

Important Regulatory Notice

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION, SAVE FOR ANY EXEMPTION AS PROVIDED FOR BY APPLICABLE LAWS

This announcement does not contain or constitute an offer of, or a solicitation of an offer to buy, securities for sale in the United States. Securities may not be offered or sold in the United States unless they are registered or are exempt from registration under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. The securities have not been registered under the U.S. Securities Act, or under applicable securities laws of Australia, Canada or Japan, and may not be offered or sold in the United States absent registration under the U.S. Securities Act or an applicable exemption from the registration requirements of the U.S. Securities Act. Itema S.p.A. (the “**Company**”) does not intend to register any portion of this offering in the United States or to conduct a public offering in the United States, Australia, Canada or Japan. Any public offering of securities to be made in the United States would be made by means of a prospectus that would contain detailed information about the Company and its management, as well as financial statements. Copies of this announcement are not being, and should not be, distributed in or sent into the United States. No public offer of securities will be made in the United States.

It may be unlawful to distribute these materials in certain jurisdictions. These materials are not for distribution in Canada, Japan or Australia. The information in these materials does not constitute an offer of securities for sale in Canada, Japan or Australia.

This announcement is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This announcement is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase. This announcement is an advertisement and not a prospectus for the purposes of the Prospectus Directive. A prospectus prepared pursuant to the Prospectus Directive will be published in Italy, which, when published, can be obtained from the Company.

This announcement and this offering are only addressed to and directed at persons in Member States of the European Economic Area (the “**EEA**”) who are “Qualified Investors” within the meaning of Article 2(1)(e) of the Prospectus Directive. The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire Shares will be engaged in only with, Qualified Investors. This announcement should not be acted upon or relied upon in any Member State of the EEA by persons who are not Qualified Investors. For the purposes of this provision, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Member State concerned.

This announcement contains inside information within the meaning of Article 7(1) of Regulation (EU) No 596/2014. This inside information is now considered to be in the public domain, and any persons previously in possession of such inside information will no longer be considered to be in possession of inside information following publication of this announcement.

Itema S.p.A.

Via Cav. Gianni Radici 4
24020 Colzate (BG), Italy

Phone +39 035 7282111
Fax +39 035 740505
info@itemagroup.com
www.itemagroup.com

Share capital Euro 30 400 000 fully paid
VAT registration no. 02915320168
R.E.A.(Company Register) Bergamo 333513

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares of the Company (the “**Shares**”) have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

No representation or warranty, express or implied, is made by Banca IMI S.p.A., Credit Suisse Securities (Europe) Limited, and Banca Akros S.p.A. (the “**Managers**”), or any of their respective affiliates, or any of their or their affiliates’ respective directors, officers, employees, advisers or agents as to the accuracy or completeness or verification of the information contained in this announcement, and nothing contained herein is, or shall be relied upon as, a promise or representation by the Managers in this respect, whether as to the past or future. None of the Managers assumes any responsibility for its accuracy, completeness or verification and accordingly the Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this announcement or any such statement.

The Managers are each acting exclusively for the Company and the shareholders selling Shares in the transaction referred to in this announcement and for no-one else in connection with any transaction mentioned in this announcement and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to any such transaction and will not be responsible to any other person for providing the protections afforded to their respective clients, or for advising any such person on the contents of this announcement or in connection with any transaction referred to in this announcement. In connection with the transaction referred to in this announcement, the Managers will receive a fee from the Company and such selling shareholders for the services provided by them. Key inputs on the fee depend on the size and price of the offering. The contents of this announcement have not been verified by the Managers.

Press Release

ITEMA FILES THE APPLICATION FOR ADMISSION TO LISTING OF ITS SHARES ON THE MERCATO TELEMATICO AZIONARIO ("MTA") ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

The Operation provides for a portion of the shares offered for underwriting by the Company and a part offered for sale by shareholders

The shares will be offered to institutional investors in Italy and abroad

Colzate (BG), 9 April 2018

Itema S.p.A. ("**Itema**" or the "**Company**") files today to Borsa Italiana S.p.A. the application for admission to listing of its ordinary shares on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A., satisfying the conditions, STAR segment, in the context of its listing process (the "**Operation**").

Within the Operation, the Company has also drafted the share securities note schedule concerning the Operation and the summary of prospectus, which are filed today to Consob for the purpose of their publication, upon the outcome of the related investigation.

The share securities note schedule and the summary of prospectus, together with the registration document already filed to Consob on March 7, 2018, constitute the prospectus for listing (the "**Prospectus**").

In order to satisfy the requirement of sufficient spread of the Company's shares, it is provided that the Company's ordinary shares will be placed exclusively to institutional investors in Italy and abroad, outside the United States, in compliance with the provisions of Regulation S pursuant to the United States Securities Act of 1933 (the "**Securities Act**"), and to Canada, Australia and Japan, subject to any exemptions under applicable laws (the "**Offer**").

The ordinary shares of the Offer will be, in part, offered for underwriting by the Company (through a capital increase of maximum of 20,000,000 ordinary shares, equal to 23.8% of the company's share capital after the increase) and, in part, equal to total maximum of n. 7,250,000, offered for sale by Società Elettrica Radici S.p.A. ("**SER**") - held by Gianni Radici's family heir, current majority shareholder of the Company, holding a stake of 60% of the company's share capital - and TAM S.r.l. ("**TAM**") - held by the families Arizzi and Torri (which, directly and indirectly, own approximately 33% of the share capital), owner as of today of a stake of 7.1% in the Company's share capital (SER and TAM, collectively, the "**Selling Shareholders**"). Within the Offer, SER and TAM granted the so-called Greenshoe option up to total maximum n. 3,815,000 shares of the Company. The ordinary shares falling within in the Offer, including the Greenshoe option, will represent a percentage of at least 35% of the Company's share capital after the capital increase.

The total number of ordinary shares subject to the Offer, as well as the so-called Greenshoe option, in addition to other relevant conditions of the same, will be determined near the start of the Offer itself.

The Selling Shareholders, SER and TAM will undertake *lock-up* commitments, in line with the market practice for this type of transaction, for a period of 180 days starting from the date of the start of trading.

The Operation is expected to be completed within the second quarter of 2018, subject to market conditions and subject to the issuance of the authorization of the admission to listing by Borsa Italiana S.p.A. and to the approval of the Prospectus by Consob.

Within the listing process, the Company is assisted by Pirola Corporate Finance S.p.A., as financial advisor, by the firm Pirola Pennuto Zei & Associati, for the legal aspects of Italian law and Italian tax law, by the firm Latham & Watkins for the legal aspects of international law and by the Studio Associato – Consulenza legale e tributaria (KPMG) for tax activities under international law.

Banca IMI S.p.A., Credit Suisse Securities (Europe) Limited and Banca Akros S.p.A., assisted by the firm Baker McKenzie, act as Joint Global Coordinator, Joint Bookrunner within the Operation. Banca IMI also plays the role of sponsor and specialist in the Operation.

Information on Itema

Itema, is a global leader in the field of production and marketing of weaving machines, spare parts and integrated services, with a market share of about 20% in rapier machines segment. More precisely, the business of the Itema Group is divided into two segments, the Weaving segment, relating to the design, production and marketing of weaving machines and spare parts, as well as the supply of the related integrated services and after-sales services related to the main business and, the Industrial segment, related to the production and marketing of semi-finished or finished products for industrial use destined to the mechanical-textile sector and other production sectors.

As part of the Weaving segment, Itema offers three weaving technologies without shuttles, namely the rapier, airjet and projectile technology, offering specific solutions for every type of fabric, including fabrics for high fashion, industrial and technical fabrics.

As of today, the Itema Group has a capillary presence on a global scale with twelve subsidiaries for production, marketing and after sale assistance of which (i) nine relating to the Weaving segment, located in Italy, China, Switzerland, India, Japan, USA, Hong Kong (China) and Dubai (UAE), and (ii) three relating to the Industrial segment, belonging to Lamiflex S.p.A., two of which are located in Italy and one in Hong Kong (China).

With reference to the financial year ended December 31, 2017, Itema resolved not to distribute dividends, while it distributed dividends for Euro 15.040 thousand with reference to 2016 and 2015.

As of the date of this press release, Itema has not made any commitments and has not adopted any plans for the distribution of dividends in future years, which will be, therefore, left from time to time to the decisions of the Shareholders' Meeting, in compliance with legal and statutory limitations.

Itema's chance to distribute dividends depends on its ability to accumulate distributable profits and reserves, which in turn depends on a number of factors that are not foreseeable at the date of this press release and partly beyond Itema's control, such as the Itema's future economic trend, the occurrence of currently unpredictable negative contingencies and the general trend of the economy and of the market sectors in which Itema operates. In the future, therefore, Itema may not be able to make distributable profits or, even in the occurrence of distributable earnings, decide not to make distributions to shareholders or to proceed to different distributions compared to the past.

Selected financial data

The following table shows the main data and economic indicators of the Itema Group relating to the periods ended as at *proforma* December 31st 2017, December 31st 2016 and December 31st 2015:

<i>Thousands Euro</i>	Year ended December 31st		
	2017 <i>proforma</i>	2016	2015
Revenues	305.768	265.850	271.659
EBITDA	25.638	22.055	21.513
EBITDA %	8,4%	8,3%	7,9%
EBITDA <i>adjusted</i> (1)	27.662	20.280	24.594
EBITDA <i>adjusted</i> %	9,0%	7,6%	9,1%
EBIT	18.463	16.249	16.114
EBIT %	6,0%	6,1%	5,9%
Net profit	18.067	18.610	17.723
Net profit (%)	5,9%	7,0%	6,5%

- (1) *Adjusted* EBITDA is not identified as an accounting measure under IFRS and, therefore, the indicator should not be considered an alternative measure for assessing the performance of the Company's operating result. Since the composition of the aforementioned indicator is not regulated by the reference accounting principles, the criterion of determination applied by the Company may not be homogeneous either with that adopted by other companies or with that which could be adopted in the future by the Company, or implemented by it, and therefore not comparable.

The following table shows the breakdown of revenues by business segment of the Company for the years ended as at *proforma* December 31st 2017, December 31st 2016 and December 31st 2015:

<i>Ricavi</i>	Year ended December 31st					
	2017 <i>proforma</i>	%	2016	%	2015	%
<i>Thousands Euro</i>						
Weaving	286.903	93,8	265.850	100	271.659	100
Industrial	18.865	6,2	n.a.	n.a.	n.a.	n.a.
Totale Ricavi	305.768	100	265.850	100	271.659	100

For additional information:

Media Relations:

Moccagatta Associati

Phone: + 39 02 8645.1695

segreteria@moccagatta.it

Investor relations:

Roberto Rossoni

Phone: +39 035 7282324

investor.relations@itemagroup.com