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Testo del comunicato

Vedi allegato.

DANIELI & C. OFFICINE MECCANICHE S.p.A.

Buttrio (UD) - via Nazionale n. 41

Fully-Paid Share Capital of Euro 81,304,566

Tax Code and Registration Number with the Register of Companies of Udine: 00167460302

www.danieli.com

PRESS RELEASE

DANIELI GROUP

The Board of Directors of Danieli & C. Officine Meccaniche S.p.A. (hereinafter “Danieli” or the “Company”), which met today to approve the draft Financial Statements at June 30, 2020, also resolved to submit the following proposal to the Extraordinary Shareholders’ Meeting:

- the Compulsory Conversion of savings shares into ordinary shares, on the basis of a conversion ratio equal to 0.65 ordinary shares for each savings share (hereinafter referred to as the “Conversion” or “Transaction”);
- the distribution of an extraordinary dividend equal to Euro 1.20 for each existing and newly issued ordinary share resulting after the conversion.

Since 1986, the structure of the share capital of Danieli has been divided into ordinary shares and savings shares in an almost equal percentage (50.28% ordinary shares and 49.72% savings shares).

The proposal to convert savings shares into ordinary shares occurs in a context characterized by a progressive decline in the market interest towards the instrument of savings shares.

Moreover, the members of the Board of Directors unanimously think that the conversion will bring:

- greater governance transparency as a result of the adoption of only one category of shares with the same rights and the same price, and consequently fully aligning the interests of all shareholders;
- increase in the ordinary market capitalization with consequent greater weight on the indexes and portfolio of institutional investors;
- reduction in corporate formalities and in the costs connected to the existence of different categories of shares;
- an increase in the share liquidity for both the existing ordinary shareholders and the savings shareholders post-Conversion.

The new structure of the share capital expressed in a more simplified and rational way will enable investors to better evaluate the Company on the basis of the economic and financial parameters of its activities, since it will be possible for them to follow the trend of only one category of shares more easily in the course of the Company’s present and future industrial expansion initiatives.

In addition, the Board of Directors resolved to submit to the approval of the Extraordinary Shareholders’ Meeting the following proposals:

- amendment of articles 6 and 28 of the Company Charter to renew the authorizations – whose five-year term has expired - to the Board of Directors to increase the share capital and issue bonds (art. 6), and to bring the transitional clause in line with the recent legislative changes that have been introduced by Law n. 160 of December 27, 2019 concerning balance between genders in the management and control bodies of companies (art. 28);
- elimination of the nominal unit value of ordinary and savings shares in circulation with the consequent amendments to the Company Charter;
- introduction of the increased voting rights for ordinary shares.

The Board of Directors will convene - within the time limits required by law - both the Company Ordinary and Extraordinary Shareholders Meeting which will be held in a single call at the Company's registered offices on October 28, 2020 at 11 a.m., to deliberate on the following agenda:

1. The amendment of the Company Charter: art. 6 ("Share Capital" and renewal of the expired authorizations – whose five-year term has expired - to the Board of Directors to increase the share capital and issue bonds) and art. 28 (Transitional Clause) due to the recent legislative changes.
2. The elimination of the nominal unit value of ordinary and savings shares in circulation. Consequent amendments to the Company Charter. Related and consequent resolutions.
3. The compulsory conversion of savings shares into ordinary shares. Amendment of Articles 6, 7 and 24 of the Company Charter.
4. The introduction of the increased voting rights and consequent amendment of art. 7 ("Shares") of the Company Charter, whose effectiveness will be subject to the execution of the compulsory conversion of savings shares into ordinary shares.
5. The distribution of corporate reserves by way of extraordinary dividend, subject to the execution of the compulsory conversion of savings shares into ordinary shares.

With regard to the other items on the agenda of the Ordinary Shareholders' Meeting, please refer to the further press release published hereby at the same time.

The Board of Directors will also convene, -within the time limits required by law, the Special Meeting of Savings Shareholders, which will be held in a single call at the Company's registered offices on October 28, 2020 at 2 p.m., and in any case at the end of the Ordinary Shareholders' Meeting, to deliberate on the following agenda:

- 1) Compulsory conversion of savings shares into ordinary shares. Related and consequent resolutions.

As regards the proposal to eliminate the nominal unit value of ordinary and savings shares in circulation, the Board of Directors believes that the lack of indication of the nominal value of shares in the Company Charter constitutes an instrument of great flexibility and administrative simplification in favour of the Company. This consideration is also supported by the fact that the proposed amendment has already been adopted by a considerable number of issuing companies listed on a regulated market and that the best practice leads the newly listed companies, upon the listing of their shares, to choose the issuing of shares without indicating their nominal value.

The Conversion, if approved by the Extraordinary Shareholders' Meeting, will be effective on condition that:

- 1) the Conversion is approved also at the Special Meeting of Savings Shareholders;
- 2) the amount that will be paid to those who have exercised the right of withdrawal does not exceed the amount of Euro 20.000.000,0 at the end of the period of option and pre-emption offer to the Danieli shareholders of the shares of the withdrawing savings shareholders pursuant to art. 2437-quater, paragraphs 1 and 2 of the civil code. This condition is imposed exclusively in the interest of the Company which, therefore, will be entitled to waive this right.

The Conversion will be addressed to all savings shareholders.

The Board of Directors resolved to propose the Compulsory Conversion on the basis of the Conversion Premium composed of the Conversion Ratio – represented, for each savings share, by n. 0.65 Danieli ordinary shares for each savings share - and by the Extraordinary Dividend equal to Euro 1.20 for each ordinary share already in circulation and for each newly issued ordinary share. The distribution of the extraordinary dividend will be performed subject to execution of the Conversion. The reason underlying the distribution of the extraordinary dividend is the recognition of a premium to all the shareholders for the successful outcome of the Conversion.

The Board of Directors determined the economics aspects of the conversion- which include the conversion ratio equal to 0.65 ordinary shares for each savings share as well as the extraordinary dividend which is subject to the execution of the conversion - also on the basis of the report of the independent financial advisor Equita SIM S.p.A. and incorporates an implicit premium on the price of shares equal to:

- 18.23% with respect to the latest stock market closing price on 23.09.2020
- 16.15% with respect to the average price of the last month;
- 17.20% with respect to the average price of the last three months;
- 19.47% with respect to the average price of the last six months.

In case of full conversion of the savings shares, the Transaction will result in a dilution of the voting rights of the ordinary shareholders equal to approximately 38.5%; whereas, if the withdrawing shareholders reached the maximum number provided for, the dilution would be equal to approximately 36.6%.

In light of the fact that the resolution which approves the Conversion entails a change in the Company Charter concerning the voting and participation rights of the savings shareholders, the latter, should they not approve the resolution adopted during the Special Meeting of the Savings Shareholders, will be entitled to exercise the right of withdrawal pursuant to article 2437, first paragraph, letter g), of the Italian civil code. The liquidation value of each savings share was calculated in accordance with article 2437-ter of the Italian Civil Code and established by the Board of Directors at Euro 7,0401 equivalent to the arithmetic average of the stock market closing prices of savings shares in the six months preceding the publication of the notice of call of the Special Meeting of Savings Shareholders.

The effective date of the execution of the Conversion will be agreed with the Italian Stock Exchange (Borsa Italiana S.p.A.) and made public as provided by the applicable legislation. On the same occasion, the Company will disclose details on the procedures for the assignment of the ordinary shares resulting from the conversion ratio and the management of the remaining fractions of shares resulting from the Conversion. On the same date, the savings shares will be

withdrawn from listing on the Italian Electronic Stock Market (MTA), and the ordinary shares resulting from the Conversion will be admitted to trading on the MTA, organized and managed by Borsa Italiana S.p.A.

It should be noted that the Conversion is aimed at simplifying the structure of the Company's share capital, at increasing the liquidity of shares on the market and the proportion of free float ordinary shares, and finally at rationalizing the Company's governance, thereby aligning all the shareholders' rights.

The proposal for the introduction in the Company Charter of a mechanism for increasing the voting rights attributed to ordinary shares, pursuant to art. 127-quinquies of Legislative Decree n. 58 of February 24, 1998, i.e. the possibility for a shareholder – as a result of the uninterrupted holding of the Company's ordinary shares for 24 months – to be entitled to two votes per share instead of only one, is aimed at rewarding and encouraging long-term investments in the share capital of Danieli, by giving more weight in the decisions relating to the Company to the shareholders who intend to be part of its shareholding structure in a stable manner.

The details and complete documentation relating to the above-mentioned proposals for shareholders' meeting resolutions will be made available to the public within the terms and with the modalities provided for by the applicable law.

Finally, we inform you that Danieli is assisted by Equita SIM S.p.A. in its capacity as financial advisor in relation to the Conversion, by the law firm Bonelli Errede in its capacity as legal advisor, and by the company Georgesson as global information agent.

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