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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.

PRESS RELEASE

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pursuant to Articles 36 and 43 of the regulation issued by CONSOB with Resolution no.11971 of 14 May 1999, as subsequently amended and supplemented (“Issuers’ Regulation”).

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INCREASE OF THE OFFER’S CONSIDERATION TO EURO 2,00 PER SHARE

EXTENSION OF THE OFFER ACCEPTANCE PERIOD TO 11 JUNE, 2021

WAIVER OF THRESHOLD CONDITION

Sassuolo (MO), 4 June 2021 – With reference to the voluntary tender offer launched pursuant to Articles 102 *et seq.* of the CFA (the “Offer”) launched by Finpanaria S.p.A. (the “Offeror”) for all of the ordinary shares of Panariagroup Industrie Ceramiche S.p.A. (“Panaria”), the acceptance period of which began on May 10, 2021, the Offeror makes the following announcements.

Unless otherwise defined in this press release, the capitalized terms shall have the meaning ascribed to them under the offer document approved by CONSOB with resolution no. 21829 of May 5, 2021 and published on the May 7, 2021 (the “Offer Document”).

Increase of the Offer’s Consideration

The Offeror announces, pursuant to Article 43, Paragraph 1, of the Issuers’ Regulation, that it has increased the Offer Consideration from Euro 1.85 to Euro 2.00 for each Share tendered to the Offer (the “New Consideration”).

The New Consideration incorporates: (i) a premium of 30,6% with respect to the official price of the Shares recorded on March 31, 2021 (the “Announcement Date of the Offer”), equal to Euro 1.532 and (ii) a premium equal to 85,0% with respect to the arithmetic weighted average of the official prices recorded by the Shares in the six months before the Announcement Date of the Offer (included).

The following table summarizes the weighted average daily prices, calculated on the basis of official prices, in the various time frames selected, highlighting for each of them the premiums implicit in the New Consideration.

Month	Weighted average price per Share (in Euros)	Difference between consideration and average price per Share (in Euros)	Difference between consideration and average price per Share (in % with respect to the average price)
31 March 2021	1,532	0,468	30,6%
1-month price average	1,416	0,584	41,2%
3-month price average	1,216	0,784	64,4%
6-month price average	1,081	0,919	85,0%
12-month price average	1,000	1,000	100,0%

The tables included in Paragraph E.1, E.3 and E.4 of the Offer Document, updated with the New Consideration, are reported in appendix to this press release.

From the date of publication of the Offer Document to the date hereof, the overall shareholding, held by the Offeror and the Persons Acting in Concert, included the Treasury Shares, (i) has increased – as a result of the Shares purchased outside the Offer – of No. 132.913 Shares, equal to about 0,29% of the Issuer’s share capital, and (ii) amounts, therefore, to No. 34.098.798 Shares, equal to about 75,18% of the Issuer’s share capital.

The Shares object of the Offer therefore amount, as of today, to No. 11,256,493 Shares, equal to approximately 24,82% of the Issuer's share capital.

As of today, a total of 3.268.438 Shares, equal to 28,70% of the Shares subject to the Offer, have been tendered.

In light of the New Consideration and the number of Shares tendered to the Offer, the maximum total consideration payable in the context of the Offer, minus Share acquisitions made outside the Offer, assuming the full acceptance by all the shareholders, will be equal to Euro 22.512.986 (the “**New Maximum Disbursement**”).

On the date hereof, the Offeror, pursuant to Article 37-bis of the Issuers’ Regulations, has submitted to Consob the documentation certifying the granting of the performance guarantee (Cash Confirmation Letter) issued by BPM S.p.A. (“**Banco BPM**”), for a maximum amount of Euro 1.442.584,90, as the difference between the New Maximum Disbursement and the original Maximum Disbursement, to integrate the Cash Confirmation Letter already issued by Banco BPM on May 6, 2021 to cover the original Maximum Disbursement.

The Offeror reiterates the strategic rationale of the Offer and hereby confirms that the Consideration of Euro 1.85 with the additional consideration of Euro 0,15, and thus for a total maximum of Euro 2,00 per Share Tendered to the Offer, is to be considered final and conclusive.

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Extension of the Acceptance Period and waiver of Threshold Condition

The Offeror announces that it has agreed with Borsa Italiana S.p.A. the extension of the Acceptance Period, which final date was originally scheduled for June 7, 2021, for additional 4 Trading Days (*i.e.*, for the trading sessions from June 8, 2021 to June 11, 2021, extremes included).

Furthermore, in light of the trend of acceptances to the Offer as the date hereof and having reserved to the Offeror in the Offer Document the unquestionable right to waive, at any time, the Threshold Condition and to purchase a lower quantity of Shares, the Offeror hereby announces that it has decided to waive the Threshold Condition.

Consequently:

(i) the Acceptance Period, as extended, will expire on June 11, 2021, 17.30 p.m. (Italian time) (the “**New Acceptance Period**”);

(ii) the Payment Date of the Consideration due by the Offeror for the Shares tendered to the Offer, originally scheduled for June 10, 2021, will be June 16, 2021;

Pursuant to article 40-*bis*, paragraph 3, of the Issuers' Regulations, as the Offeror has waived the Threshold Condition at least five days before the end of the New Acceptance Period, the conditions for a possible Reopening of the Terms are therefore no longer met.

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Except as stated in this press release regarding the New Consideration, the New Maximum Disbursement and the New Acceptance Period, all other Offer terms and modalities mentioned in the Offer Document remain unchanged.

For the sake of clarity, it should be noted that even those who have tendered the Shares to the Offer prior to the date hereof shall be granted the New Consideration in accordance with the terms and conditions set out in the Offer Document, as amended by this press release (and available for consultation, inter alia, on the Issuer's website at the address www.panariagroup.it). Therefore, in the light of the foregoing, the subscription of the Acceptance Form in the version made available to the public on the Issuer's website shall be deemed to be valid acceptance also to the new terms and conditions of the Offer set forth in this press release.

The Offeror shall publish a new Acceptance Form, in accordance with the applicable law, revised to reflect the New Consideration, the New Acceptance Period and the Waiver of Threshold Condition.

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The new calendar of the main upcoming events related to the Offer, as amended pursuant to the extension of the Offer Acceptance Period is provided below.

Date	Event	Communication method
11 June 2021 (unless extended)	End of the New Acceptance Period.	-

Date	Event	Communication method
By the evening of the last day of the New Acceptance Period and, in any event, by 7:59 a.m. on the first Trading Day following the end of the New Acceptance Period.	Notice of the Provisional Results of the Offer indicating (i) the provisional results of the Offer at the end of the New Acceptance Period, and (ii) the fulfillment or non-fulfillment of the Threshold Condition and/or any waiver thereof.	Offeror's Notice pursuant to Art. 36 of the Issuers' Regulations.
By 7:59 a.m. of the Trading Day preceding the date of payment of the New Consideration for the Shares tendered to the Offer, (unless extended Acceptance Period) <i>i.e.</i> by June 15, 2021.	Notice on the Final Results of the Offer which will indicate (i) the final results of the Offer following the New Acceptance Period, (ii) confirmation of whether the Threshold Condition has been fulfilled, as well as the Authorization Condition and the MAC Condition and/or any waiver thereof (to the extent permitted by law), (iii) whether the conditions for Reopening of the Terms have been met and (iv) whether the conditions for the Purchase Obligation have been met pursuant to Art. 108, paragraph 2, of TUF, or whether the conditions are met for the Purchase Obligation pursuant to art. 108, paragraph 1, of TUF and the Purchase Right.	Publication of the notice in the manner set out in art. 41, paragraph 6, and art. 36 of the Issuers' Regulations.
On the third Trading Day following the end of the New Acceptance Period, <i>i.e.</i> (unless extended Acceptance Period) by June 16, 2021.	Payment of the New Consideration relating to the Shares tendered during the New Acceptance Period.	-
Starting from the fulfillment of the legal requirements.	If the conditions for the Purchase Obligation pursuant to art. 108, paragraph 2, of TUF are met, publication of a notice containing the information necessary for the fulfillment of the Purchase Obligation pursuant to art. 108, paragraph 2, of TUF, as well as the corresponding indication of the timeline of the Delisting.	Notice pursuant to art. 50- <i>quinquies</i> of the Issuers' Regulations

Date	Event	Communication method
Starting from the fulfillment of the legal requirements.	If the requirements are met for the Purchase Obligation pursuant to art. 108, paragraph 1, of TUF, as well as for the Purchase Right, containing the necessary information for the fulfillment of the obligations related to the Purchase Right and, at the same time, the Purchase Obligation pursuant to art. 108, paragraph 1, of TUF, by implementing the Joint Procedure, as well as the related indication on the timing of the delisting of the Issuer's shares by the MTA, STAR Segment.	Notice pursuant to art. 50- <i>quinquies</i> of the Issuers' Regulations

All notices mentioned in the above table, unless otherwise specified, shall be deemed as disseminated according to the methods described in art. 36, Paragraph 3 of the Issuers' Regulations. Notices and announcements relating to the Offer will be published without delay on the website of the Issuer at www.panariagroup.it and of the Global Information Agent at www.morrowsodalitransactions.com.

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This notice does not represent, nor does 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. 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 Offer is being launched in Italy, and is directed, under equal conditions and without discrimination, to all holders of shares of Panariagroup Industrie Ceramiche S.p.A.

The Offer has not been and will not be conducted or disseminated in United States of America, Canada, Japan and Australia, as well as in any other country in which the promotion of the Offer and the acceptance thereof would not be in accordance with the laws and regulations relating to financial markets or other local laws and regulations or would otherwise not be permitted without prior registration, approval or filing with the respective supervisory authorities. Such countries, including the United States, Canada, Japan and Australia, are referred to as the "Excluded Countries". The Offer has not been and will not be made using any means of communication or national or international commerce of the Excluded Countries (including, without limitation, by post, facsimile transmission, telex, electronic mail, telephone and internet), or through any facility of any financial intermediary of the Excluded Countries, or in any other manner. No action has been or will be taken to enable the Offer to be made in any of the Excluded Countries.

APPENDIX

Paragraph E.1.2 "Weighted averages over different time frames prior to the Notice of the Offeror"

(Table pp. 102-103 of Offer Document)

Month	Weighted average price per Share (in Euros)	Difference between consideration and average price per Share (in Euros)	Difference between consideration and average price per Share (in % with respect to the average price)
31 March 2021	1,532	0,468	30,6%
1-month price average	1,416	0,584	41,2%
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6-month price average	1,081	0,919	85,0%
12-month price average	1,000	1,000	100,0%

Paragraph E.3 “Comparison of the Consideration with some indicators” “Confronto del Corrispettivo con alcuni indicatori”

(Table p. 103 of Offer Document)

In thousands of Euros, except per share values indicated in € and number of shares	2020	2019
Revenues	357.269	382.019
EBITDA or Gross Operating Margin (1)	37.493	32.426
EBIT or Net Operating Margin (1)	(6.014)	(4.882)
Net result (Net loss)	(5.777)	(6.386)
Earnings per share (Net loss per share) (2)	(0,13)	(0,14)
Dividends	-	-
Dividends per share (2)	-	-
Cash flow (3)	37.729	30.922
Cash flow per share (2)	0,84	0,69
Equity attributable to the shareholders of the Issuer	135.291	142.839
Shareholders' equity per share (2)	3,01	3,18
Number of issued shares (a)	45.355.291	45.355.291
Number of treasury shares (b)	432.234	432.234
Number of shares in circulation (c = a-b)	44.923.057	44.923.057
<i>Source: Consolidated financial statements of Panariagroup Industrie Ceramiche S.p.A. (2019 e 2020)</i>		

Notes: 1) Includes the effects resulting from the application of IFRS16; 2) Calculated on the number of outstanding shares; 3) Calculated as the sum of the Net result (Net loss) attributed to the Issuer's shareholders plus depreciation and amortisation.

Price multipliers	2020	2019
Price multipliers	0,8x	0,7x
EV/Revenues	7,3x	8,4x
EV/EBITDA	2,2x	2,7x
P/Cash flow	0,6x	0,5x

Source: Consolidated financial statements of Panariagroup Industrie Ceramiche S.p.A. (2019 e 2020)

Paragraph E.4 "Monthly weighted average of the prices recorded by the Issuer's shares in the twelve months preceding the Offer".

(Table p. 106 of the Offer Document)

Reference period	Weighted average price (Euro)	Total volumes (shares)	Total countervalues (Euro)	Difference between the Consideration and the average price per share (Euro)	Difference between the Consideration and the average price per share (in % of average price)
April 2020	0,907	6.804.569	6.175.033	1,093	120,4%
May 2020	0,926	1.959.860	1.814.525	1,074	116,0%
June 2020	0,979	1.744.058	1.707.798	1,021	104,2%
July 2020	0,975	542.924	529.402	1,025	105,1%
August 2020	0,892	673.421	600.688	1,108	124,2%
September 2020	0,908	775.355	704.145	1,092	120,2%
October 2020	0,824	1.246.213	1.027.245	1,176	142,6%
November 2020	0,874	2.549.593	2.227.162	1,126	129,0%
December 2020	0,913	834.653	761.776	1,087	119,1%
January 2021	1,016	2.412.286	2.450.549	0,984	96,9%

February 2021	1,212	2.423.997	2.938.142	0,788	65,0%
March 2021	1,416	2.478.247	3.509.420	0,584	41,2%