



**Esselunga Group:
Project for the Merger by incorporation of Supermarkets Italiani S.p.A. and Superit
Finco S.p.A. into Esselunga S.p.A.**

The Board of Directors of Esselunga S.p.A. approved today the Project for the Merger (“Merger”) by incorporation of Supermarkets Italiani S.p.A. and Superit Finco S.p.A. into Esselunga S.p.A.

The Merger, announced by the March 21 2020 release, will streamline the control chain of Esselunga Group, which is now fully owned by Giuliana Albera Caprotti and Marina Sylvia Caprotti, ultimate owners of Superit Finco too.

Due to the Merger, Esselunga will assume the debt incurred for the acquisition of the 30% stake in Supermarkets Italiani, through a reverse merger.

The Merger Plan (“Plan”) of the resulting entity has been drafted by the Boards of the merging entities, based on the following assumptions:

- a) the Plan is based on the 2019-2023 Business Plan approved by the Esselunga Board in 2019 and announced by the June 25 2019 release (“Business Plan”);
- b) the Plan takes into account the FY2019 consolidated results, the 2020 budget with a lower level of capex and with additional COVID-19 costs, the adjustments for the 2021-2023 period and the Merger costs;
- c) the time frame of the Plan is the 2020 - 2027 period, in line with the repayment date of the financial debt of the merging entities. Specifically, the 2024 – 2027 forecasts have been carried forward out on the same strategic goals and assumptions of the Business Plan;
- d) the Plan has been compiled according to the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS), consistently with the FY2019 consolidated financial report of Esselunga Group.

The projections of the resulting entity of the Merger are reported in the following charts:

Income Statement

<i>Eur/ million</i>	FY 2019 PF ^(A)	FY 2023	FY 2027
Sales	8.142	8.843	9.572
Operating costs and sales adjustments	-7.468	-8.146	-8.823
EBITDA ^(B)	674	697	749
Net Profit	250	207	236

Net Financial Position

<i>Eur/ million</i>	31.12.2019 PF ^(A)	31.12.2023	31.12.2027
Bonds	-986	-497	0
Bridge Facility	-549	0	0
Acquisition Facility	-765	-776	0
2027 Refinancing	0	0	-499
Supermarkets Italiani S.p.A.Facilities	-300	0	0
Financial leases [ex IAS 17]	-364	-241	-148
Operating Leases [IFRS 16]	-360	-580	-469
Cash and Fidaty Oro receivables	1.250	438	124
Net Financial Position	-2.072	-1.656	-992

(A) Proforma figures for illustrative purpose, i.e. the "31.12.2019" figures include the sum of the FY 2019 Supermarkets Italiani consolidated financial statements and the FY 2019 standalone accounts of Superit Finco S.p.A.

(B) EBITDA includes the effect of fair value accounting of prize-giving promotions and the effect relating to the application of IFRS 16 Leases

For accounting purposes, pursuant to the article 2504-*bis*, paragraph 3 of the Italian Civil Code, the financial statements of the resulting entity will include the Merger effects from the first day of the year, in which the Merger will come into force. The Merger process is expected to be finalized by the end of February 2021.

This release includes forward-looking statements. The forward-looking statements are prepared by and based on unaudited management estimates. While Esselunga believes the forward-looking statements to be reasonable, it cannot provide any assurance with respect to such statements and variations from the estimates could be material. As such, investors should not place undue reliance on the forward-looking statements and such forward-looking statements should not be regarded as an indication that such statements will be an accurate prediction of future events. Esselunga undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

This release includes some proforma figures. Such proforma figures have been provided for illustrative purposes only and are based on certain assumptions and judgements based on the information available to Esselunga, which may not be necessarily applicable on the reported date.

Limite di Pioltello, 12 November 2020

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ESSELUNGA is one of the leading Italian chains in the large-scale retailing sector, operating through a network of 163 stores in Lombardy, Tuscany, Emilia Romagna, Piedmont, Veneto, Liguria and Lazio. Esselunga was founded in 1957 with the opening in Milan of the first supermarket in Italy. Today the company has over 24,000 employees and more than € 8 billion revenue.