

## **FINE FOODS N.T.M. SIGNS ACQUISITION BINDING TERM SHEET FOR 100% OF PHARMATEK PMC**

Verdellino, 16 November 2020

Following the Board of Directors' resolution, FINE FOODS & PHARMACEUTICALS N.T.M. S.p.A. (hereafter the "Company" or "Fine Foods") has today signed a binding term sheet (hereafter the "Term Sheet") acquiring the entire share capital of Pharmatek PMC S.r.l. (hereafter "Pharmatek"), held by the sole shareholder Marco Pessah. The Term Sheet, which is expected to be included in a definitive contract to be signed by 31 January 2021, sets the transaction's financial terms and contents of a management contract to give work continuity to Pharmatek CEO, Mr. Pessah, for the next three financial years.

Under the Term Sheet the price for acquiring 100% of Pharmatek, of a maximum of € 17.2 million, will be paid in cash and divided into a fixed component of € 11.2 million and a variable component of a maximum of € 6 million (earn-out). This variable component will be paid within the next three financial years.

Pharmatek is a company authorised by the Ministry of Health producing medical and surgical aids, medical devices and cosmetics. Its acquisition allows Fine Foods to access new Contract Manufacturing market segments.

As part of the transaction, on 31 December 2020 Pharmatek's Ebitda is expected to be € 3.4 million and net financial debt (NFP) not exceeding € 0.5 million. Pharmatek's 2020 results show a significant improvement compared to previous years' results with an increase in revenues from € 7 million in 2019 to approximately € 17 million forecast for 2020.

The transaction is subject to the favourable outcome of a due diligence (e.g. legal, accounting, tax and business) process that Fine Foods will carry out on Pharmatek.

Based on the current state of negotiations, the transaction's completion, which is subject to the above condition, should take place by the end of January 2021.

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

Fine Foods Chairman Marco Francesco Eigenmann said:

"We are proud to announce the agreement with Pharmatek. This transaction is the first step in our ambitious growth programme for external lines to support our traditional strong organic growth, which was resilient this year, despite the pandemic crisis. Along with the due diligence, Fine Foods will continue the process of listing the shares on the main MTA STAR segment market."

Pharmatek Sole Director Marco Pessah, said:

"I am incredibly excited about this transaction which will allow Pharmatek to support and continue its recent extraordinary growth. We are confident that Fine Foods will provide us with unparalleled help in achieving our future goals."

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This press release is available on the Fine Foods website [www.finefoods.it](http://www.finefoods.it), in the Investor Relations/Press Releases section.

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Fine Foods & Pharmaceuticals N.T.M. S.p.A., founded in 1984, is the leading independent Italian company in the contract development and manufacturing organisation (CDMO) of solid oral forms for the pharmaceutical and nutraceutical industries. The company is recognised on the market for its high-quality products and has long-term relationships with most of its customers (more than one hundred). It has more than 600 employees and has generated revenues for about 160 million euros with over 60 per cent of its sales volumes abroad in 2019.

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