

PRESS RELEASE

SOMEC S.P.A.: THE BOARD OF DIRECTORS APPROVES THE DRAFT CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

SOMEC: ALL ORDERS CONFIRMED, BACKLOG RECORD AND ROBUST NEW ORDERS INTAKE, STRONG OPERATING CASH FLOW GENERATION IN 2020**ROBUST GROWTH IN 2021 BACKED BY CONFIRMED ORDERS**

- 2021 estimates point to full sales volume recovery and a return to pre-Covid growth rates
- Long term variable incentive plan and buyback of treasury shares

FY2020 RESULTS

- Order intake at 253 million euro in 2020
- All orders confirmed, backlog record of 767 million euro¹ as at 31 December 2019
- Revenues stood at 223.4 million euro, down (-11.1% compared to 251.4 million euro as at 31.12.2020) as a consequence of delayed order execution due to lockdown
- Adj. EBITDA margin to 9.0% slightly lower compared to 9.7% margin in 2019
- Consolidated adj. EBITDA of 20.0 million euro was lower vs 24.4 million euro in of 2019
- Increased amortisation, depreciation and write-off (+9.2 million euro vs 2019) due to the combined effect of M&A activities and accounting adjustments moved Adj. EBIT to -0.9 million euro
- Strong operating cash flow confirmed equal to 16.4 million euro
- Net debt (excl. IFRS 16) was at 39.3 million euro, in line with 39.0 million euro as at 31 December 2019. Including the effect of IFRS 16, net debt amounted to 58.3 million euro compared to 56.2 million euro as at 31 December 2019

San Vendemiano (TV), 25 March 2021 – The Board of Directors of Somec S.p.A., met today to examine and approve the draft consolidated results for the Financial Year ended 31 December 2020.

Oscar Marchetto, chairman of Somec S.p.A., commented: *“Somec has closed 2020 financial year with an economic result in line with expectations. It has been an exceptional year but our group has been choesive to face this unpredictable challenge of the pandemic. Our growth strategy has continued and enabled us to complete during the year four acquisitions, the transition to International Accounting Standards, the translisting to the MTA Market, the first non-financial declaration and the assignment for an ESG rating. Therefore, besides pursuing our strategy, we have also completed all the initiatives aimed to increase the transparency of the group towards the stakeholders and strenghten our governance.”*

“We are proud of our people, how they reacted and worked with passion, side by side or remotely based, to tackle emergency and uncertainty. It takes me back to 2014, a tough year for Somec and our people. When we were asked by a journalist whether or not, in such a tough moment, doing business was still feasible, our answer was - and we still confirm it - “We can, of course, we can: you have to truly believe that people are the key success factor in a company and help them to transform into reality the dreams that move them.”

“Since the beginning, the key factor of our success has been the people. In accordance with our philosophy, we have launched a long-term incentive plan for the top management. The possibility to engage the managers and the discipline deriving from common objectives measured by the market is the main driver of our decision to enter the stock market, because there is value only if it is shared”

¹Total Backlog: backlog plus backlog under option, as described in the Prospectus.

“We are well positioned on all the markets to reap the benefits of a resumption that could be imminent and disruptive; this year we expect a full recovery of the volumes and a return to the pre-covid growth levels”

“The announcement and inoculation plan of the vaccines, especially in the US that is historically the main cruise market with a share of 50% of total passengers in 2018, has revitalized the growth prospects in the sector. The main cruise lines are planning to resume cruises starting from June strengthened by the pre-booking reservations. In the States, the market of Building Façades, after the first two months marked by a “wait and see” approach for the establishment of the new President, could be reinvigorated by large investments for the construction and renovation of building, especially institutional, for energy efficiency purposes. The Chinese market, where Somec is present since one year, has shown clear signs of upturn in demand and the growth perspectives of the Chinese shipbuilding are confirmed, now more than ever. Regarding European market, the speed of vaccination inoculation in the UK, another historically significant market for the cruises, is a great impulse to the pre-booking”

Order Backlog

During the year 2020, the Group received over 253 million euro of order intake. The year-to-date order intake stands at over 24 million euro.

Total Group Backlog² reached 767 million euro as at 31 December 2020 (exceeding the 638 million euro total of 31 December 2020 by 129 million euro) of which 601 euro million in the Seascope division and 166 euro million in the Landscape division, with a time horizon of the order portfolio until 2027.

The following chart illustrates the total Backlog breakdown by scheduled delivery year. It has to be noted that, as a consequence of the characteristic of the specific business, the planning horizon of Landscape - Building Façades segment is no longer than two years, representing the average time between order signing and later delivery.

Total backlog breakdown by scheduled year (% on total)

2021	2022	2023	2024	2025	2026	2027
23%	23%	15%	12%	12%	10%	5%

On the total Backlog amount of 767 euro million, options represent 28%.

The following table shows a summarised breakdown of orders in our backlog by business segment.

Seascope			Landscape
Marine Glazing	Marine Cooking Equip.	Marine Public Areas	Building Façades
50.4%	21.7%	6.2%	21.7%

The following table shows a summarised breakdown of Seascope Backlog, equal to 78% of total Backlog, split by main cruise operators

Seascope backlog by cruise operators (%)

A	B	C	D	E	Others ancillary	Total
19%	19%	18%	17%	16%	11%	100%

² Total Backlog: backlog plus backlog under option, as described in the Prospectus.

Economic and financial highlights of the fiscal year 2020

Revenues amounted to 223.4 million euro as at 31 December 2020, down by -11.1% on the 251.4 million euro as at 31 December 2019.

The business units recorded the following performances:

- Seascope -16.1% (133 million euro vs. 158.5 million euro in 2019)
- Landscape -2.7% (90.4 million euro vs. 92.9 million euro in 2019)

The following table shows revenues 2020 breakdown by business segment:

<i>Eur M/ % of total</i>	Marine Glazing		Marine Cooking Equipment		Marine Public Areas		Totale Seascope	
2020	73.1	55.0%	36.9	27.7%	23.0	17.3%	133.0	100.0%
2019	89.8	56.7%	44.6	28.1%	24.1	15.2%	158.5	100.0%
% change	-18.6%		-17.3%		-4.6%		-16.1%	

<i>Eur M/ % of total</i>	Building Façades		Professional Cooking Equipment		Public Areas Interiors		Totale Landscape	
2020	68.2	75,5%	20.3	22.4%	1.9	2.1%	90.4	100.0%
2019	81.6	87,8%	11.3	12.2%	-	-	92.9	100.0%
% change	-16.4%		79.6%		0%		-2.7%	

The following table shows a summary of the **revenue 2020 breakdown by geographic area**:

	2020	2019
Italy	21.3%	25.3%
Europe (excl. Italy)	28.9%	29.3%
North America	42.6%	44.3%
Rest of the World	7.2%	1.1%

Consolidated **adjusted EBITDA** (excluding 1.3 million euro of non-recurring costs, as the cost of the transition to the MTA market equal to 1.1 million euro) amounted to 20.0 million euro as at 31 December 2020, in line with guidance, with an adj. EBITDA margin of 9.0%, a slight decrease on 2019 EBITDA margin of 9.7%. Consolidated **EBITDA** amounted to 18.7 million euro, decreasing by 23.5% compared to EBITDA 2019 of 24.4 million euro, with EBITDA margin of 8.4%

EBITDA margin of Seascope business unit is 10.4% is in line with 2019 result of 10.2%.

Compared to 2019, **EBITDA margin of Landscape business unit** lowered from 9.0% to 5.4%, due to the pandemic impact on Professional Cooking Equipment segment, that (apart from the newly acquired company Pizza Group) experienced lower volumes not supported by backlog dynamics as the rest of the business. Building Façades segment also experienced lower volumes due to operation slow down and the lack of state aids for workers.

Amortisation, depreciation and write-off amounted to 20.9 million euro, up by 9.2 million euro on the 11.7 million euro in 2019. Amortisation, following the M&A activities, increased by 1.8 million euro due to intangible assets increase and by 1.1 million euro due right of use (according to IFRS 16). Write-off includes 4.7 million of euro of Total Solution Interior reduced goodwill after post-covid19 impairment test (offset at P&L level by the gain related to the corresponding Put&Call option reduction in the financial results) and 1.1 euro million loss on bad debts and inventories.

Adjusted EBIT (excluding the cost of the transition to the MTA market) is equal to -0.9 euro million.

Consolidated EBIT as at 31 December 2020 was negative for 2.2 euro million, compared to 2019 EBIT equal to 12.8 euro million mainly due to recurring (lock down business interruption and higher depreciation) and non-recurring items as already detailed.

Financial income and costs in 2020 reported a 3.7 million euro profit. As a result of extraordinary income equal to 1.5 euro million from Pizza Group acquisition and 4.8 euro million from the already mentioned TSI Put&Call option reduction.

Group net income for the period was positive at 2.7 million euro compared to 7.9 million euro in 2019.

During the year, **right-of-use assets** (recognised as assets in compliance with IFRS 16) amounted to 18.9 million euro, flat vs. 18.7 million euro as at 31 December 2019.

Net working capital stood at 26.4 million euro, in line with 25.6 million euro as at 31 December 2019.

Group **Net Debt, excluding the effects of IFRS 16**, amounted to 39.3 million euro as at 31 December 2020 in line with 39.0 million euro as at 31 December 2019.

Group **Net Debt**, including the effects of IFRS 16, amounted to 58.3 million euro as at 31 December 2020 (compared to 56.2 million euro as at 31 December 2019) increased by 2.1 euro million due to M&A activities.

Cash flow from operating activities amounted to 16.4 million euro, rising by 11.1 million euro vs 2019, thanks to the resiliency of the operating margins and the neutral impact of the working capital.

Cash flow absorbed by investing activities amounted to 10.6 million euro essentially driven by M&A activities.

Cash flow for financing activities to the amount of 6.8 million euro essentially refers to new bank loans financing net of dividends payment.

Significant events after the year end 2020

Skillbuild

On 19th January 2021, the newly acquired company Skillmax created Skillbuild S.r.l. aiming to serve private housing upgrading following the state fiscal incentive for sustainable building.

ESG rating

On March 2021, Somec S.p.A. has assigned to a primary international firm the ESG rating *assessment*.

Business Outlook

Despite the overall backdrop of uncertainty, the resilience shown by both the company's divisions even during the most challenging periods of the past year (such as during the peak of the first and second pandemic wave) is reassuring and allows us to take an optimistic view on the near future. Aside from the forced closures of March and April, Somec has not lost a single day of production and all orders have been confirmed, even in the more exposed cruise ship sector. It is precisely this increase in the backlog of both divisions plus the investments made in acquisitions, processes and governance during the year that point to a scenario of renewed growth and competitiveness for the company.

Visibility on the order backlog remains solid and long-term partly thanks to clients with strong balance sheet ratios and medium to long-term planning needs that have expressed their intention to resume investments in order to be first in line to exploit the opportunities generated by the economic recovery. The financial strength

of the company's main clients is also shown by the working capital trend, which has not given rise to any particular concerns, and the confirmation of the entire order backlog.

Moreover, the strategy of diversifying the business areas through two separate business units (whose contribution to 2020 group revenues dropped to 60% in the case of the Seascope division and rose to 40% in the case of the Landscape division) again proved to be a smart move in this challenging pandemic scenario thanks to the decorrelation and counter-cyclical nature of one division with respect to the other. Although they both have the same "cash generative" business models, the two divisions are focused on markets with entirely different characteristics and geographies, thus enhancing synergies and reducing the company's overall risk exposure.

The backlog acquired by the Seascope BU for the next two years (amounting to 203 million euro, or 26% of the total backlog) is comprised by projects in progress that have already been launched and financed. The continuous growth enjoyed in recent years by the cruise sector was not compatible with the construction times of new ships and therefore shipowners were forced to keep obsolete and less profitable ships in their fleets. The forced closures allowed them to finally rationalise their fleets by decommissioning the less profitable and most polluting ships, and replacing them with new ships currently under construction. The level of concentration is also low in the Seascope backlog as it is split between a large number of clients, none of which account for more than 19% of the total.

The US market of the Landscape division proved to be highly resilient and dynamic even during the most challenging months of the pandemic, completing ongoing projects and acquiring new ones. Environmental sustainability, economic stimulus plans and new office space concepts represent important growth opportunities for the company, which finds itself in the position of being a privileged partner to meet the new real estate requirements of large American corporations and government entities. The company confirms its plan to expand on both the West Coast and in the South of the United States, bolstered by a long-term incentive and retention plan for management.

Once again, the group's "asset light" business model, its flexible production structure, well-established engineering expertise, in-house monitoring of all phases of production, investments executed and strengthened governance structure give the group a competitive edge in a scenario of growth.

Finally, the group has always been keen to form lasting partnerships and relationships with clients and suppliers, with a more general awareness of long-term sustainability issues. Somec's Italian operations are characterised by supply chain proximity, comprised by top quality small and medium enterprises. Although we hope that government measures to protect the valuable Italian manufacturing sector and the jobs it provides to Italian households are effective, Somec is setting up a monitoring system and providing contributions to support the supply chain.

Estimates for the year 2021 point to a full volumes recovery and a return to pre-Covid growth rates.

Proposal for allocation of 2020 net income

The Board of Directors has adopted a proposal, to be submitted at the next Ordinary Shareholders' Meeting, regarding the allocation of 2020 net income of Somec S.p.A. as assignment of extraordinary reserve equal to Euro 1,905,736.

Annual report on corporate governance and report on the remuneration policy

The Board of Directors reviewed and approved the Report on Corporate Governance and Ownership structure for the year 2020 pursuant to art. 123-bis of TUF as well as the Report on the remuneration policy and remuneration paid as required under article 123-ter of TUF. The latter will be submitted to the examination and approval of the Shareholders' Meeting; these reports will be published and made available, within the terms established by current legislation, on the website www.somecgroup.com and on the authorized storage mechanism 1Info (www.1info.it).

Proposal to approve the treasury shares buyback program

The Board of Directors held today resolved to submit to the approval of the Shareholders' Meeting the proposal to approve a plan for the purchase and disposal of treasury shares, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Article 132 of TUF, subject to revocation of the authorization resolved by the Shareholders' Meeting on April 29, 2020.

The authorisation to purchase and dispose of treasury shares is requested with the purpose of providing the Company with a flexible and functional instrument to pursue some of the purposes compatible with the current legal and regulatory provisions and in particular:

- (i) to have available of treasury shares to be allocated to any future incentive plans in favor of members of the administrative or control bodies, employees or collaborators of the Company and/or Somec subsidiaries that involve the provision or assignment of shares or financial instruments convertible into shares;
- (ii) to have available of a securities portfolio (so-called "treasury shares" portfolio) to be used, in accordance with the Company's strategic guidelines, to service any extraordinary transactions and/or the possible use of shares as consideration in extraordinary transactions, including the exchange of shareholdings, with other parties as part of transactions of interest to the Company;

all within the limits provided for by current regulations and, where applicable, in accordance with market practices permitted by the supervisory authority, pro tempore in force, pursuant to and for the purposes of Article 13 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014.

The authorization to purchase treasury shares is requested from the Shareholders' Meeting for a period of 18 months, starting from the date of any resolution of approval of the proposal by the Shareholders' Meeting, while the authorization to dispose of any treasury shares purchased is requested without time limits.

It is proposed that the purchases may take place at a unit price that may not differ, either downwards or upwards, by more than 20% with respect to the closing price recorded by the stock in the trading session preceding each individual transaction, and in any case in compliance with the additional applicable rules (including the additional conditions set forth in Article 3 of Delegated Regulation (EU) 2016/1052 of the Commission of March 8, 2016).

It is proposed that the disposition of treasury shares (for purposes other than those pursued in the context of industrial projects or extraordinary finance transactions) may take place at a unit sale price not 20% lower than the closing price recorded by the stock in the stock exchange session preceding each individual transaction.

For further information, also with regard to the procedures for the execution of purchase and disposal transactions of own shares, please refer to point 6 of the Board of Directors' Explanatory Report which will be published and made available, within the terms established by current legislation, on the website www.somecgroup.com and on the authorized storage mechanism 1Info (www.1info.it).

Long term variable incentive plan (2021-2025)

Today the Board of Directors of Somec S.p.A. has resolved to submit to the Shareholders' Meeting of April 29, 2021 resolution to approve a variable Long Term Incentive Plan 2021-2025 ("**the Plan**"). In particular, the Plan may determine the disposal of Somec treasury shares - coming from purchases made in the implementation of share buyback plans previously approved by the Company - up to a maximum of 207,000 shares.

More information about the plan beneficiaries, the specific conditions and purpose of the Plan will be published in the information document, pursuant to art. 114-bis of the Legislative Decree. 24th February 1998, No. 58, ("**TUF**"), which will be published within the legal deadlines, with the Report of the Board of Directors on the items on the Agenda of the Shareholders' Meeting.

Other resolutions of the board of directors

Today, the Board of Directors has also:

- (i) resolved to submit to the Shareholders' Meeting a proposal to grant the Board of Directors (a) a proxy to increase the share capital to be offered as an option to shareholders, pursuant to Articles 2443 and 2441 of the Italian Civil Code, (b) a proxy to increase the share capital with the exclusion of the option right, pursuant to Articles 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code and (c) a proxy to increase the share capital with

- the exclusion of the option right, pursuant to Articles 2443 and 2441, paragraph 4, first sentence, of the Italian Civil Code;
- (ii) resolved to submit to the Shareholders' Meeting the appointment of Mr. Stefano Campoccia as independent director of the Company in accordance with the provisions of Article 21 of the By-laws, in replacement of Mr. Michele Graziani who formally resigned on July 16, 2020;
 - (iii) carried out the annual assessment of the independence requirements of the independent directors and assessed the existence of the independence requirements set out by the applicable current legislation, as also referred to in the by-laws, and by the Corporate Governance Code, for the Directors Gianna Adami and Stefano Campoccia.

Consolidated non-financial statement prepared pursuant to leg. 254/2016

In compliance with the provisions of Legislative Decree 254/2016, the Group has prepared the 2020 Consolidated Non-Financial Statement. This document will be made available to the public on the Company's website www.somecgroup.com at the same time as the 2020 Annual Financial Report, of which this document is to be considered an integral part.

Convening of Somec S.p.A. shareholders' meeting

The Board of Directors finally resolved to call the Shareholders' Meeting for 29 April 2021, in single call, which will be called to deliberate on the proposals of the abovementioned Board of Directors.

For more information in this regard, please refer to the Shareholders' Meeting Notice containing all the necessary and appropriate information pursuant to the law, which will be published within the time frame and in the manner prescribed by law and the by-laws, and made available on the institutional website www.somecgroup.com, and the publication of which will be disclosed to the public.

Filing of documentation

A copy of the Consolidated Financial Report as of December 31 2020, including the Independent Auditors' Report, will be made accessible to the public within the terms and according to the methods provided by current legislation by publication on the institutional website www.somecgroup.com, section "Investor relations/ Financial Reports/ Statements and Reports", on the authorised storage mechanism 1Info (www.1info.com) as well as at the registered office in Via Palù 30, San Vendemiano (TV). According to the same procedures, the documentation relating to the items on the agenda of the Shareholders' Meeting will also be made available to the public, pursuant to and in accordance with the law. In this regard, reference should be made to the Notice of Call of the Shareholders' Meeting.

The manager in charge of preparing the corporate accounting documents, Federico Puppini, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 58/98, that the accounting information contained in this press release corresponds to the accounting figures, books and records.

This document contains forward-looking statements, in particular in the section headed "Management Outlook" relating to future events, the operating income and financial results of the Group. These statements are based on the Group's current expectations and forecasts regarding future events and, by their nature involve risks and uncertainties since they refer to events and depend on circumstances which may, or may not, happen or occur in the future and, as such, they must not be unduly relied upon. The actual results could differ significantly from those contained in these statements due to a variety of factors, including changes in the macroeconomics and in economic growth and other changes in business conditions, changes in legal and institutional framework (both in Italy and abroad), and many other factors, most of which are beyond the Group's control.

www.somecgroup.com

The Somec Group is one of the major global players, specializing in designing, engineering and manufacturing of major turnkey projects, marine- or land-based: glass envelopes and façades, special architectural projects, public areas interiors, professional cooking equipment. The Group's principal activities operate in contract projects by designing and manufacturing unique systems to fit extreme applications and most strict safety and quality standard of naval and building engineering. The projects accomplished by the Group stand out for the deep technological know-how required in high-end service contracts.

Through the projects accomplished by the Group and its management over the years, the company has built a strong reputation of quality, reliability and execution, becoming a global leader in projects implementation.

The headquarters of Somec Group are in Italy in the city of San Vendemiano, near Treviso, while its subsidiaries are in the United Kingdom, United States of America, Slovakia, China and Canada. Overall, the Group has a workforce of 800 employees approx. and revenues equal to 220 euro million in 2020.

Investor Relations office:
email: ir@somecgroup.com
Ph. +390438471998

Media Relations: Close to Media
email: luca.manzato@closetomedia.it
Ph. +39027000623

Summary tables

Reclassified consolidated income statement	2020	%	2019	%	Δ%
<i>In euro thousand</i>					
Revenue from contracts with customers	222,068	99.4%	249,971	99.4%	-11.2%
Other revenues and income	1,356	0.6%	1,422	0.6%	-4.7%
Total revenues	223,424	100.0%	251,393	100.0%	-11.1%
Materials, services and other costs	(164,314)	-73.5%	(187,301)	-74.5%	-12.3%
Personell costs	(40,420)	-18.1%	(39,663)	-15.8%	1.9%
Operating costs	(204,734)	-91.6%	(226,964)	-90.3%	-9.8%
EBITDA	18,690	8.4%	24,430	9.7%	-23.5%
Depreciation and amortizations	(20,908)	-9.4%	(11,666)	-4.6%	79.2%
EBIT	(2,218)	-1.0%	12,764	5.1%	-117.4%
Net financial income (costs)	3,628	1.6%	(1,179)	-0.5%	-407.8%
Net results from associate companies	112	0.1%	67	0.0%	67.9%
EBT	1,522	0.7%	11,652	4.6%	-86.9%
Income taxes	(42)	0.0%	(3,092)	-1.2%	-98.6%
Consolidated Net Profit	1,480	0.7%	8,560	3.4%	-82.7%
Non-controlling interests	(1,193)	-0.5%	667	0.3%	-278.8%
Group Net Profit	2,673	1.2%	7,982	3.1%	-66.1%

Reclassified consolidated balance sheet	31.12.2020	31.12.2019
<i>In euro thousand</i>		
Intangible assets	52,087	57,981
<i>of which Goodwill</i>	27,555	28,484
Tangible assets	16,056	12,193
Right-of-use assets	18,944	18,693
Investment in an associate and joint venture	194	83
Non-current financial assets	282	-
Other non-current assets and liabilities	(5,995)	(7,415)
Employee benefits	(4,381)	(2,301)
Net fixed capital	77,187	79,236
Inventory and payments on account	12,631	11,305
Construction contracts and advances from clients	24,847	24,503
Trade receivables	65,520	57,921
Trade payables	(43,940)	(47,465)
Provisions for risk and charges	(470)	(344)
Other current assets and liabilities	(32,182)	(20,364)
Net working capital	26,407	25,556
Net Invested capital	103,594	104,791
Group equity	38,385	39,409
Non-controlling interest in equity	6,880	9,194
Net financial position	58,329	56,189
Sources of funding	103,594	104,791

Net financial position	31.12.2020	31.12.2019
<i>In euro thousand</i>		
Cash and cash equivalents	51	29
Bank deposits	41,792	29,399
Total liquidity	41,843	29,428
Current financial assets	331	1
Current bank debt	(9,555)	(7,297)
Current portion of bank loans and credit facilities	(16,862)	(12,763)
Other current financial liabilities	(763)	(3,686)
Current Debt	(27,180)	(23,746)
Current net financial position	14,994	5,683
Non-current bank debt	(42,329)	(31,612)
Other non-current financial liabilities	(11,942)	(13,033)
Non-current financial position	(54,271)	(44,645)
Net financial position before IFRS 16	(39,277)	(38,962)
IFRS 16 – Lease - impact	(19,052)	(17,227)
Current portion	(3,800)	(2,734)
Non-current portion	(15,252)	(14,493)
Net financial position	(58,329)	(56,189)

Cash Flow statement	31.12.2020	31.12.2019
<i>In euro thousand</i>		
Cash flows from operating activities	16,375	5,296
Cash flows from investing activities	(10,594)	(13,879)
Free Cash Flow	5,781	(8,582)
Cash flows from financing activities	6,842	13,229
<i>Effect of exchange rate changes on cash and cash equivalents</i>	(208)	(152)
Net cash flow	12,415	4,494
Cash and cash equivalents at the beginning of the year	29,428	24,934
Cash and cash equivalents at the end of the year	41,843	29,428

The foregoing press release is not a public offer of financial instruments in Italy pursuant to Art. 1, § 1, lett. t), of Leg. Decree No. 58 of 24 February 1998. This press release (including the information it contains) is not, either as a whole or in part, a public offer of financial instruments nor a call for public tender for the purchase of financial instruments, and there will not be any offer of sale of such products in any jurisdiction for which such offer or sale is in violation of applicable law. This press release is not an offer of sale of financial instruments in the United States of America, in Australia, in Canada, in Japan or in any other jurisdiction in which this offer or sale is forbidden and therefore it may not be published or distributed, either directly or indirectly, in these countries. The financial instruments mentioned in this press release have not been and will not be registered under the Securities Act of 1933 of the United States of America, as amended; such products shall not be offered or sold in the United States of America without registration or without specific exemption from the obligations of registration. The documentation regarding the offer has not been/will not be submitted for approval to CONSOB and to Borsa Italiana S.p.A.

The foregoing press release may contain information that is forward-looking, including references that are not related exclusively to historical data or current events and that, therefore, as such are uncertain. Forward-looking information is based on assumptions, expectations, projections and forecast data regarding future events and are subject to very many uncertainties and to other factors out of the Company's and/or Group's control. There are many factors that may generate significantly different results and trends compared to the implicit or explicit contents of forward-looking information. For this reason, this kind of information is not a reliable indication of future performance. Somec S.p.A. denies any obligation to publicly update or review forward-looking information either as a result of future events or for any other reason, unless this is required under applicable laws. The information and the opinions contained in this press release are those available at the time of going to press and may be changed without warning. Moreover, the reference to past performance of the Company or of the Group must not be intended as indication of future performance.

NOT TO BE PUBLISHED OR DISTRIBUTED IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN