

## FRIULCHEM APPROVES THE FRAMEWORK RESOLUTION REGARDING THE RAW MATERIALS SUPPLY CONTRACT WITH EVULTIS

Milan, 25 February 2020 - Friulchem S.p.A.'s Board of Directors (AIM: FCM) (the “**Company**” or the “**Issuer**”), innovative SME and one of the main Italian operators at international level in R&D and in the production on behalf of third parties (CDMO) of semi-finished and finished products containing pharmaceutical active ingredients, dietary supplements, specialising in particular in drug delivery for the veterinary sector, adopted, on today's date, an additional framework resolution - with respect to the one already adopted on 28 November 2019 - pursuant to art. 10 of the Company's procedure for transactions with related parties in force (the “**RPT Procedure**”) and, on the same, date, approved, as part of the framework resolution, the signing of a framework contract between the Company Evultis S.A. (“**Evultis**”), regarding the supply to the Issuer, by Evultis - a long-standing supplier of raw materials of the Issuer -, of given active ingredients and intermediates (Prednisolone Metasulfobenzoate Steroid), for a maximum total consideration of Euro 3,500,000.00 on an annual basis (plus VAT) and for an indicative number of orders, up to 31 December 2020, equal to around 20 (the “**Transaction**”).

In particular, the contract sets forth that supply is based on orders, at the exclusive discretion of the Company as regards the type of product - in relation to active ingredients and intermediates forming the object of the contract - and the relevant quantity and time-scales - within the maximum terms indicated above.

Given that Evultis holds a 38.8% stake in the Company, the Transaction is classified as a related party transaction, pursuant to art. 3, letter (a), point (i), of the RPT Procedure, as well as Annex 1 of the AIM Italia provisions regarding related parties (as referenced by said RPT Procedure).

The Transaction is classified as a transaction of greater importance with related parties, as the maximum total economic value of the Transaction envisaged over the 12-month period exceeds the relevance thresholds identified in accordance with art. 4.1 of the RPT Procedure.

Therefore, the Company drafted the appropriate information document, which will be made available to the public at the Company's registered office, and on the company's website in the Corporate Governance section <https://friulchem.com/it/governance/procedure-transactions-related-parties/>, in accordance with the legal and regulatory terms.

The aforementioned framework resolution and the Transaction were approved in application of the RPT Procedure. The independent director Ariel Davide Segre, in exercising his equivalent oversight functions pursuant to art. 9.2 of the RPT Procedure, was promptly and adequately notified of the terms and conditions of the Transaction and, on 21 February 2020, issued his favourable opinion on the Transaction.

The press release is available on the website: <https://friulchem.com/it/investor-relations/financial-press-releases/>

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**Friulchem (AIM:FCM)**, a company that has been operating in this sector for over 20 years, is today one of Italy's leading CDMOs (*Contract Development Manufacturing Organisations*) operating internationally in the healthcare sector. It offers third-party research, development and manufacturing services for semi-finished and finished products containing both active pharmaceutical ingredients and food supplements. It primarily specialises in drug delivery systems for the veterinary sector, providing Friulchem's trademark excellence, as well as in the development of dossiers for generic medicines for human use. Friulchem is an innovative SME and B2B company which prides itself on its end-customer focus, and has deep Italian roots, thanks to its manufacturing facilities in Vivaro (Pordenone) and administrative headquarters in Milan. The Company is strongly oriented towards R&D activities and boasts established relationships with leading multinational companies in the pharmaceutical sector.

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