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PRESS RELEASE

Generali and Cattolica announce the launch of a strategic partnership

Generali commits to becoming a major shareholder, acquiring 24.4% of Cattolica, through a reserved share capital increase for € 300 million, subject to the transformation of Cattolica into a joint-stock company (*Società per Azioni*)

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Agreement on 4 business areas: Asset Management, Internet of Things, Health and Reinsurance

Profitable growth opportunities in services for P&C customers and asset management in Italy

Milan and Verona. The Board of Directors of Assicurazioni Generali, chaired by Gabriele Galateri di Genola, and Cattolica's Board of Directors, chaired by Paolo Bedoni, approved the launch of a strategic partnership between the Generali Group and the Cattolica Group.

The strategic partnership is based on 3 pillars:

- **industrial and commercial agreements** - capable of immediately generating opportunities and direct benefits for the two groups in 4 strategic business areas: Asset Management, Internet of Things, Health Business and Reinsurance. The execution of these agreements is fundamental in creating the strategic partnership;
- **share capital increase** - with Generali's commitment to subscribe a share capital increase, without option rights, for € 300 million, subject to the approval of the transformation into a joint-stock company (*Società per Azioni*) and certain statutory amendments relevant to the governance structure of Cattolica. Generali would become a major shareholder with a 24.4% stake. Generali will also have the option to subscribe, on a pro-rata basis, the subsequent capital increase, optioned for all shareholders, for an additional maximum amount of € 200 million;
- **legal structure and governance** - the agreement requires (1) Cattolica's transformation from a cooperative entity to a joint-stock company (*Società per Azioni*), with effect from 1 April 2021, and (2) the adoption of statutory amendments to protect the investment (in force until the transformation's effective date) as binding conditions for Generali becoming a major shareholder of Cattolica.



Commercial agreements

The partnership envisages four business and commercial initiatives that represent important profitable growth opportunities in services for customers in the P&C segment and in the asset management segment, leveraging Generali's competencies and capabilities in investment management, digital innovation and health services. This will allow Cattolica to expand and improve the offer to its customers with new and innovative auxiliary services.

In particular, the agreements, which have a multi-year duration, provide for the following:

Asset Management: management by Generali Asset Management of a portion of Cattolica's investment portfolio, with the objective of increasing efficiency, leveraging on specialised competencies and expertise;

Internet of Things: Generali's offer to Cattolica customers of the innovative IOT platform developed by Generali Jeniot to grow the telematics business for cars, homes, pets and companies;

Health Business: extension of Generali Welion's innovative health services, currently not part of Cattolica's product offer, to Cattolica's customers and the outsourcing to Generali Welion part of Cattolica's settlement and assistance services;

Reinsurance: collaboration agreement between Cattolica and Generali, with Generali as the main partner regarding a portion of risks to be reinsured.

Share capital increase

The transaction entails Generali becoming a major shareholder of Cattolica, upon meeting certain conditions, through the subscription of a share capital increase, without option rights, for a total of € 300 million. This transaction would allow Generali to obtain a 24.4% stake in Cattolica (calculated excluding treasury shares). The share capital increase reserved to Generali, without option rights, provides for the issue of 54,054 million shares of Cattolica at an issue price of € 5.55 per share.

In addition to the share capital increase of € 300 million, Cattolica is also planning to approve a share capital increase, optioned for all shareholders, for a maximum amount of € 200 million to be carried out subsequently, in order to complete the strengthening of its capital position, as required by the Regulatory Authorities.

Specifically, the Cattolica Board of Directors is expected to convene the Extraordinary Shareholders' Meeting, to be held no later than July 31st, to approve the transformation of the company into a joint-stock company (*Società per Azioni*) and the related amendments of the Articles of Association.

The Board of Directors of Cattolica will approve the following by July 15:

- the first tranche of the capital increase (for €300 million) reserved for Generali with new shares issued at the above mentioned price of €5.55 per share;
- the second tranche of the capital increase (for €200 million) with option rights.

Legal Structure - Governance

The subscription of the reserved share capital increase requires:



- prior approval of the transformation of Cattolica into a joint-stock company, *Società per Azioni*, (with effect deferred to 1 April 2021);
- prior obtainment of all of the authorisations and/or approvals necessary from the competent authorities; and
- prior adoption by Cattolica of certain statutory amendments designed to protect Generali's rights from the moment of the subscription of the share capital increase, without option rights, until the effective date of the transformation; these amendments include Generali's veto right in Shareholders' Meetings and in the Board of Directors regarding certain pertinent matters to protect Generali's financial interests as investor and partner of Cattolica as well as the appointment of 3 members of the Board of Directors, all of which will be fully described in the communications that will be issued pursuant to applicable legislative and regulatory requirements.

Marco Sesana, Country Manager & CEO of Generali Italia and Global Business Lines, commented: *"The strategic partnership with Cattolica represents a unique opportunity currently in Italy for profitable growth in asset management and innovative services for P&C customer services, pillars of our 2021 Life-time Partner strategy. This allows us to extend our health and telematic services to the more than 3.5 million Cattolica customers, thanks to the innovative platforms of Generali Welion and Generali Jeniot. Becoming a major shareholder represents an opportunity to be part of Cattolica's financial strengthening and its transformation into a joint-stock company."*

Paolo Bedoni, Chairman of Cattolica Assicurazioni, and **Carlo Ferraresi**, General Manager declared: *"The strategic partnership with the Generali Group represents an important project in Cattolica's history which, with the objective of maintaining the focus on local territories, customers and employees, offers an important opportunity to create value for members and shareholders."*

Through this agreement, the Cattolica Group will provide benefits for its customers in terms of new and innovative services from the Generali Group, and will be able to reinforce its capital position."

Generali was supported in the transaction by Rothschild & Co. as financial advisor, by Gianni Origoni Grippo & Partners as legal advisor and by the Tremonti & Associati law firm.

Cattolica was supported in the transaction by the KPMG Corporate Finance Division of KPMG Advisory S.p.A. as financial advisor, while the law office of Attorney Mario Cera, acted as legal advisor.

THE GENERALI GROUP

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in 50 countries in the world, with a total premium income of more than € 69.7 billion in 2019. With nearly 72,000 employees serving 61 million customers, the Group has a leading position in Europe and a growing presence in Asia and Latin America. Generali's ambition is to be the "Life-time Partner" to its customers, offering innovative and personalized solutions thanks to an unmatched distribution network.

CATTOLICA GROUP

Cattolica Assicurazioni is one of the largest entities in the Italian insurance market and the only cooperative insurance company listed on the Milan stock exchange, where it has been included since November 2000. With more than 3.5 million customers who rely on its insurance solutions and distributed products, the Group posted total premiums of almost € 7 billion (2019). At Group level, Cattolica has 1,389 agencies throughout Italy, in both large and small communities, and a network of 1,886 agents. For more information: www.cattolica.it/en/profile



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Numero di Pagine: 6