



## PRESS RELEASE

### PIERREL S.p.A.

#### ORDINARY AND EXTRAORDINARY MEETING OF THE SHAREHOLDERS:

- **The financial statement of Pierrel S.p.A. was approved and the consolidated financial statement of the Pierrel Group at 31 December 2016 was examined**
- **An increase in paid-in share capital was resolved, to be offered to the shareholders by Article 2441, first paragraph, of the Italian Civil Code up to a maximum of € 35 million**
- **Favorable opinion on the first section of the Report on remuneration for year 2016**

*Capua (CE), 22 November 2017* – The meeting of the Shareholders of Pierrel S.p.A. (the "**Company**" or "**Pierrel**"), meeting today in ordinary and extraordinary session, examined and approved the Company's financial statement at 31 December 2016, with a loss of € 6,865,379.00 which, in accordance with the proposal that the Board of Directors of the Company made in its report, the Shareholders' Meeting resolved to manage as follows:

- (i) for a total amount of € 1,137,282 to be covered by the full use of the share premium reserve for a corresponding amount;
- (ii) for the residual amount of € 5,728,097 to be postponed, bringing the total amount of losses accrued by Pierrel and not yet covered at € 8,460,304.

The Shareholders' Meeting also examined the consolidated financial statement of the Pierrel Group at 31 December 2016, which shows a consolidated net profit of approximately € 1.1 million, positively influenced (by approximately € 8.5 million) by the total effects resulting from Relief Therapeutics Holding AG and its subsidiaries, as well as the TCRDO Division, leaving the Pierrel Group; all of them exited Pierrel Group's consolidation area starting from 25 May 2016.

#### **Capital increase ex Article 2441 of the Italian Civil Code**

Pierrel Shareholders' Meeting also resolved, in accordance with the proposal of Pierrel's Board of Directors, a capital increase in share capital payable up to a maximum of € 35 million, including any premium, to be subscribed by 31 December 2018 through the issue of ordinary shares with no nominal value, newly issued, with regular dividend rights and having the same characteristics as those in circulation to be offered as an option to those eligible under Article 2441, paragraph 1 of the Italian Civil Code (the "**Capital Increase**"), consequently amending Article 5 of the Articles of Association.

The Shareholders' Meeting of the Company also set a threshold of inseverability for the extraordinary transaction which assumes the positive completion of the Capital Increase to generate net cash inflows of no less than € 5.2 million.

The Capital Increase is intended to implement Pierrel Group's Recovery plan for the period 2018-2020 prepared in accordance with Article 67, paragraph 3, letter d) of the R.D. 267/1942 approved by the Company's Board of Directors on 11 October 2017 (for further information, please refer to the press release published by the Company on 11 October 2017 and available on its website at [www.pierrelgroup.com](http://www.pierrelgroup.com), section Press/Press releases).



The Capital Increase is intended to strengthen the Company's balance sheet and to provide the Group with adequate financial resources to deal with its current and prospective management needs, on the basis of today's forecasts. In particular, the cash resources of the Capital Increase will be primarily intended to support the development of the Company's business and, in particular, to finance the investments needed to achieve the results and the objectives set forth in the Recovery Plan, which include also the consolidation of Pierrel Group in the specific business segment through revenue growth and profitability recovery of its Contract Manufacturing and Pharma business divisions.

Subject to the issuing of the necessary authorizations by the competent authorities, it is estimated that the offer of newly-issued Pierrel shares as an option to the shareholders may be initiated in the first quarter of 2018.

As part of the Capital Increase, the Company will automatically make capital inflows paid towards future capital increases made by Fin Posillipo S.p.A. (holding a stake in Pierrel equal to approximately 36% of the relevant share capital and exercising effective control over the Company) and Bootes S.r.l. (holding a stake in Pierrel equal to approximately 5% of the relevant share capital) for a total amount of approximately € 14.3 million, as reported by the Company to the market with press releases, among others, on 9 August 2017 and 11 October 2017 (available on the Company's website at [www.pierrelgroup.com](http://www.pierrelgroup.com), section Press/Press Releases), for further details.

Pierrel's Shareholders' Meeting therefore conferred to Pierrel's Board of Directors the power to determine, during a meeting to be convened on the days immediately before the start of the offer: (a) the unit price of the shares, including any premium, which shall be determined taking into account the market conditions in general, the performance of the Company's share prices, the economic performance, assets and liabilities of the Company and its group, as well as market practices for similar transactions, including the possibility to apply a discount to the theoretical price ex-right; (b) the maximum number of ordinary shares to be issued and the related assignment ratio; (c) the exact amount of the Capital Increase; (d) the initial date for the subscription of newly issued shares and the related closing date, which may not be later than 31 December 2018.

Pierrel's Shareholders' Meeting also granted Pierrel's Board of Directors a broader right, within 60 days after the expiration date of the unassigned rights offering, to place to third parties, even non-shareholders, those shares that may eventually remain unassigned after the exercise of the option rights and the stock option offer of the option rights not exercised pursuant to Article 2441, paragraph 3 of the Civil Code.

As of today the establishment of a guarantee and/or placement consortia in relation to the Capital Increase is not provided for.

### **Report on remuneration**

During the same meeting, the Shareholders' Meeting of the Company also expressed favorable opinion on the first section of Pierrel's Report on Remuneration, drawn up in accordance with Article 123-ter of Legislative Decree no. 24 February 1998, no. 58, as subsequently amended and supplemented (the "TUF") and Article 84-quater of CONSOB Regulation no. 11971/1999 related to: (a) the Company's remuneration policy for the members of the board of directors, senior directors and managers with strategic responsibilities for the year 2016; and (b) the procedures used for the adoption and implementation of such policy.

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The executive responsible for the preparation of corporate accounting documents of Pierrel, Mr Francesco Pepe, declares— pursuant to Article 154a, paragraph 2 of the TUF — that the accounting information contained in the present press release and relative to the financial statements and consolidated financial



statements at 31 December 2016 corresponds to the documented results, accounting records and accounting entries of the company.

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Pierrel annual financial report for 2016, Pierrel financial statements and the consolidated financial statements at 31 December 2016 are available to the public at the Company's registered office, at the head office of Borsa Italiana S.p.A., on the authorized storage mechanism of regulated information Nis-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)), and on the Company's website at [www.pierrelgroup.com](http://www.pierrelgroup.com), section *Investor Relations/Corporate Governance/Shareholders meeting documents/Meeting of 22 December 2017*, together with further documentation provided by the applicable laws and regulations.

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The minutes of the Pierrel Shareholders' Meeting, as well as the summary statement of the votes, will be made available to the public at the Company's registered office and on the Company's website [www.pierrelgroup.com](http://www.pierrelgroup.com) with the terms and conditions set out in current legislation.

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**Pierrel S.p.A.**, global provider for the pharmaceutical industry, specialises in the pharmaceutical production (Contract Manufacturing Division) and the development, registration and licensing of new drugs and medical devices (Pharma Division).

Pierrel Group is listed on the MTA exchange which is organised and managed by Borsa Italiana and boasts over 60 years' experience in the pharmaceutical sector, being one of Europe's leading producers of local and dental anaesthetics.

Pierrel also has a production unit in Capua, close to Naples, Italy, that has been authorised by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) for the aseptic production of injectable medicines.

The subsidiary Pierrel Pharma S.r.l. has registered and distributes the Orabloc® dental anaesthetic in Canada, US, Russia and Europe. The registered office of Pierrel S.p.A. is in Capua (CE), Italy.

**For further information:**

**Pierrel S.p.A.**

*Investor Relations*

Mr Fulvio Citaredo

E-mail: [investor.relations@pierrelgroup.com](mailto:investor.relations@pierrelgroup.com)

tel. +39 0823 626 111

fax +39 0823 626 228

**Global Consult s.r.l.**

*Media Relations*

Rossana Del Forno

E-mail: [areacomunicazione@globalconsultsrl.com](mailto:areacomunicazione@globalconsultsrl.com)

tel. +39 333 6178665