

PRESS RELEASE

I.L.L.A. S.p.A. SIGNING A FRAMEWORK AGREEMENT GOVERNING THE ACQUISITION FROM BIALETTI INDUSTRIE S.P.A. OF THE "AETERNUM" BRANCH

Noceto (PR), 02 May 2023- I.L.L.A. S.p.A. announces that it has signed today a framework agreement governing the terms and conditions of the sale, by Bialetti to ILLA, of the branch of the company consisting of the complex of goods used for procurement, distribution, and marketing of "Aeternum" branded products, by means of an operation structured in two phases:

- (i) the first concerning the transfer by Bialetti of the Aeternum Business Unit into a newly established company (respectively, the "**Contribution**" and "**NewCo**"); and
- (ii) the second concerning the sale by Bialetti to ILLA or to a company designated by it, of the entire share capital of Newco (the "**Cession**" and, together with the Contribution, the "**Transaction**").

ILLA CEO, Pierpaolo Marziali says: *"The operation announced today is fundamental for the completion of the path of relaunching our company. Equipping ILLA with an additional prestigious brand, well known in the sector, will increase the market share, positively impacting on the company's turnover due to the fact that the branch, during the last three years, was worth between 12 and 16 million Euro. We are convinced that this operation will put ILLA in a position to consider definitively overcome the crisis resulting from the loss of the historical customer IKEA. AETERNUM - continues Marziali - is destined to become the flagship of our production, on which we count to invest, to support and expand our global business assuming, in perspective, to extend this brand to other types of products. All this will have important repercussions also in the efficiency of the production plant that, in the future, will also be engaged in the production of product lines with the new brand, creating important synergies and opening the doors to new sales channels such as, for example, loyalty programs & collecting catalogues of retailers. I would like to thank Negma for the financial support granted in finalizing this operation, as well as, previously, in the implementation of other business developments that have characterized the management of ILLA in the last period: in particular in the recent acquisition of the Giannini branch of the company. I also thank the board, the other corporate bodies, and the whole managerial team of ILLA, for having supported us in the finalization of this operation, in addition to the employees all, that with the continuous job contribution and the unchanged trust in the company, have given us an additional incentive to work for the strengthening of ILLA."*


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In detail, the Framework Agreement provides for ILLA to pay Bialetti, as consideration for the Sale, excluding working capital:

- (i) Euro 3,800,000 at the date of execution, set for 20 July 2023, unless otherwise agreed by the parties (the "**Date of Execution**") of which 500,000 have already been paid as a deposit;
- (ii) as well as an additional amount of up to € 1,500,000 as earn-out, to the achievement of specific targets in terms of revenues and EBITDA achieved by Bialetti, NewCo and ILLA during the financial year 2023 in the face of the marketing of products branded "Aeternum", "Junior" and "Morenita".

Based on Bialetti's accounting results for the year ended December 31, 2022, the Aeternum Company Branch generated indicative- in that year- gross revenues of Euro 14.4 million and net revenues of Euro 12.3 million. Please note that the main economic and financial data relating to the Aeternum Company Branch will be reviewed and duly detailed in the information document to be published by ILLA in accordance with the applicable laws and regulations.

Again, based on Bialetti's accounting results for the year ended December 31, 2022, the Aeternum Business Unit generated indicative- in that year- an EBITDA of the branch equal to a minimum value of Euro 2.2 million. It should also be noted that the branch sold and, therefore, the relative Newco that will incorporate it will be free of financial and commercial debts and includes, instead, debts to employees transferred (n. 9 units to date). ILLA will meet the economic commitments arising from the Transaction by making use of the contributions relating to the convertible bond referred to in the investment agreement signed with Negma Group Investment Ltd.

Please note that the trademarks "Junior" and "Morenita" are not included in the Aeternum Branch and, therefore, will not be conferred in NewCo and will remain the property of Bialetti, which will grant NewCo a free license to use these trademarks in Italy until 31 December 2023 (without prejudice to NewCo's right to request and obtain an extension of this deadline for the sole purpose of selling any remaining stock of products bearing the above marks, until stocks are exhausted, and in any event no later than 31 December 2024).

With regard to ILLA, the Transaction constitutes a reverse takeover pursuant to Article 14 of the Issuers Regulation Euronext Growth Milan ("EGM") and therefore according to the aforesaid regulations it will be object of a next ordinary assembly of the shareholders called to deliberate the approval of it. The Transaction can be traced back to the definition of "Reverse Take Over" referred to in art. 14 of the EGM Issuers Regulation, as the index of relevance of the equivalent (539%) is higher than the relevant indices referred to in Sheet Three of the same EGM Issuers Regulation. Pursuant to Article 14 of the EGM Regulation


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and Article 22 of the Bylaws, the completion of the Transaction is subject to the approval of the same by the ordinary shareholders' meeting of ILLA. In compliance with Article 14 of the EGM Issuers Regulation, ILLA will publish an informative document illustrating the Transaction.

The execution of the Transaction at the Date of Execution is subject to the fulfilment of the following suspensive conditions:

- (i) the consultation of trade unions pursuant to Article 47, paragraph 1 and 2, of the Lg. No 428/1990 by Bialetti;
- (ii) the cancellation of the pledge on the "Aeternum" trademark and of the special privilege constituted on goods belonging to the Aeternum Branch by Bialetti;
- (iii) the issue of the necessary authorization in relation to the operation pursuant to cd. the golden power regulations;
- (iv) the approval of the Transaction by the shareholders' meeting of ILLA as required by Article 14 of the Euronext Growth Issuers Regulation; and
- (v) the validity and enforceability of the ILLA Shareholders' Meeting resolution approving the Transaction at the date of execution.

For the purposes of this document, "**Golden Power Regulations**" means the rules on special powers over corporate structures in the fields of defense and national security, as well as for activities of strategic importance in the energy sectors, transport and communications as regulated by Decree-Law No. 21 of 15 March 2012 converted by amendment from Law No. 56 of 11 May 2012, Decree-Law No. 105 of 21 September 2019, converted by Law No. 133 of 18 November 2019, Regulation (EU) 452/2019 (in any event, as subsequently amended, including by means of Decree-Law No. 23 of 8 April 2020, converted by Law No. 40 of 5 July 2020), the DPCM No. 179 of 18 December 2020 and the other provisions, decrees, ordinances and implementing regulations possibly promulgated pursuant to the same and/or applicable from time to time to the Operation. The Framework Agreement also provides:

- (i) the commitment of ILLA to purchase- within the 12 months following the Execution Date, without prejudice to the right of ILLA to request an extension of an additional 3 months- the products relating to the Aeternum Business Unit; and
- (ii) the conclusion, at the Date of Execution, of additional ancillary agreements, functional- among other things- to ensure the operation of the Aeternum Business Unit, through the provision by Bialetti to

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NewCo (at the request of the latter) of services such as, inter alia, accounting, IT, credit management, logistics, operations support and industrial consulting.

ILLA was assisted by the DWF Law Firm for the corporate law profiles related to the acquisition, by a team coordinated by lawyers Luca Cuomo and Matteo Polli, and by the Maviglia & Partners law firm for regulatory profiles.

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ILLA S.p.A. has been producing non-stick coated aluminum pans and pans for over 70 years. Since 2010 the production takes place in the large plant of Noceto (PR). The company counts among its customers some of the most important distribution chains worldwide, for which it produces products under their brand. In addition to the non-stick aluminum cookware is also active in the production of steel coffee makers and in the distribution of a wide range of products for the kitchen. Since 2015, ILLA S.p.A. has been using the Giannini brand, a well-known Italian cookware brand "design oriented". In 2017 the ILLA Group was listed on Euronext Growth Milan of Borsa Italiana.

For further information:

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