisting through one of the extraordinary transactions described above. In a merger with another non-listed company, the Issuer shareholders who did not take part in the relevant resolution can only withdraw if one of the conditions outlined in Article 2437 of the Italian Civil Code were to occur. If one of the conditions outlined in Article 2437 of the Italian Civil Code were to occur, the liquidation value of the shares subject to withdrawal would be determined under Article 2437-ter, paragraph 2, of the Italian Civil Code, considering the Issuer's assets, liabilities and income prospects, and the shares market value. However, if the consideration for any withdrawal (when due to the Issuer shareholders) is higher than the Bid Price, the Bidder may not proceed with the merger.

3. BID ESSENTIAL ELEMENTS

3.1 *Categories and amount of financial products covered by the Bid*

The Bid involves 1,286,800 Issuer's ordinary shares (the "**Shares**"), without nominal value, with regular dividend entitlement, representing approximately 27.02% of the share capital, and corresponding to all Issuer's outstanding ordinary shares as of today's date, less 3,474,800 Euro Cosmetic ordinary shares already directly held by the Bidder and acquired as part of the acquisition of the Majority Shareholding, equal to approximately 72.98% of the share capital as of today's date.

The Bid is not subject to any condition and is addressed indiscriminately and on equal terms to Shareholders.

During the Subscription Period (as defined below), if reopened upon completion of the Tender Period Reopening (as described below) or extended, or during the Share Sell-out under article 108, paragraph 2, of the TUF (as defined below), the Bidder reserves the right to purchase the Issuer's ordinary shares outside the Bid, to the extent permitted by applicable law. Any purchases made outside the Bid will be disclosed to the market under applicable laws and regulations.

The Shares tendered in the Bid must be freely transferable to the Bidder and free from any restrictions of any kind and nature, whether secured, mandatory or personal.

Based on the information available on the Issuer's website, considering the transfers carried out on today's date as described above, no shareholders hold more than 5% of the Issuer's share capital.

3.2 Unit price and the Bid counter value

The Bidder will pay to each subscribing shareholder € 8.60 (eight Euro and sixty cents) for each Share tendered in the Bid (the “**Bid Price**”).

No distribution of dividends or reserves or return of capital is expected to be made by the Issuer between the Date of the Bid Document and the Payment Date (as defined below) (or the Payment Date upon Tender Period Reopening, as described below) (the “**Distribution**”).

If a Distribution is approved by the corporate bodies of Euro Cosmetic and the Payment Date (i.e., the Payment Date upon Completion of the Tender Period Reopening) falls after the Distribution payment date, the price to be paid by the Bidder on the Payment Date (i.e., the Payment Date upon Completion of the Tender Period Reopening) shall be reduced by the amount of the Distribution per paid Share.

The Bid Price is net of any stamp duty and fees, commissions and expenses which will be borne by the Bidder, while the substitute tax on capital gains, if due, will be paid by the bidding shareholders.

The official price per Issuer Ordinary Share recorded on 20 September 2021 (the last trading day before 21 September 2021, the date on which the press release under Article 17 of EU Regulation 596/2014 disclosed the signing of the Euro Cosmetic Agreement to the market) was € 7.50 (the “**Last Official Price**”).

The Bid Price incorporates a premium:

- (i) 14.7% compared to the Last Official Price; and
- (ii) 8.4% compared to the MD Unit Price.

The following table sets out the weighted average of the official prices per Euro Cosmetic ordinary share for the time intervals indicated, calculated backwards from the date of signature of the Euro Cosmetic Agreement (thus excluding the official price on 21 September 2021) and the premiums implied in the Bid Price compared to such weighted average prices.

Period before the signing date of the Euro Cosmetic Agreement(*)	The weighted average of the official prices of Euro Cosmetic shares (Euro/share)(*)	Implied premium(**)
1 month	7.04	22.1%
3 months	6.96	23.6%
6 months	7.06	21.9%
12 months	6.89	24.8%

Source: Bloomberg

(*) Excluding the official price on 21 September 2021 and the IPO price.

(**) of the Bid Price compared to the weighted average official Price of Euro Cosmetic shares

If the Bid is entirely subscribed, the maximum total Bid counter value, calculated based on the Bid Price and considering the maximum number of Issuer shares subject to the Bid, would be € 11,066,480 (the “Maximum Disbursement”).

The Bidder intends to cover the Bid financing, including the costs (i.e. costs and expenses to be borne by the Bidder for the Bid, such as consultancy fees and brokerage commissions) through its liquidity.

Under Article 37-bis of the Issuers’ Regulations, the Bidder declares that it can fully meet all Bid Price payment obligations. Accordingly, Intesa Sanpaolo S.p.A. has undertaken to issue the guarantee for

the correct fulfilment of the Bid payment obligations, under Article 37-bis, paragraph 3, of the Issuers' Regulations.

3.3 *Bid Duration*

The Bid subscription (the "Subscription Period") will be agreed with Consob under the terms provided for by article 40 of the Issuers' Regulations. It will last between a minimum of 15 and a maximum of 25 trading days, without prejudice to any extensions Consob may order to conduct the Bid and protect investors adequately.

Since this is a bid promoted by a party who already holds Issuer shareholding higher than the 30% threshold provided by article 106, paragraph 1, of the TUF, article 40-bis of the Issuers' Regulations will apply to the Bid. Therefore, upon closure of the Subscription Period and within the trading day following the Payment Date (as defined below), the Subscription Period may be reopened for five trading days under article 40-bis, paragraph 1, letter b), no. 2, of the Issuers' Regulations (the "**Tender Period Reopening**").

The Bid Price payment will take place within the fifth trading day following the closing date (i) of the Subscription Period, as possibly extended (the "**Payment Date**") for those who have subscribed the Bid within the expiry of the Subscription Period and (ii) of the Tender Period Reopening, if any (the "**Payment Date upon completion of the Tender Period Reopening**") for those who have accepted the Bid later.

3.4 *Intention to withdraw from trading the financial instruments under the Bid*

Withdrawal from trading the Issuer's ordinary shares is one of the Bid's objectives considering the Issuer's motives and future plans.

3.4.1 *Sell-out under article 108, paragraph 2, of the TUF*

An extraordinary shareholders' meeting of the Issuer is convened for 20 October 2021, to specify in Article 6 of the Issuer's articles of association that the rules outlined in Articles 108 (Sell-out) and 111 (Squeeze-out) apply, voluntarily, to avoid any ambiguity of interpretation and being consistent with what is set out in the November 2020 document for listing Euro Cosmetic ordinary shares on AIM Italia, Paragraph 12.3(iii), p. 115, where it is specified that the Company's "*Articles of Association, include the provisions relating to listed companies outlined in the TUF, limited to Articles 106, 108, 109 and 111, starting from the Trading Start Date, and the applicable regulatory provisions on mandatory takeover and swap bids, which shall apply voluntarily as they are compatible.*"

If, after the Bid completion (including any Tender Period Reopening), as a result of the Bid subscription and any purchases made outside the Bid under applicable law within the Subscription Period (or any Tender Period Reopening), the Bidder holds more than 90% but less than 95% of the Issuer's share capital, the Bidder declares its intention not to restore a free-float sufficient to ensure the orderly trading of the Euro Cosmetic ordinary shares, with the obligation for the Bidder to purchase the remaining Shares from requesting Issuer shareholders under article 108, paragraph 2, of the TUF ("**Sell-out under article 108, paragraph 2, of the TUF**").

Under article 108, paragraph 3, of the TUF, the Sell-out under article 108, paragraph 2, of the TUF will be fulfilled by the Bidder paying equal to the Bid Price for each Share.

The terms and conditions under which the Bidder will fulfil the Sell-out under article 108, paragraph 2, of the TUF will be communicated as soon as possible after the relevant conditions have been met.

Due to the conditions before the Sell-out under article 108, paragraph 2, of the TUF, Borsa Italiana is expected to delist the Euro Cosmetic ordinary shares from AIM Italia starting from the trading day following the payment date of the Sell-out under article 108, paragraph 2, of the TUF, unless otherwise required. Under “Part Two - Guidelines” of Article 41 of the AIM Italia Issuers’ Regulations, Bid subscription by shareholders who, taken together, would allow the Bidder to hold - after Bid completion and counting any participation held by the Bidder in the Issuer - ordinary shares representing a percentage of the Issuer’s share capital higher than 90% of the share capital. Upon Bid completion, this will automatically determine the delisting conditions without the need for a shareholders’ meeting or any other formality.

After the Sell-out requirements have been met under article 108, paragraph 2, of the TUF, holders of Shares who did not subscribe to the Bid and did not request the Bidder to purchase their Shares under the Sell-out under article 108, paragraph 2, of the TUF, will be holders of financial instruments unlisted on any multilateral trading facility, with the consequent difficulty of liquidating their investment in the future.

3.4.2 Sell-out under Article 108, paragraph 1, of the TUF and exercise of the Squeeze-out under Article 111 of the TUF

Reference should be made to the first part of paragraph 3.4.1 above concerning the calling of an Issuer extraordinary shareholders’ meeting for 20 October 2021.

If, after the Bid completion (including any Tender Period Reopening), as a result of the Bid subscription and any purchases made outside the Bid under applicable law within the Subscription Period (or any Tender Period Reopening), and under the Sell-out under article 108, paragraph 2, of the TUF, the Bidder holds at least 95% of the Issuer’s share capital, the Bidder declares its intention to purchase the remaining Shares, under article 111 of the TUF (the “**Squeeze-out**”).

The Bidder will disclose whether the legal requirements for the exercise of the Squeeze-out for the Shares have been met under applicable law.

The Squeeze-out will be exercised as soon as possible after the Bid conclusion or fulfilling the Sell-out under Article 108, paragraph 2, of the TUF.

If, after the Bid completion (including any Tender Period Reopening), as a result of the Bid subscription and any purchases made outside the Bid under applicable law within the Subscription Period (or any Tender Period Reopening), and under the Sell-out under article 108, paragraph 2, of the TUF, the Bidder holds at least 95% of the Issuer’s share capital, the Bidder would be obliged, under Articles 108, paragraph 1, and 109 of the TUF, to purchase the untendered Shares from whoever requests it (“**Sell-out under Article 108, paragraph 1, of the TUF**”).

By exercising the Squeeze-out, the Bidder will fulfil the Sell-out under Article 108, paragraph 1, of the TUF in a single procedure.

After the Squeeze-out and Sell-out requirements have been met under article 108, paragraph 1, of the TUF, Borsa Italiana will order the suspension or delisting of the Issuer’s ordinary shares from trading on AIM Italia, considering the time required for the exercise of the Squeeze-out.

3.5 Market on which the Bid is promoted

The Bid will be addressed indiscriminately and on equal terms to all Shareholders and promoted exclusively in Italy.

The Bid has not been and will not be promoted or disseminated in the United States of America, Canada, Japan and Australia, or in any other country where such a Bid is not permitted without the authorisation of the relevant authorities (collectively, the “**Other Countries**”). It has not used national or international communication or trading tools of Other Countries (including postal network, fax,

telex, e-mail, telephone and internet), or through any of the financial intermediaries of the Other Countries, or in any other way.

4. BID CONDITIONS

The Bid being mandatory under Article 6 of the Issuer's articles of association, is not subject to any effectiveness condition.

5. SHAREHOLDINGS HELD BY THE BIDDER AND PERSONS ACTING IN CONCERT

As of this notice date, the Bidder holds 3,474,800 Issuer's ordinary shares, representing approximately 72.98% of the Issuer's share capital, and does not hold any derivative financial instruments that confer a long position in the Issuer.

To the best of the Bidder's knowledge, the other Persons Acting in Concert do not hold any Issuer ordinary shares or any derivative financial instruments that confer a long position in the Issuer.

6. NOTICES OR AUTHORISATIONS REQUIRED BY APPLICABLE REGULATIONS

The promotion of the Bid is not subject to any notice or authorisation.

7. PUBLICATION OF PRESS RELEASES AND DOCUMENTS RELATING TO THE BID

All Bid press releases and documents will be available on the Bidder website (www.finefoods.it) and the Issuer website (www.eurocosmetic.it).

Fine Foods N.T.M. S.p.A.

Chairman of the Board of Directors

Marco Francesco Eigenmann
