

FRIULCHEM STARTING AT THE BEGINNING OF 2021 IS ENTERING THE ADDITIVES MARKET FOR FEED FOR FOOD-PRODUCING ANIMALS WITH THE MARKETING IN ITALY OF ITS OWN LINE

THE COMPANY AIMS TO OVERSEE A NEW STRATEGIC SECTOR AFTER THAT OF PHARMA AND SUPPLEMENTS

Milan, 3 December 2020 - Friulchem S.p.A. (AIM: FCM), innovative SME and one of Italy's leading international players in the third-party research, development and manufacturing (CDMO) of semi-finished and finished products containing active pharmaceutical ingredients and food supplements, specialized predominantly in drug delivery systems for the veterinary sector, is pleased to announce that starting in the first half of **2021** it will start **marketing in Italy its own line of additives** for feed used in the nutrition of so-called food-producing animals (for example swine, cattle, poultry fall into this category). The Company's decision to enter the additives area is dictated in part by a market need that in 2020 saw higher demand than supply.

Feed additives are an important segment in animal nutrition and are used to meet the needs of certain nutrients and to increase the yield of healthy animals. According to the latest data presented in the 2019 annual report of Assalzoo (National Association of Producers of Livestock Food), in Italy feed production amounts to about 14.5 million tons distributed throughout the national territory and intended for various species. The turnover of the feed industry alone in 2019 is over 6.3 billion euros, in addition to 1.2 billion euros in the premixes sector and 1.4 billion euros in pet food, for a total of 8.9 billion euros.

With this operation Friulchem confirms its **goal of becoming an increasingly performing reference point** for the **veterinary market**, a company able to offer cutting-edge solutions not only in the pharma and supplements field, but also in the field of additives, highlighting its **ability to bring to the market products of the highest quality made in Italy**.

The transaction is part of the company's growth and consolidation path, which in recent months has achieved important strategic agreements for the development of its business, such as the acquisition of 13% of Pharmabbie, an American company specialized in the development of veterinary drugs to be distributed in the US market, communicated on 11 March 2020, or the strengthening of the collaboration relationship with one of the largest multinationals in the veterinary sector for marketing in Brazil, Chile and Colombia of a rehydrating complementary feed, high in electrolytes,

communicated on 2 April 2020. Friulchem points out that there is still insufficient evidence to make an economic quantification forecast for the operation.

Disma Chief Executive Officer Giovanni Mazzola commented: *"We are very proud to be able to communicate the expansion of the offer of solutions proposed by Friulchem to improve animal health. Consumption has grown in recent years and as a result the attention and demands related to products, technologies and services for the welfare of farm animals, now an integral part of the human food chain, have grown".*

The press release is available on the websites www.friulchem.com and www.1info.it

Friulchem (AIM: FCM), active for over 20 years in this sector, is now one of Italy's leading CDMOs (*Contract Development Manufacturing Organisations*) operating internationally in the *healthcare* sector through third-party research, development and manufacturing services for semi-finished and finished products including both active pharmaceutical ingredients and food supplements, with particular specialization in *drug delivery* systems for the veterinary sector, which represent Friulchem's 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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Friulchem S.p.A. Investor Relations

Disma Giovanni Mazzola

ir@friulchem.com

Tel: +39 02 36591450

Integrae SIM S.p.A. – Nominated Advisor

Giulia Mucciariello

info@integraesim.it

Tel: +39 02 87208720

CDR Communication - Investor and Media Relations

Silvia Di Rosa silvia.dirosa@cdr-communication.it

Marianna Tremolada marianna.tremolada@cdr-communication.it

Claudia Messina claudia.messina@cdr-communication.it