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Oggetto : THE BOARDS OF DIRECTORS OF IMA
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PLAN FOR THE INCORPORATION OF
GIMA TT INTO IMA

Testo del comunicato

Vedi allegato.



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THE BOARDS OF DIRECTORS OF IMA AND GIMA TT APPROVE THE MERGER PLAN FOR THE INCORPORATION OF GIMA TT INTO IMA

Exchange Ratio set at 11.4 new IMA Shares for 100 GIMA TT Shares

Bologna, 11 June 2019 - The Boards of Directors of each of IMA - Industria Macchine Automatiche S.p.A. (“**IMA**”) and GIMA TT S.p.A. (“**GIMA TT**” and, together with IMA, the “**Companies Participating in the Merger**”), which met today in Ozzano dell’Emilia, examined and [unanimously] approved the merger plan (the “**Merger Plan**”) for the incorporation of GIMA TT into its parent company IMA (the “**Merger**” or the “**Transaction**”), as well as the preliminary documentation for the Merger. The Merger also received the favourable opinion of the committee composed of only independent directors of GIMA TT, in accordance with the provisions set forth in GIMA TT’s related party procedure (the “**Independent Committee**”).

RATIONALE FOR THE TRANSACTION

The Merger is primarily aimed at achieving the following objectives:

- (i) to create a company resulting from the Merger with a higher free float, both in terms of percentage of capital and value, with a consequent improvement in ease of trading of the shares and their attractiveness for investors. It is expected that GIMA TT’s shareholders will benefit from the Merger given that their shares have recently undergone, disregarding one-off effects that can be linked to specific events, a gradual reduction in the average trading value, accompanied by an increase in the volatility of Stock Market prices;
- (ii) to reduce the operating costs associated with maintaining two listed companies and simplify the ownership structure and corporate governance structure, resulting in synergies for the benefit of all shareholders; and
- (iii) to allow the management to devote itself fully to the operational management of the “tobacco” division, minimising distractions attributable to the recent volatility in the sector, which was not foreseeable at the time of GIMA TT’s listing in 2017. Such volatility, seen in the significant share price fluctuations of GIMA TT, is expected to be more manageable following the Merger. The Transaction will enable GIMA TT’s shareholders to remain economically exposed, albeit indirectly through their participation in IMA, to the dynamics of the tobacco-packaging sector, and specifically to GIMA TT’s performance.

TERMS AND CONDITIONS OF THE TRANSACTION

The exchange ratio (the “**Exchange Ratio**”) has been set in No. 11.4 IMA ordinary shares with a nominal value of Euro 0.52 for each No. 100 GIMA TT ordinary shares. There is no cash balance.

The Exchange Ratio involves a premium of (i) 8.5% over the closing price of GIMA TT on 11 June 2019 and of (ii) 6.8% on the weighted average price of the month preceding such date, taking into account the closing price of IMA on 11 June 2019 and equal to Euro 73.65.

In connection with the definition of the financial terms of the Merger, the Boards of Directors of the Companies Participating in the Merger have been assisted by financial advisors of proven standing,

namely Bank of America Merrill Lynch International DAC, Milan Branch (“**Bank of America Merrill Lynch**”), for IMA, and Equita SIM S.p.A. (“**Equita**”), for GIMA TT, have applied commonly used valuation methodologies for transactions between companies with similar characteristics to IMA and GIMA TT.

The Exchange Ratio was determined on the basis of evaluations resulting from the application of different methodologies in line with the best market practices (as applied both nationally and internationally), such as those based on the discounting of prospective cash flows, on Stock Market prices and on the target prices expressed by research analysts. For further detail describing the process and results of the evaluation methods applied, please refer to the reports to the respective extraordinary shareholders’ meetings issued by the Boards of Directors of the Companies Participating in the Merger.

The Merger Plan was drafted on the basis of the financial statements as of 31 December 2018 of the Companies Participating in the Merger, approved by the respective ordinary shareholders’ meetings on 30 April 2019 and have been used as reference financial statements for the Merger Plan as per the terms and requirements of Article 2501-*quater* of the Italian Civil Code.

As a result of the Merger, all ordinary shares of GIMA TT will be cancelled and exchanged for ordinary shares of IMA, except for ordinary shares of GIMA TT owned by IMA at the date of completion of the Merger, which will be cancelled but not exchanged. Therefore, the Merger will result in, on the date of its completion, the dissolution of GIMA TT. In addition, GIMA TT will cancel, without exchange, all treasury shares held at the date of completion of the Merger. For use in the Exchange Ratio, IMA will increase its share capital by issuing up to No. 4,002,726 new ordinary shares with a nominal value of Euro 0.52 each for a maximum nominal amount of Euro 2,081,417.52.

The ordinary shares of IMA that will be issued and assigned in exchange to the shareholders of GIMA TT will have the same dividend rights as the ordinary shares of IMA in circulation at the effective date of the Merger and will grant their holders rights equivalent to those of the holders of ordinary shares of IMA in circulation at the moment of the assignment.

Subject to the receipt of necessary authorizations, the IMA shares issued for use in the Merger will be listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the “**MTA**”), in the same way as its ordinary shares already in circulation and will be available in dematerialized form on the centralized administration system of Monte Titoli S.p.A. in compliance with applicable law.

The Merger will be considered valid and in full effect from the date of the last registration with the Bologna Company Registry as required by Article 2504-*bis* of the Italian Civil Code or from a later date indicated in the deed of Merger.

For accounting and tax purposes, the transactions recorded by GIMA TT will be accounted for on the financial statements of IMA starting from 1 January of the year in which the Merger is effective.

Since IMA will increase its share capital by means of issuing up ordinary shares in connection with the Merger, IMA’s extraordinary shareholders’ meeting called to approve the Merger will be convened to also approve the amendment of its by-laws in relation to the section relating to its share capital.

With respect to the rules on the increase in voting rights:

- a) the newly issued shares of IMA that will be allotted in exchange to the shareholders of GIMA TT whose increased voting rights have already matured will automatically be granted increased voting rights in IMA on the effective date of the Merger, and therefore without the need to restart the period of continuous ownership;
- b) the newly issued shares of IMA that will be allotted to the shareholders of GIMA TT whose increased voting rights have not already matured with respect to their shares of GIMA TT on the effective date of the Merger will be deemed to have been entered on the special list provided for by Article 6 of IMA’s by-laws as from the date of entry on the special list provided for by

Article 6 of GIMA TT's by-laws and will consequently acquire increased voting rights in IMA upon the additional conditions required by Article 6 of IMA's by-laws for the purpose of increased voting rights being met.

A service to enable the shares exchanged to be rounded down or up to the next unit in accordance with the Exchange Ratio, without any charge, stamp duty or commission will be made available to the shareholders of GIMA TT. Alternatively, different methods can be used to ensure the overall balance of the transaction.

SHAREHOLDING STRUCTURE OF THE INCORPORATING COMPANY AFTER THE MERGER

On the basis of the information available to date, the shareholders holding more than 3% of IMA's share capital, as a result of the Merger, will be as follows:

Shareholder	% on ordinary share capital
SO.FI.M.A. SPA	51.53%
Market	48.47%

CONDITIONS OF THE TRANSACTION

The completion of the Merger is subject not only to the approval by the extraordinary shareholders' meetings of IMA and GIMA TT, but also to the fulfilment of the following conditions:

- (i) issuance of a favourable opinion on the adequacy of the Exchange Ratio by the common expert;
- (ii) the admission to trading of IMA ordinary shares issued in connection with the Merger on the MTA by Borsa Italiana S.p.A.; and
- (iii) that, by the date of the signing of the deed of Merger, no events or circumstances have occurred that have or could have a materially negative impact on the businesses, the legal relationships, the liabilities and/or the operating results of the Companies Participating in the Merger or such as to alter the risk profile or the valuations on which the Exchange Ratio is based.

TIMING

The extraordinary shareholders' meetings for the approval of the Merger Plan are expected to be held on or before 31 August 2019, after the publication of the relevant information required by law.

The Merger is expected to be completed by the end of the current year.

WITHDRAWAL

The resolutions approving the Merger and the related amendments to IMA's by-laws will not give rise to any right of withdrawal for the shareholders who have not voted in favour of said resolutions, since: (i) pursuant to Article 2437-*quinquies* of the Italian Civil Code, IMA's shares will continue to be listed on the MTA; and (ii) pursuant to Article 2437, paragraph 1, letter a) of the Italian Civil Code, following the Merger, there will be no "change in the corporate purpose clause" integrating "a significant change in the activity" of the Companies Participating in the Merger.

RELATED PARTIES

With regard to IMA, the Merger falls outside the application of the corporate procedure for transactions with related parties, as it is a transaction carried out with a subsidiary in which there are no significant interests of other related parties.

With regard to GIMA TT, the Merger constitutes a transaction with related parties that requires the application of the specific company procedure for transactions with related parties, since it is being entered into with the controlling shareholder of GIMA TT. Moreover, given its size, the Merger is considered “of major importance”. Consequently, the Merger Plan was approved by GIMA TT’s Board of Directors after receiving a unanimously favourable opinion of the Independent Committee in the execution of the Merger as well as on the procedural and substantive convenience and fairness of the terms and conditions of the Merger, issued unanimously on 10 June 2019. This Committee was assisted by Prof. Francesco Denozza, as independent legal advisor, and by Houlihan Lokey, as independent financial advisor, who on 7 June 2019 issued a fairness opinion on the Exchange Ratio, confirming that it was reasonable from a financial point of view.

GIMA TT will make the information document required by Article 5 of Consob Regulation No. 17221/2010 on related party transaction available to the public at its registered office on the website www.gimatt.it and at the authorized storage mechanism “eMarketStorage” (www.emarketstorage.it) within seven days.

IMPORTANT INFORMATION FOR U.S. HOLDERS REGARDING ELIGIBILITY TO RECEIVE SHARES

GIMA TT shareholders that are resident in, located in or otherwise subject to the securities laws of the United States, and any persons that have a contractual or legal obligation to forward this document to any such GIMA TT shareholder should read this section.

Notwithstanding anything in the foregoing, with respect to GIMA TT shareholders who are resident in, located in or otherwise subject to the securities laws of the United States, the Companies Participating in the Merger are investigating the availability of and intending to structure any issuance and exchange of shares issued by IMA in connection with the Merger (the “**New Shares**”) in the following fashion:

- for any investors who qualify as “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act of 1933 (the “Securities Act”) (such investors, “**Eligible Investors**”), the exchange will be structured as a private placement between such Eligible Investor and IMA, so long as such Eligible Investor provides the Companies Participating in the Merger, within the terms which shall be separately indicated by the Companies Participating in the Merger in the manner and under the terms of the law, an appropriate declaration of eligibility (the “**Declaration of Eligibility**”) in the form which shall be made available on the GIMA TT website;

- for any investors who do not qualify as Eligible Investors (any such U.S. holder of GIMA TT shares, an “**Ineligible Holder**”), Companies Participating in the Merger intend to set up a “vendor placement” arrangement. If it is determined that such arrangement is available, the Companies Participating in the Merger reserve the right to structure the exchange of shares in a manner whereby the Ineligible Holders would not receive New Shares, but instead receive net cash proceeds from the sale of the New Shares that they would otherwise be entitled to receive.

Each GIMA TT shareholder or any entity who holds GIMA TT shares for the account of a beneficial holder who has an address of record inside the United States and who fails to deliver a completed Declaration of Eligibility by a fixed eligibility deadline and any other information requested, to the satisfaction of the Companies Participating in the Merger, may be deemed to be an Ineligible Holder.

GIMA TT shareholders that are resident in, located in or otherwise subject to the securities laws of the United States should consult their own legal, financial, tax or other professional advisors about the

specific tax consequences of the distribution or disposition of the shares to which they are entitled and payment of the net proceeds thereof, if any.

ADVISORS

In relation to the Merger, IMA has been assisted by:

- Bank of America Merrill Lynch, as financial advisor to the Board of Directors;
- White & Case, as legal advisor.

In relation to the Merger, GIMA TT has been assisted by:

- Equita, as financial advisor to the Board of Directors;
- White & Case as legal advisor;
- Houlihan Lokey S.p.A., as financial advisor to the Independent Committee; and
- Prof. Francesco Denozza, as legal advisor to the Independent Committee

The Merger Plan, the financial statements of IMA and GIMA TT as of 31 December 2018, the illustrative reports prepared by the Board of Directors of IMA and GIMA TT as per the terms of Article 2501-*quinquies* of the Italian Civil Code, the opinion attesting the fairness of the Exchange Ratio given by the common expert to be appointed as per the terms of Article 2501-*sexies*, paragraphs 1, 3 and 4, of the Italian Civil Code, together with the rest of the documentation required by law will be published in accordance with the applicable laws and regulations.

IMA and GIMA TT contacts:

Investor Relations

Andrea Baldani

Tel.: +39 051 783111

e-mail: baldania@ima.it

Stefano Cavallari

Tel: +39 051 6525111

e-mail: investor.relations@gimatt.it

Press Office

Maria Antonia Mantovani

Tel.: +39 051 783283

e-mail: antonia.mantovani@ima.it

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