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VOLUNTARY TENDER OFFER FOR ALL THE ORDINARY SHARES OF PANARIAGROUP INDUSTRIE CERAMICHE S.P.A. LAUNCHED BY FINPANARIA S.P.A.

Notice given in accordance with Article 102, paragraph 1, of the Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the “Consolidated Financial Act” or “CFA”) and Article 37 of the Regulation issued by CONSOB with Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (“Issuers’ Regulation”), concerning the voluntary tender offer for all the ordinary shares of Panariagroup Industrie Ceramiche S.p.A. launched by Finpanaria S.p.A.

Sassuolo (MO), 31 March 2021 – Pursuant to and for the purposes of Article 102, paragraph 1, of the CFA and Article 37 of the Issuers’ Regulations, Finpanaria S.p.A. (“**Finpanaria**” or the “**Offeror**”) hereby announces (the “**Notice**”) that it has made the decision to launch a voluntary tender offer under Articles 102 *et seq.* of the CFA (the “**Offer**”) aimed at: (i) acquiring all of the ordinary shares (ISIN Code: IT0001467577) (the “**Shares**”) of Panariagroup Industrie Ceramiche S.p.A. (“**Panaria**”, the “**Issuer**” or the “**Company**”) – other than (a) 31,431,869 Shares held by the Offeror, representing 69.301% of the Issuer’s share capital¹, (b) 1,702,782 Shares held by the Persons Acting in Concert with the Offeror (as defined below), representing 3.75% of the Issuer’s share capital and (c) 432,234 Panaria’s treasury shares, representing 0.95% of the Issuer’s share capital – amounting to 11,788,406 of the Issuer’s ordinary Shares, with a nominal value of Euro 0,50, representing 25.99% of the Issuer’s share capital (“**Offer Shares**”); and (ii) delisting the Shares from the *Mercato Telematico Azionario* (“**MTA**”), STAR segment (“**STAR Segment**”), organised and managed by Borsa Italiana S.p.A. (“**Borsa Italiana**”, and the “**Delisting**”).

Finpanaria will pay a consideration amounting to Euro 1.85 for each Share tendered in response to the Offer (the “**Price**”).

The Price includes: (i) a premium of 20.8% with respect to the official price of the Shares on the date of this Notice (*i.e.*, 31 March 2021); and (ii) a premium of 71.1% with respect to the arithmetic weighted average of the official prices recorded by the Shares in the six months before the date of this Notice (included).

For further information on the premium percentages with respect to the daily weighted average prices of the Shares, please refer to Paragraph 3.2 of this Notice.

The Offeror will launch the Offer on the terms and conditions, and within the time limits provided for, under the applicable regulations, by submitting to the Italian National Commission for

¹ As a result of the provision of Article 7-*bis* of the Issuer’s Articles of Association relating to the increased voting rights mechanism, as of the date of this Notice, 31,431,869 Shares held by the Offeror correspond to approximately 80.089% of the voting rights that can be exercised at the shareholders’ meeting.

Companies and the Stock Exchange (“CONSOB”) the offer document (the “Offer Document”) intended for publication. Reference should be made to the Offer Document for a full description and evaluation of the Offer.

The legal requirements, terms and essential elements of the Offer are indicated herein below.

1. PARTIES TAKING PART IN THE TRANSACTION

1.1 The Offeror and the relevant company structure

The Offeror is Finpanaria S.p.A., a “*società per azioni*” (joint-stock company) incorporated under Italian law, with registered office in Sassuolo (MO), Via Emilia Romagna no. 31, 41049, registered at the Companies’ Register of Modena under registration number, fiscal code and VAT number 02513290367, share capital of Euro 23,400,000.00, fully subscribed and paid up.

Pursuant to its Articles of Association, the corporate term of the Offeror is set at 31 December 2030.

As of the date of this Notice, the Offeror’s share capital is divided among the following shareholders:

Name and surname	No. Shares	% Share Capital
Andrea Mussini	3.853.523	19,76%
Giuliano Mussini	976.073	5,00%
Emilio Mussini	1.693.179	8,68%
Paolo Mussini	1.536.471	7,88%
Giuliano Pini	376.679	1,93%
Giuseppe Mussini ²	1.683.554	8,63%
Marco Mussini	1.742.839	8,94%
Silvia Mussini	1.835.595	9,41%
Domenica Prodi	2.607.650	13,37%
Romano Montorsi	116.884	0,60%
	585.116 ³	3,00%
Marisa Gibellini	106.259	0,54%
	390.078 ⁴	2,00%

As of the date of this Notice, the Offeror holds no. 2,000,000 treasury Shares (representing 10.25% the Offeror’s share capital).

The Offeror has legal control of the Issuer, pursuant to Article 93 of the CFA, as holder of no. 31,431,869 Shares, representing 69.301% of the Issuer’s share capital and equal, as a result of the

² Giuseppe Mussini owned no. 1,683,554 shares of the Offeror, representing 8.63% of the Offeror’s share capital, and no. 86,744 Panaria Shares, representing 0.19% of the Issuer’s share capital. Following the death of Mr. Giuseppe Mussini on 15 September 2020, a community of heirs was established between Maria Gloria Sola, Director of the Offeror and wife of Giuseppe Mussini, and their sons Fabio Mussini, Francesco Mussini and Federico Mussini, whose representative is Maria Gloria Sola, regarding, among other things, the no. 1,683,554 shares of the Offeror and the no. 86,744 Panaria Shares held by Giuseppe Mussini.

³ Romano Montorsi holds the usufruct of 585,116 Finpanaria shares, equal to approximately 3.00% of the related share capital, of which 292,558 are owned as bare ownership by his son Stefano Montorsi and 292,558 are owned as bare ownership by his son Simone Montorsi.

⁴ Marisa Gibellini holds the usufruct of 390,078 Finpanaria shares, equal to approximately 2.00% of the related share capital, of which 195,039 are owned as bare ownership by her son Stefano Montorsi and 195,039 are owned as bare ownership by her son Simone Montorsi.

provision of Article 7–*bis* of the Issuer's Articles of Association relating to the increased voting rights mechanism, to approximately 80.089% of the voting rights that can be exercised at the shareholders' meeting.

As of the date of this Notice, the Offeror has not entered into any shareholders' agreement pursuant to Article 122 of the CFA.

1.2 Persons acting in concert with the Offeror in relation to the Offer

In accordance with Article 101–*bis*, paragraph 4–*bis*, letter d) of the CFA and Article 44–*quater*, paragraph 1, of the Issuers' Regulation, the following persons are to be considered persons acting in concert with the Offeror in relation to the Offer:

- Paolo Mussini, Chairman of the Board of Directors of the Offeror, of which he holds 7.88% of the share capital, also holding the position of: (i) Deputy Chairman and Chief Executive Officer of the Issuer; and (ii) director of Immobiliare Gemma S.p.A., a fully owned subsidiary of the Offeror. Paolo Mussini holds no. 1,000 Panaria Shares, representing 0.002% of the Issuer's share capital;
- Marco Mussini, Deputy Chairman of the Board of Directors of the Offeror, of which he holds 8.94% of the share capital, also holding the position of Chairman of the Board of Directors of Gres Panaria Portugal S.A., a fully owned subsidiary of the Issuer. Marco Mussini holds no. 2,391 Panaria Shares, representing 0.005% of the Issuer's share capital;
- Emilio Mussini, director of the Offeror, of which he holds 8.68% of the share capital, also holding the position of: (i) Chairman of the Board of Directors of the Issuer; and (ii) Chairman of the Board of Directors of Panariagroup USA Inc., a fully owned subsidiary of the Issuer, and of Florida Tile Inc. and Lea North America LLC, fully owned subsidiaries of Panariagroup USA Inc. Emilio Mussini holds no. 129,436 Panaria Shares, representing 0.29% of Issuer's share capital;
- Alessandra Casolari, Emilio Mussini's wife, who holds no. 13,080 Panaria Shares, representing 0.03% of the Issuer's share capital;
- Silvia Mussini, director of the Offeror, of which she holds 9.41% of the share capital, also holding the position of director of the Issuer. Silvia Mussini holds no. 21,900 Panaria Shares, representing 0.05% of the Issuer's share capital;
- Maria Gloria Sola, director of the Offeror and Giuseppe Mussini's wife, and their sons Fabio Mussini, Francesco Mussini e Federico Mussini. Giuseppe Mussini held no. 1,683,554 Offeror's shares, representing 8.63% of the Offeror's share capital, and no. 86,744 Panaria Shares, representing 0.19% of the Issuer's share capital. Following the death of Mr. Giuseppe Mussini on 15 September 2020, a community of heirs was established between Maria Gloria Sola and Fabio Mussini, Francesco Mussini and Federico Mussini, whose representative is Maria Gloria Sola, regarding, among other things, the no. 1,683,554 shares of the Offeror and the no. 86,744 Panaria Shares held by Giuseppe Mussini;
- Giuliano Mussini and Gemma Benedetti, parents of Paolo Mussini, Emilio Mussini, Giuseppe Mussini, Silvia Mussini and Marco Mussini. Giuliano Mussini, shareholder of the Offeror, of which he holds 5.00% of the share capital, holds the position of (i) director of the Issuer; (ii) director of Immobiliare Gemma S.p.A., a company wholly controlled by the Offeror; and (iii) chairman of the board of directors of Montanari Ceramiche S.r.l., a company wholly

controlled by the Issuer. Giuliano Mussini holds no. 419,293 Panaria Shares, equal to 0.92% of the Issuer's share capital and his wife Gemma Benedetti holds no. 4,400 Panaria Shares, equal to 0.01% of the Issuer's share capital;

- Andrea Mussini, director of the Offeror, of which he holds 19.76% of the share capital, also holding the position of: (i) director of the Issuer; and (ii) Chairman of the Board of Directors of Immobiliare Gemma S.p.A., a fully owned subsidiary of the Offeror. Andrea Mussini holds no. 681,316 Panaria Shares, representing 1.50% of Issuer's share capital;
- Domenica Prodi, Andrea Mussini's mother, holds no. 2,607,650 shares of the Offeror, representing 13.37% of the Offeror's share capital, and no. 218,040 Panaria Shares, representing 0.48% of the Issuer's share capital;
- Giuliano Pini, director of the Offeror, of which he holds 1.93% of the share capital, also holding the position of: (i) Chief Executive Officer of Panaria; (ii) director of Immobiliare Gemma S.p.A., a fully owned subsidiary of the Offeror; and (iii) director of Panariagroup USA Inc., a fully owned subsidiary of the Issuer, and of Florida Tile Inc., a fully owned subsidiary of Panariagroup USA Inc. Giuliano Pini holds no. 99,802 Panaria Shares, representing 0.22% of the Issuer's share capital;
- Carla Modena, Giuliano Pini's wife, holds no. 25,380 Panaria Shares, representing 0.06% of the Issuer's share capital (the **"Persons Acting in Concert"**).

The Offer is made by the Offeror also in the name and on behalf of the Persons Acting in Concert and, therefore, any obligation and/or fulfilment relating to the Offer shall be fulfilled by the Offeror also on behalf of the Persons Acting in Concert.

The Offeror shall be the only entity to become the purchaser of the Shares tendered to the Offer and to assume the related obligations and responsibilities.

1.3 Issuer

The Issuer is Panariagroup Industrie Ceramiche S.p.A., a *"società per azioni"* (joint-stock company) incorporated under Italian law, with registered office in in Finale Emilia (MO), Via Panaria Bassa no. 22/A, 41034, registered at the Companies' Register of Modena under registration number, fiscal code and VAT number 01865640369.

As of the date of this Notice, the Issuer's share capital amounts to Euro 22,677,645.50, fully subscribed and paid up, divided into 45,355,291 ordinary Shares, with a nominal value of Euro 0.50.

The Shares are listed on the MTA, STAR Segment, and are subject to the de-materialisation regime under Article 83-*bis* of the CFA (ISIN Code: IT0001467577).

In accordance with Article 3 of its Articles of Association, the corporate term of the Issuer is set at 31 December 2030 and can be extended by a resolution adopted by the extraordinary Shareholders' Meeting, with the exclusion of the withdrawal right for shareholders who did not participate in the approval of the resolution.

1.3.1 Parent company under Article 93 of the CFA and significant shareholders

As stated above, as of the date of this Notice, Panaria is directly controlled by Finpanaria pursuant to Article 93 of the CFA as holder of no. 31,431,869 Shares, representing 69.301% of the Issuer's

share capital and equal, as a result of the provision of Article 7-*bis* of the Issuer's Articles of Association relating to the increased voting rights mechanism, to approximately 80.089% of the voting rights that can be exercised at the shareholders' meeting. The Company is not subject to management and coordination by Finpanaria, pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

According to the notices given in accordance with Article 120, paragraph 2, of the CFA, at the date of this Notice, there are no shareholders holding more than 5% of the Issuer's share capital other than Finpanaria. Moreover, on the basis of the information made available to the public, no agreement concerning the exercise of voting rights in the Issuer and its parent companies has been notified in accordance with Article 122 of the CFA.

1.3.2 Treasury shares

As at the date of this Notice, the Issuer holds no. 432,234 treasury Shares representing 0.95% of the Issuer's share capital.

2. LEGAL REQUIREMENTS OF AND RATIONALE OF THE OFFER

2.1 Legal requirements of the Offer

The Offeror resolved upon launching the Offer, in accordance with Articles 102 *et seq.* of the CFA pursuant to a resolution of its Board of Directors on 31 March 2021.

2.2 Rationale of the Offer

The Offer's rationale is to pursue the acquisition of all Offer Shares and, as a result, the Delisting.

Therefore – if the relevant conditions are met – the Offeror does not intend restoring a sufficient number of floating shares to ensure that the Shares have a regular trading performance.

In particular, by the Offer and the Delisting, the Offeror intends to pursue an efficiency aimed at a further strengthening the Issuer, which is more easily pursuable if the Issuer is a private company.

The Delisting, whose terms, conditions and procedures will be detailed in the Offer Document, can be achieved if the Shares tendered in response to the Offer – added to those held by the Persons Acting in Concert, the treasury Shares held by Panaria and the Shares, if any, acquired by the Offeror and the Persons Acting in Concert outside of the Offer itself in accordance with the applicable laws and regulations – exceed 90% of Panaria's share capital (for further information, see Paragraph 3.5 below).

In the event that the Delisting is not achieved as a result of the Offer (including the possible Reopening of the Terms, as defined below, and/or the fulfilment of the purchase obligation pursuant to Article 108, paragraph 2, of the CFA, the fulfilment of the purchase obligation pursuant to Article 108, paragraph 1, of del CFA and the exercise of the purchase right pursuant to Article 111 of the CFA), the Offeror reserves the right to achieve the Delisting, subject to approval by the relevant corporate bodies, by means of a merger by incorporation of the Issuer into the Offeror (private company), or into another private company of the group headed by Finpanaria (the "**Merger**"). The merger by incorporation of the Issuer into the Offeror could qualify as a transaction between related parties subject to the relevant applicable regulations and, if applicable, as a "merger with

indebtedness" (merger leveraged buy-out) pursuant to Article 2501-*bis* of the Italian Civil Code.

In any event, the Offeror reserves the right to evaluate in the future, at its own discretion, the implementation of any further extraordinary transactions that may be considered appropriate, in line with the objectives and rationale of the Offer, as well as with the objectives of strengthening the Issuer, whether the Delisting is achieved or not.

As of today, no formal decisions have been taken by the competent bodies of the companies that might be involved in such possible extraordinary transactions.

In addition, the Offeror – through the Offer – intends to recognise the shareholders of Panaria the opportunity to dispose of their Shares at more favourable conditions than those offered by the market, considering the level of liquidity and the market trend of the shares. Indeed, as explained in Paragraph 3.2 below, the Price includes: (i) a premium amounting to 20.8% with respect to the official price of the Shares on the date of this Notice (*i.e.*, 31 March 2021); and (ii) premium amounting to 71.1% with respect to the arithmetic weighted average of the official prices recorded by the Shares in the six months before the date of this Notice (included).

For further information on the premium percentages with respect to the daily weighted average prices of the Shares, please refer to Paragraph 3.2 of this Notice.

For a more detailed description of the rationale of the Offer, please refer to the Offer Document, which will be drawn up and made available to the public within the time limits and in the manner provided for by the applicable legislation.

3. ESSENTIAL ELEMENTS OF THE OFFER

3.1 Classes and quantity of shares subject to the Offer

The Offer is launched exclusively in Italy and is addressed, indiscriminately and on the same terms and conditions, to all the holders of the Shares.

The Offer concerns a maximum of no. 11,788,406 Shares, listed on the MTA, STAR Segment, with a nominal value of Euro 0.50, representing 25.99% of the Issuer's share capital. As indicated above, the Offer Shares correspond to all of the Shares other than (a) 31,431,869 Shares held by the Offeror, representing 69.301% of the Issuer's share capital⁵, (b) 1,702,782 Shares held by the Persons Acting in Concert, representing 3.75% of the Issuer's share capital and (c) 432,234 Panaria's treasury shares, representing 0.95% of the Issuer's share capital.

Following the publication of this Notice and during the Tender Period (as defined below), as it might be extended, the Offeror and/or the Persons Acting in Concert reserve the right to purchase Shares outside the Offer within limits set out in the applicable laws and regulations and in any case against the payment of a price not exceeding the Price. Such purchases will be notified to the market in accordance with Article 41, paragraph 2, letter c) of the Issuers' Regulation. Therefore, the number of Offer Shares can be automatically reduced as a result of the acquisitions of Shares by the Offeror

⁵ As a result of the provision of Article 7-bis of the Issuer's Articles of Association relating to the increased voting rights mechanism, as of the date of this Notice, 31,431,869 Shares held by the Offeror correspond to approximately 80.089% of the voting rights that can be exercised at the shareholders' meeting.

(and/or the Persons Acting in Concert) outside the Offer.

The Shares tendered in response to the Offer must be freely transferable to the Offeror and free from any liens and encumbrances of any kind and nature whatsoever, whether *in rem*, obligatory of personal.

As at the date of this Notice, the Issuer has not issued convertible bonds, warrants and/or financial instruments granting voting rights, even limited to specific matters, in ordinary and extraordinary shareholders' meetings, and/or other financial instruments that might grant third parties rights to acquire Shares or, more simply, voting rights (even limited ones) in the future. Nevertheless, it should be noted that Article 7-*bis* of the Issuer's Articles of Association provides for the attribution of no. 2 (two) voting rights for each share held by the same subject for a continuous period of at least 24 months.

3.2 Share price and its determination; aggregate value of the Offer

3.2.1 Share price and its determination

Finpanaria will pay to each adhering shareholder the Price, amounting to Euro 1.85, for each Share tendered in response to the Offer.

The Price has been determined on the assumption that the Issuer does not approve and pay ordinary or extraordinary dividends from profits or reserves; in such case the Price shall be automatically reduced by an amount equal to the dividend per Share.

The Price is net of any applicable stamp duties, if due, and fees, commissions and expenses which will be borne by the Offeror. The substitute tax on capital gains, if due, will be borne by the shareholders adhering to the Offer.

The Price includes: (i) a premium of 20.8% with respect to the official price of the Shares on the date of this Notice (*i.e.*, 31 March 2021), and (ii) a premium of 71.1% with respect to the arithmetic weighted average of the official prices recorded by the Shares in the six months before the date of this Notice (included).

It must be noted that, for purposes of determining the Price, no appraisals or fairness opinions from independent parties were obtained and/or used by the Offeror and the Persons Acting in Concert.

3.2.2 Weighted average price of the Shares

The Price incorporates the following premiums on the official share prices for the reference periods indicated in the following table:

Month	Weighted average price per share (in Euro)	Difference between the Price and the average price per share (in Euro)	Difference between the Price and the average price per share (in % of the average price)
31 March 2021	1.532	0.318	20.8%
Average prices at 1 month	1.416	0.434	30.6%
Average prices at 3 months	1.216	0.634	52.1%

Average prices at 6 months	1.081	0.769	71.1%
Average prices at 12 months	1.000	0.850	85.0%

Source: Bloomberg

3.2.3 Total countervalue of the Offer

The maximum disbursement in the event of full acceptance of the Offer by all the holders of the Shares, equal to Euro 1.85 per Share, will be Euro 21,808,551.10 (the “**Maximum Disbursement**”).

Finpanaria hereby states, pursuant to Article 37–*bis* of the Issuers’ Regulation, that it is in a position to fully meet the payment obligations for the Price.

More specifically, the Offeror intends to finance the payment of the Price through financial debt; in this regard, on 31 March 2021, the Offeror has entered into a loan agreement with Banco BPM S.p.A. to cover 100% of the consideration for the purchase of all the Offer Shares.

The Offeror will obtain and deliver to CONSOB, within the day preceding the publication of the Offer Document, suitable guarantees in accordance with Article 37–*bis*, paragraph 3 of the Issuers’ Regulation.

3.3 Conditions to the Offer

The Offer’s effectiveness is subject to satisfaction of the condition that the acceptances of the Offer must reach, in aggregate, a number of Shares that enables the Offeror to hold, as a result of the Offer, an aggregate shareholding at least equal to 90% of the Issuer’s share capital (the “**Threshold Condition**”), including the Shares held by the Offeror and by the Persons Acting in Concert, the treasury Shares held by Panaria and the Shares, if any, acquired by the Offeror and the Persons Acting in Concert outside of the Offer in accordance with the applicable legislation.

The Offeror has identified the Threshold Condition in order to achieve the Delisting of the Issuer.

The Offeror may waive or amend, in whole or in part, the Threshold Condition at any time and at its sole discretion, in compliance with the provisions under Article 43 of the Issuers’ Regulations and giving notice in accordance with Article 36 of the Issuers Regulation.

The Offeror, in case of:

(i) the Delisting has not been achieved and, therefore, the Issuer remains listed, the Offeror will evaluate, at its own discretion, the possibility to propose, in the twelve months following the payment date, to the competent bodies of the Issuer, to achieve the Delisting through the Merger; or

(ii) the Delisting has been achieved, the Offeror will evaluate, at its own discretion, the possibility of carrying out the Merger in the twelve months following the payment date or at a different timeframe.

It should be noted that, as of the date of this Notice, Finpanaria holds a stake – as well as voting rights – in the Issuer such as to ensure the approval of the Merger by the Extraordinary Shareholders’ Meeting of the Issuer (*i.e.*, more than two-thirds of the voting rights).

In accordance with Article 36 of the Issuers’ Regulations, the Offeror will give notice of the satisfaction or no satisfaction of the Threshold Condition, and of any waiver of the Threshold

Condition, with the announcement of the provisional results of the Offer that will be published by the evening of the last day of the Tender Period and, in any case, by 7:59 a.m. of the first trading day following the end of the Tender Period.

In the event that the Threshold Condition is not satisfied, and the Offeror does not exercise its right to waive, the Offer shall not be completed. In that case, the Shares tendered to the Offer will be returned to their respective owners, by the end of the trading day following the first announcement declaring the lapse of the Offer. The Shares will be returned to their respective owners without any charges or expenses being imposed upon those owners.

3.4 Term of the Offer

The acceptance period for the Offer (the “**Tender Period**”) will be agreed with Borsa Italiana in compliance with the terms set out in Article 40 of the Issuers’ Regulation and the duration will be between a minimum of 15 days and a maximum of 40 trading days, unless otherwise extended or in the case of the potential Reopening of the Terms (as defined below).

In accordance with Article 40–*bis* of the Issuers’ Regulation, within the trading day following the payment date at the end of the Tender Period, the Tender Period shall be reopened for five trading days (the “**Reopening of the Terms**”) if the Offeror, in the press release issued in connection with the disclosure of the provisional results of the Offer, announces that it has waived the Threshold Condition.

In accordance with Article 40–*bis*, paragraph 3 of the Issuers’ Regulation, the Reopening of the Terms shall not take place, among other things, if:

- (i) the Offeror informs the market, at least 5 trading days before the end of the Tender Period, that it has purchased at least half of the Offer Shares; or
- (ii) at the end of the Tender Period, the Offeror (together with the Persons Acting in Concert) holds a shareholding that triggers the purchase obligation under Article 108, paragraph 2, of the CFA (*i.e.*, more than 90% of the Issuer’s share capital), having the Offeror declared its intention not to restore the floating shares, or to the exercise of the purchase right under Article 111 of the CFA and of the purchase obligation under Article 108, paragraph 1, of the CFA (*i.e.*, at least 95% of the Issuer’s share capital).

3.5 *Delisting*

3.5.1 Purchase obligation under Article 108, paragraph 2, of the CFA

As mentioned in Paragraph 2.2 above, the Offeror intends to carry out the Delisting of the Shares. Accordingly, if, as a result of the Offer, including the possible Reopening of the Terms, the Offeror (together with the Persons Acting in Concert) holds, as a result of the acceptance of the Offer and of any purchases made outside the Offer under the applicable legislation, within the end of the Tender Period, as possibly reopened following the Reopening of the Terms, an overall shareholding greater than 90%, but less than 95% of the Issuer’s share capital, the Offeror hereby states its intention not to restore floating shares in an amount sufficient to ensure the regular trading of the Shares.

Please consider that, for the purpose of calculating the threshold provided for in Article 108, paragraph 2, of the CFA, the treasury Shares held by Panaria are added to the total participation

held by the Offeror and the Persons Acting in Concert jointly considered.

If these conditions are satisfied, Finpanaria will, therefore, fulfil its obligation to acquire the remaining Shares from the Issuer's shareholders who have so requested in accordance with Article 108, paragraph 2, of the CFA (the "**Purchase Obligation under Article 108, paragraph 2, of the CFA**"). The price for the completion of the procedure concerning the Purchase Obligation under Article 108, paragraph 2, of the CFA will be determined in accordance with Article 108, paragraphs 3 or 4, of the CFA based on the number of Shares tendered in response to the Offer and may be, as the case may be, equal to the Price or determined by CONSOB in accordance with the criteria set forth in Article 50, paragraphs 4 and 5, of the Issuers' Regulation.

The Offeror will indicate in the notice on the final results of the Offer, which will be published by the Offeror in accordance with Article 41, paragraph 6, of the Issuers' Regulation (the "**Notice on the Results of the Offer**"), whether the conditions for the Purchase Obligation under Article 108, paragraph 2, of the CFA have been met. If so, the Notice on the Results of the Offer will contain information on (i) the number of the remaining Shares (both in terms of the number of Shares and in terms of the percentage of the Issuer's entire share capital); (ii) the terms and conditions by which Finpanaria will fulfil the Purchase Obligation under Article 108, paragraph 2, of the CFA; and (iii) the terms and timing of the Delisting of the Shares.

It should be noted that, if the conditions for the Purchase Obligation under Article 108, paragraph 2, of the CFA are met, in accordance with Article 2.5.1, paragraph 6, of the regulations of the markets organized and managed by Borsa Italiana (the "**Stock Exchange Regulation**"), Borsa Italiana will order the Delisting starting from the first trading day following the date of payment of the price relating to Purchase Obligation procedure under Article 108, paragraph 2 of the CFA, without prejudice to the provisions of Paragraph 3.5.2 set out below. Therefore, following the fulfilment of the Purchase Obligation under Article 108, paragraph 2, of the CFA, the Shares will be delisted and the Issuer's shareholders who have decided not to tender their Shares and who have not requested Finpanaria to acquire their Shares, as provided for under Article 108 of the CFA, will hold financial instruments not traded on any regulated market, with the ensuing difficulties in selling their investment in the future.

3.5.2 Purchase obligation under Article 108, paragraph 1 of the CFA and exercise of the right to purchase under Article 111 of the CFA

In the event that, as a result of the Offer, including the possible Reopening of the Terms, the Offeror (together with the Persons Acting in Concert) holds an overall shareholding of at least 95% of the Issuer's share capital within the end of the Tender Period, as possibly reopened following the Reopening of the Terms, as a result of the acceptance of the Offer and of any purchases made outside the Offer under the applicable law, as well as a result of the fulfilment of the Purchase Obligation under Article 108, paragraph 2, of the CFA, the Offeror hereby declares its intention to avail itself of the right to acquire the outstanding Shares under Article 111 of the CFA (the "**Right to Purchase**").

If these conditions are satisfied, by exercising the Right to Purchase, the Offeror shall also fulfil the purchase obligation under Article 108, paragraph 1, of the CFA *vis-à-vis* the Issuer's shareholders who have requested it (the "**Purchase Obligation under Article 108, paragraph 1 of the CFA**"), thus triggering a single procedure (the "**Joint Procedure**").

The Right to Purchase will be exercised as soon as possible after the completion of the Offer or the

Purchase Obligation under Article 108, paragraph 2, of the CFA.

Please consider that, for the purpose of calculating the threshold provided for in Article 108, paragraph 1, of the CFA and Article 111 of the CFA, the treasury Shares held by Panaria are added to the total participation held by the Offeror and the Persons Acting in Concert taken together.

The price due for the Shares purchased as a result of the exercise of the Right to Purchase and of the fulfilment of the Purchase Obligation under Article 108, paragraph 1 of the CFA, will be determined in accordance with the provisions of Article 108, paragraphs 3 or 4, of the CFA, depending on the number of Shares tendered to the Offer, and may be, as the case may be, equal to the Price or determined by Consob in accordance with the criteria set forth in Article 50, paragraphs 4 and 5, of the Issuers' Regulation.

The Offeror will announce, in a specific section of the Notice on the Results of the Offer, whether the conditions for the exercise of the Right to Purchase have been met. In such case, the Notice on the Results of the Offer will also contain information on: (i) the quantity of the remaining Shares (in terms both of the number of shares and percentage of the entire share capital); (ii) the terms and conditions by which the Offeror will exercise the Right to Purchase and simultaneously fulfil the Purchase Obligation under Article 108, paragraph 1 of the CFA, implementing the Joint Procedure; and (iii) the terms and timing of the Delisting of the Issuer's Shares.

In accordance with Article 2.5.1, paragraph 6 of the Stock Exchange Regulations, if the Right to Purchase is exercised, Borsa Italiana shall suspend and/or dispose the Delisting of the Shares, taking into account the time required to exercise the Right to Purchase.

If the Delisting is not achieved upon completion of the Offer (including the Reopening of the Terms of the Offer, if any):

- (i) there may in any case be a shortage of free-floating shares such as not to ensure the regular course of trading of the Issuer's Shares and Borsa Italiana may order the suspension and/or delisting of the Issuer's ordinary shares pursuant to Article 2.5.1 of the Stock Exchange Regulations; in such a case, the Offeror hereby declares its intention not to restore a sufficient free float to ensure the regular course of trading of the Issuer's ordinary shares;
- (ii) the Offeror reserves the right to achieve the objective of the Delisting through the merger by incorporation of the Issuer into Finpanaria (an unlisted company), or into another unlisted company of the group headed by Finpanaria. In such a case, the shareholders of the Issuer who did not vote in favour of the resolution approving the merger would have the right of withdrawal pursuant to Article 2437-*quinquies* of the Italian Civil Code, since, in such a case, they would receive in exchange unlisted shares on a regulated market. In case of exercise of the withdrawal right, the liquidation value of the shares subject to withdrawal would be determined pursuant to Article 2437-*ter*, paragraph 3, of the Italian Civil Code, by exclusive reference to the arithmetic average of the closing prices during the six months preceding the publication of the notice of call of the shareholders' meeting called to approve the merger.

3.6 Markets in which the Offer is launched

The Offer will be launched only in Italy, as provided under Articles 102 *et seq.* of the CFA.

The Offer will not be promoted or disseminated, directly or indirectly, in the United States of America, Australia, Canada, Japan or in any other country in which the Offer is not permitted in the absence of authorization by the competent local authorities or is in breach of rules or regulations (the "**Other Countries**"), nor by using international communication or trading tools (including, by way of example, the postal network, fax, telex, e-mail, telephone and internet) of the United States of America, Australia, Canada, Japan or the Other Countries, nor any facility of any of the financial intermediaries of the United States of America, Australia, Canada, Japan or the Other Countries, nor in any other way.

3.7 Changes to the Offer

In compliance with the limits provided under the applicable law and regulations, the Offeror reserves the right to make amendments to the Offer up to the date preceding the date set for the close of the Tender Period.

Should the Offeror exercise its right to amend the Offer on the last day available (*i.e.*, the date preceding the date set for the close of the Tender Period), the closing of the Tender Period may not take place in a term of less than 3 days from the date of publication of the amendment in compliance with applicable law and regulations.

4. SHARES HELD BY THE OFFEROR AND THE PERSONS ACTING IN CONCERT

As at the date of this Notice, Finpanaria holds, directly, no. 31.431.869 Shares, representing 69.301% of Panaria's share capital and equal, as a result of the provision of Article 7-*bis* of the Issuer's Articles of Association relating to the increased voting rights mechanism, to approximately 80.089% of the voting rights that can be exercised at the shareholders' meeting.

Consequently, the Company is directly controlled by Finpanaria, pursuant to Article 93 of the CFA. The Company is not subject to management and coordination by Finpanaria, pursuant to Articles 2497 *et seq.* of the Italian Civil Code.

The Persons Acting in Concert hold in Panaria the Shares indicated in the preceding Paragraph 1.2.

The Offeror and the Persons Acting in Concert do not hold derivative financial instruments which give long positions in the Issuer.

5. NOTICES AND AUTHORIZATIONS FOR THE CONDUCT OF THE OFFER

The Offer's launch requires no authorisation.

6. PUBLICATION OF ANNOUNCEMENTS AND DOCUMENTS RELATED TO THE OFFER

The Offer Document, notices and all of the documents relating to the Offer will be available, among others, on the Issuer's website at (www.panariagroup.it).

7. ADVISORS

The Offeror is advised, in relation to the Offer, by Banca Akros, as a sole financial advisor, and Chiomenti, as a legal advisor.

This notice does not represent nor does it intend to represent an offer, invitation or solicitation to buy or otherwise acquire, subscribe, sell or otherwise dispose of financial instruments, and no sale, issue or transfer of financial instruments of Panariagroup Industrie Ceramiche S.p.A. will be made in any country in breach of the regulations applicable therein. The Offer will be launched through the publication of the relevant Offer document subject to the approval of CONSOB. The Offer document will contain the full description of the terms and conditions of the said Offer, including the manner in which it can be accepted.

The publication or dissemination of this notice in countries other than Italy may be subject to restrictions under the applicable law and, therefore, any person subject to the laws of any country other than Italy is required to independently acquire information about any restrictions under applicable laws and regulations and ensure that he, she or it complies with them. Any failure to comply with such restrictions may constitute a violation of the relevant country's applicable law. To the maximum extent permitted under the applicable law, the persons involved in the Offer shall be deemed to be exempted from any liability or adverse effect that might arise from the breach of such restrictions by the relevant persons. This notice has been prepared in accordance with Italian law and the information disclosed herein may be different from that which would have been disclosed if the notice had been prepared under the law of countries other than Italy.

No copy of this notice or of any other documents relating to the Offer shall be, nor may be, sent by post or otherwise forwarded or distributed in any or from any country in which the provisions of local laws and regulations might give rise to civil, criminal or regulatory risks to the extent that information concerning the Offer is transmitted or made available to shareholders of Panariagroup Industrie Ceramiche S.p.A. in such country or other countries where such conduct would constitute a violation of the laws of such country and any person receiving such documents (including as custodian, trustee or trustee) is required not to post or otherwise transmit or distribute them to or from any such country.