



## PRESS RELEASE

### **Pierrel S.p.A. signs agreements to acquire from 3M Company strategic assets to grow its anesthetic products portfolio.**

- **Pierrel S.p.A. entered into agreements to acquire from 3M Company contracts, permits and intellectual property related to the local anaesthesia dental products, together with related syringe and needle products, under the brands Ubistesin™, Xylestesin™ and Mepivastesin™ for a purchase price of USD 70 million**
- **The acquisition will expand Pierrel's presence globally with branded products by complementing its own-brand dental anesthetics Orabloc's offering, bringing more solutions to Pierrel's customers.**
- **Pierrel's revenues for FY 2024 is expected to double compared to the estimated revenues for the current year.**

*Capua (Italy), May 2th 2023* - Pierrel S.p.A. ("**Pierrel**"), global provider of services for the pharmaceutical industry focused in the development, production, registration and licensing of synthetic drugs, local anaesthetics and medical devices for the oral care sector, authorized by the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) and whose shares are listed on the Euronext Milan market organised and managed by Borsa Italiana S.p.A. (EXM: PRL), announced today the signing of agreements with 3M Company, a diversified technology company with a global presence with businesses in Safety and Industrial, Transportation and Electronics, Health Care and Consumer segments, whose shares are listed in the New York Stock Exchange (NYSE: MMM), for the acquisition of assets within the local anaesthesia dental business.

The asset purchase agreements provide for the acquisition by Pierrel for a purchase price of USD 70.0 million (the "**Purchase Price**") to be paid in cash to 3M on the closing date, for contracts, permits, including marketing authorizations, and intellectual property related to Ubistesin™, Xylestesin™ and Mepivastesin™ products (articaine, lidocaine and mepivacaine-containing products for local anaesthesia) used in dental care (the "**Assets**"). No employees, equipment or real estate will be transferred to Pierrel in the context of the transaction and, therefore, no additional financial information or details shall be disclosed with reference to the transactions and the Assets. In line with the market standards for similar transactions, the Purchase Price may be subject to subsequent adjustment.

The completion of the acquisition of the Assets by Pierrel pursuant to the agreements (the "**Closing**") remains subject to certain customary conditions (the "**Conditions Precedent**"), including the continued accuracy, subject to certain qualifications, of a customary set of representations and warranties made by 3M Company to Pierrel as of the Closing.

Subject to the fulfilment or waiver, where possible, of all the Conditions Precedent, the Closing will be executed in the third quarter of 2023.

Upon the Closing, Pierrel and 3M Company, or 3M Company's designated affiliates, will enter into transition agreements, at terms and conditions already agreed between the parties, whereby 3M Company or its designated affiliates shall provide to Pierrel several services with respect to the Assets (including manufacturing and distribution services) to facilitate the technology transfer and to support the business continuity.



To fund the acquisition of the Assets, it is expected that in the coming weeks Pierrel will start the process aimed at launching a rights issue for a maximum amount of Euro 70 million including premium share (the “**Rights Issue**”) whose completion is expected to come by the end of July 2023.

The launch of the Rights Issue will be subject to the approval of the relevant capital increase by the extraordinary shareholders’ meeting of Pierrel and to the authorization by CONSOB to publish the prospectus related to the offer and admission to trading on Euronext Milan of Pierrel’s new shares.

Completion of the Rights Issue is not a condition precedent to the completion of the acquisition of the Assets by Pierrel.

Fin Posillipo S.p.A., controlling shareholder of Pierrel, irrevocably committed to fully subscribe for its quota of the Rights Issue and any Pierrel’s shares remained unsubscribed on the last day of the rights’ auction.

Furthermore, Fin Posillipo S.p.A. granted a commitment letter to the benefit of 3M Company and Pierrel pursuant to which it agreed to fund Pierrel within and not later than July 28, 2023, subject to certain terms and conditions, for an amount up to USD 70.0 million by means of one or more advance payments (*versamento in conto aumento di capitale* or, as applicable, *versamento in conto futuro aumento di capitale*) in order to be Pierrel duly and timely funded with the financial resources necessary to pay the Purchase Price to 3M Company.

Raffaele Petrone, Chairman of the Board of Directors, of Pierrel declares: “*I am delighted to announce this agreement with 3M Company, an important step to accelerate Pierrel’s sustainable strategic growth. 3M dental local anesthetic products are well recognized brands which will enhance our Orabloc quality portfolio products*”.

Fulvio Citaredo, Chief Executive Officer at Pierrel, comments: “*The agreement with 3M Company represents a crucial step for global expansion Pierrel’s business. Our stand-alone strategic growth plan will be boosted by the implementation of this opportunity, perfectly fitting with the goal to expand sales of our own branded volumes on several different countries. We expect that, because of the increased sales volume resulting from the transaction, our revenues in fiscal year 2024 may double the amount estimated for the current fiscal year.*”

*At the end of the transition period with 3M Company, necessary to finalize the tech-transfer, Pierrel will be able to produce the Assets in its industrial plant of Capua which is still significantly increasing its production capability to meet the progressively growing demand we receive across markets.*

*The completion of the transaction will stimulate Pierrel’s managers and employees to a further commitment finalised to improve production quality standards, to deliver state-of-the-art anaesthetic solutions of top quality for patient safety and high client satisfaction and to expand our Company’s presence globally in order to achieve stronger results on a medium-long term so to favour and guarantee all stakeholders’ satisfaction”.*

Fabio Velotti, Chief Dental Officer at Pierrel, declares: “*The transaction with 3M Company will represent a unique opportunity for Pierrel to access into several new countries. Pierrel has the opportunity to grow its global market presence and to increase its company visibility on the dental product markets also thanks to the branded products*”.

\* \* \*

**Pierrel S.p.A.** is a pharmaceutical industry provider specializing in the development, production, registration and licensing of synthetic drugs - regional local anesthetics - and medical devices for the oral health sector. Based in Capua (CE), listed on the EXM market organized and managed by Borsa Italiana, Pierrel is



authorized by EMA (“European Medicines Agency”) and FDA (“Food and Drug Administration”) for the aseptic production of injectable drugs. After over seventy years of experience, Pierrel is one of the world's leading manufacturers of own-brand dental anesthetics, including Orabloc® marketed in most of the world markets, such as Canada, USA, Russia and Europe and with a significant market share in the USA. Real time information on the company and all press releases are available on the new website [www.pierrelgroup.com](http://www.pierrelgroup.com)

**For further information:**

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