

SOMEK: PRELIMINARY AGREEMENT SIGNED FOR LAMP ARREDO S.r.l. ACQUISITION BY MESTIERI S.r.l.

**The historic Treviso-based company, expert in metalworking
for creation of high-level customised works and finishes, will enter
"Mestieri: design and production of bespoke interiors",
the group division creating high-end interiors**

San Vendemiano (Treviso), 25 October 2022 – Somec S.p.A. (hereinafter "Somec"), a company listed on the Euronext Milan market (Italian Stock Exchange) and specialized in the engineering and construction of complex turnkey civil and naval architecture projects, following a non-binding letter of intent disclosed to the market on 5 July 2022, announces that it has entered into a preliminary binding agreement for the acquisition of a 60% equity interest in Lamp Arredo S.r.l. (hereinafter "Lamp Arredo", or "the company"), a company specialising in the engineering and processing of metal furniture and ornamental items.

Rationale of the operation

Lamp Arredo will strengthen the "*Mestieri: design and production of bespoke interiors*" division, supplementing and expanding the offer in creation of high-end furniture and interiors for hotels, museums, shops and exclusive residences. Lamp Arredo, which began operating at the end of the 1970s, stands out for its great expertise in processing painted steel and stainless steel, as well as precious materials in the most varied and creative finishes, for complete works of the highest level. With these characteristics, Somec is able to collaborate with famous designers and architects, realising their conceptual and artistic vision in tailor-made turnkey projects, without any constraints on scale: from the smallest of objects to furnishings, to entire building façades.

The deal will be finalised by the subsidiary Mestieri S.r.l., which Somec reserves the right to appoint as buyer and transferee of the equity interest until the date of closing, scheduled for 31 October 2022.

In financial year 2021, Lamp Arredo's value of production totalled 6.3 million Euro, with EBIT and net profit standing at 0.4 million Euro. As at 31 December 2021, shareholders' equity totalled 0.9 million Euro and the net financial position was negative for 0.9 million Euro.

President's remarks

Oscar Marchetto, President of Somec, states: "*I am very pleased with the entry of Lamp Arredo into the Somec Group, because the company enriches and accelerates Mestieri's growth, expanding the spectrum of Italian craftsmanship in the portfolio. For over 40 years, Lamp Arredo has embodied excellence in metal works and finishes, elaborated with craftsmanship, enhancing the art of manual skills with innovation and absolute quality. These characteristics will allow us to increase synergies within the group, and to offer our customers an ever-broader variety of services and choices: I am convinced this will translate into new development opportunities.*"

Summary of the operation

The provisional price for the purchase of the 60% equity interest in Lamp Arredo has been set at 1.7 million Euro, calculated on normalised EBITDA for the year 2021 with the application of a 5x multiple, which may be adjusted based on the value of the net financial position at the date of closing. As a result, the actual cash out of the buyer will depend on the price adjustment that will be made after the deal is finalised.

According to the agreement, the remaining 40% of the shares are linked to put and call option rights, which may be exercised at two separate times: 20% within 90 days of the approval of the financial statements for the year ended 31 December 2024 and a further 20% within 90 days of the approval of the financial statements for the year ended 31 December 2026.

The put and call option exercise price will be based on the average normalised EBITDA of the two financial years prior to such exercise, to which a 5x multiple will be applied, net of the net financial position calculated at the option exercise date. The agreement also sets out a cap on the average normalised EBITDA figure, which may not exceed the normalised EBITDA as at 31 December 2021 increased by 10% for each calendar year between the date of closing and the option exercise date.

The agreement includes contractual guarantees and related indemnity remedies for the buyer in line with market practice.

Maurizio Meneghini and Andrea Rizzetto, minority shareholders in Lamp Arredo, will remain with the company board of directors, continuing their contributions of specific business knowledge and experience.

The deal will be entirely funded through credit lines already available to Somec S.p.A. and does not qualify as significant pursuant to Article 71 of the Issuers' Regulation adopted by Resolution No. 11971 of 14 May 1999, as amended from time to time.

SOMEK

SOMEK S.p.A. specialises in the engineering, design and realisation of complex turnkey civil and naval engineering projects in three contract segments: engineered systems for naval architecture and civil facades, professional kitchen systems and products, and the design and creation of customised interiors. Companies in the Group operate under a similar business model, focusing on design, production and installation, in compliance with strict civil and naval engineering quality and safety standards. Projects managed by the Group stand out for their high levels of customisation and material-specific know-how, a fundamental requirement in projects with high added value. Thanks to its rigorous certification and accreditation process, SOMEK has achieved a reputation for quality and operational and financial reliability on a global scale. SOMEK is headquartered in San Vendemiano in the province of Treviso in Italy, has companies in the United States, Slovakia, China and Canada, employs around 800 people and recorded a turnover of 258.5 million Euros in 2021.

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