

Barcelona, 4 December 2018

SIGNIFICANT EVENT

Almirall announces the refinancing of its €400 MM bridge-loan through the launch of a €250 MM issue of senior unsecured conditionally convertible bonds due 2021 and a €150 MM club bank deal syndicated loan

Almirall, S.A. (“**Almirall**” or the “**Issuer**”), pursuant to article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on market abuse and article 226 of the Restated Text of the Securities Market Act approved by the Royal Legislative Decree 4/2015, of 23 October and related provisions, hereby announces that:

The Board of Directors of Almirall has resolved to carry out an issue of €250 MM in aggregate principal amount of senior unsecured bonds due 2021 (the “**Bonds**” and the “**Issue**”, respectively), which may be re-designated as senior unsecured bonds convertible into or exchangeable for new and/or existing ordinary shares of Almirall (the “**Shares**”) provided that the Convertibility Conditions (as defined below) are satisfied.

The re-designation of the Bonds will be conditional upon the approval by a General Meeting of the Issuer to be held no later than 30 June 2019 (the “**General Meeting**”) of the increase in share capital of the Issuer and disapplication of preferential subscription rights to re-designate the Bonds as senior unsecured convertible bonds and to enable the issue of Shares on conversion of the Bonds pursuant to Spanish company law requirements (the “**Shareholders’ Resolutions**”), the registration with the Mercantile Registry of the Issuer’s registered office of the public deed amending the Issue (the “**Convertibility Conditions**”) and notification thereof specifying the re-designation date (the “**Re-designation Date**”) having been given to bondholders. Grupo Plafin, S.A.U. and Grupo Corporativo Landon, S.L., holding in aggregate 66.297% of the share capital of Almirall, are supportive of the Board of Directors’ decision to launch the Issue and are expected to vote in favour of the Shareholders’ Resolutions.

The Board of Directors of Almirall has established the main characteristics of the Issue. However, the final terms and conditions of the Bonds will be determined once the accelerated bookbuilding process has been completed, for which Almirall has appointed JP Morgan, acting as Sole Global Coordinator and Sole Bookrunner, to carry out an accelerated bookbuilding process in order to obtain commitments from qualified investors for the subscription of the Bonds.

The accelerated bookbuilding process in relation to the Issue will begin immediately after the publication of this announcement.

Almirall intends to use the net proceeds from the Issue, together with the proceeds from a new €150 MM (bullet 5 years) senior unsecured Club Bank Deal syndicated loan led by BBVA, to repay in full its €400 MM bridge loan incurred for the acquisition of a portfolio of five products from Allergan’s Medical Dermatology unit in the United States of America announced through a significant event notice on 21 September 2018 (registry number 269,787).

Almirall intends to execute this Issue together with an equity neutral strategy in order to minimize potential dilution of current shareholders. Almirall has the intention to accelerate the building of its treasury stock position.

The main terms and conditions of the Issue are as follows:

- a. The aggregate principal amount of the Bonds will be TWO HUNDRED AND FIFTY MILLION EUROS (€250,000,000).
- b. The Bonds will mature on the third anniversary of the Closing Date, as this term is defined below (“**Final Maturity Date**”). On the Final Maturity Date those Bonds which remain outstanding will be redeemed at their principal amount.
- c. The Issue will be targeted at qualified investors pursuant to Regulation S of the US Securities Act of 1933.
- d. The Bonds will each have a principal amount of one hundred thousand euros (€100,000) and will be issued at 100% of their principal amount. The Bonds will constitute a single series and will initially be represented by a global bond in registered form. A register of the names and addresses of the bondholders will be kept by a financial entity appointed for this purpose.
- e. The Bonds will bear a fixed coupon, payable semi-annually in arrear in June and December in each year, commencing in June 2019. The interest rate, which will be set once the accelerated bookbuilding process has concluded, is expected to be between 0.00% and 0.50%.
- f. Following the date specified as the Re-designation Date and subject to the Convertibility Conditions having been satisfied, the Bonds will be convertible into newly-issued and/or existing Shares (as Almirall may decide), at the option of bondholders, at a conversion price which will, initially, be the result of adding together:
 - (i) the reference price of a Share, determined as the volume weighted average price of a Share on the Spanish Stock Exchanges (*Bolsas de Valores*) during the period between opening and closing of trading today; and
 - (ii) a conversion premium to be established as a result of the accelerated bookbuilding process. The conversion premium is expected to be between 25% and 30% above the volume weighted average price of a Share referred to in paragraph (i) above. The initial conversion price is subject to customary anti-dilution adjustments.
- g. Almirall may, following the date specified as the Re-designation Date and subject to the Convertibility Conditions having been satisfied, redeem the Bonds in whole but not in part at their principal amount plus accrued and unpaid interest, if (a) on or after the date that falls 2 years and 21 days from the Closing Date, the aggregate value of the underlying Shares per Bond (calculated as set out in the terms and conditions), during a specified period of time, exceeds €125,000 or (b) at any time, less than 15% of the aggregate principal amount of the Bonds issued remains outstanding.
- h. If the Shareholders’ Resolutions are proposed but not passed by a General Meeting or the Shareholders’ Resolutions are proposed and passed at a General Meeting but the rest of the Convertibility Conditions are not satisfied within the time frame

specified in the terms and conditions, the Issuer may, in accordance with the terms and conditions by giving notice to the bondholders, elect to redeem all but not some only of the Bonds, at the greater of (i) 102% of the principal amount of the Bonds, together with accrued and unpaid interest, and (ii) 102% of the fair bond value of the Bonds (calculated as set out in the terms and conditions), together with accrued and unpaid interest.

- i. Moreover, if a notice of re-designation has not been given to Bondholders within the time frame specified in the terms and conditions and provided that the Issuer has not otherwise given notice to redeem the Bonds pursuant to the paragraph above, a bondholder may on giving notice, require the redemption of its Bonds at the greater of (i) 102% of the principal amount of such Bonds, together with accrued and unpaid interest and (ii) 102% of the fair bond value of such Bonds (calculated as set out in the terms and conditions), together with accrued and unpaid interest.
- j. Additionally, at any time, a bondholder may, on giving notice within a specified period, require the redemption of its Bonds at their principal amount, together with accrued and unpaid interest, in the event of a change of control of the Issuer or a reduction of the free float of the Issuer below a certain threshold and, if any of these situations had occurred before the date specified as the Re-designation Date, at the greater of the (i) principal amount of such Bonds, together with accrued and unpaid interest, and (ii) the fair bond value of such Bonds (calculated as set out in the terms and conditions), together with accrued and unpaid interest.
- k. The Issuer will be liable for the fulfilment of its obligations under the Issue with all its present and future assets. The Issue does not have any in rem guarantee created over any asset or right owned by the Issuer nor any personal guarantee provided by a third-party.
- l. The capacity of Almirall to carry out the Issue as well as its corresponding corporate resolutions and the status of the Bonds, will be governed by Spanish law. Except for the foregoing, the terms and conditions of the Bonds, including any non-contractual obligations in connection therewith, will be governed by English law.
- m. Almirall and its subsidiaries are subject to a 90-day lock-up undertaking, for a period commencing on the date hereof and ending 90 calendar days after the Closing Date, whereby they will undertake not to carry out any issue, offer or sale of Shares and other securities convertible into and/or exchangeable for Shares, subject to customary exceptions. Grupo Plafin, S.A.U. and Grupo Corporativo Landon, S.L. have also agreed to a lock-up undertaking in relation to their Shares for a period commencing on the date hereof and ending on the earlier of (i) 30 June 2019, or (ii) the date specified as the Re-designation Date and provided that the Convertibility Conditions have been satisfied, subject to a minimum lock-up period of 90 calendar days after the Closing Date.
- n. The Issuer intends to seek admission to trading for the Bonds on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange by no later than 90 days after the Closing Date.

The final terms and conditions of the Bonds are expected to be set today, upon conclusion of the accelerated bookbuilding process. In connection with the Issue, Almirall is expected to enter into a subscription agreement with JP Morgan as Sole Global Coordinator and Sole Bookrunner (the “**Subscription Agreement**”), which will be governed by English law.

The subscription and settlement of the Bonds is expected to take place on or around 14 December 2018 (the “**Closing Date**”), provided that the applicable conditions precedent as set out in the Subscription Agreement are fulfilled.

Yours sincerely,

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