

SOMEC S.P.A.: CONSOLIDATED RESULTS FOR THE YEAR 2022 APPROVED

**REVENUES AND BACKLOG SETTING AN ALL-TIME RECORD IN A YEAR
FEATURING ACQUISITIONS AND THE LAUNCH OF MESTIERI**

Marchetto: “The decision to diversify our business into three areas has proved to be rewarding. All segments are growing and in 2023 we will exceed 360 million Euro in revenues, increasing profitability.”

- Revenues stood at 328.8 million Euro, up 27% thanks to combined effect of organic growth (+43.8 million) and acquisitions (+26.5 million). Turnover increased across all business units, especially in Mestieri (+126%)
- Backlog at new record high of 934 million, with new orders in excess of 250 million
- EBITDA came in stable at 23.2 million Euro, 7.1% of revenues, despite higher raw material and energy prices. Profitability improved significantly in the second half (8%) compared to the first half (6%)
- Consolidated adjusted net result came in positive at 1.6 million Euro, -0.5 million net of write-downs of trade receivables of an exceptional nature
- Operating cash flow stood at 14 million Euro, compared to 16.8 million Euro in 2021
- Net financial position ex-IFRS16¹ totalled 54.3 million Euro compared to 22.5 million Euro as at 31 December 2021 as a result of the strong acquisition campaign (36 million Euro) and dividends paid during the year (8.5 million Euro)
- 2023 is expected on the upside, with revenues exceeding 360 million Euro, EBITDA of not less than 30 million Euro (EBITDA margin to exceed 8%), a Net Financial Position ex-IFRS16¹ of less than 40 million Euro and a return to dividend payout

San Vendemiano (Treviso, Italy), 22 March 2023 – The Board of Directors of Somec S.p.A. (Euronext Milan: SOM), specialising in the engineering, production and commissioning of complex turnkey projects in the civil and naval engineering sector, met today under chaired by Oscar Marchetto to examine and approve the draft financial results of Somec S.p.A. as well as consolidated financial statements as at 31 December 2022.

In the financial year just ended, Somec Group recorded new records in terms of revenues and backlog, which rose 27.2% to 328.8 million Euro and 1.4% to 934 million Euro, respectively. Organic growth and the contribution of the many acquisitions completed proved rewarding for all three business units, with special reference to “Mestieri: design and production of bespoke interiors”, which more than doubled its turnover to 69.7 million Euro.

Thanks to the expected recovery of operating profitability in the second half of the year deriving from the diversification strategy as well as the management actions put in place, the financial year ended with a stable EBITDA of 23.2 million Euro despite the impact of raw material and energy price increases on margins, particularly on shipbuilding and civil orders. The adjusted consolidated net profit amounted to 1.6 million Euro.

Inflow from operating activities (14 million Euro), coupled with reliance on bank credit, allowed the Group to accelerate growth through acquisitions, with Bluesteel, Budri and Lamp Arredo joining the Group, and increase the equity interest held in the important American subsidiary Fabbrica. The Net Financial Position ex-IFRS16¹ thus rose to 54.3 million Euro as at 31 December 2022.

¹ The Group's Net Financial Position ex-IFRS16 includes current and non-current active derivatives and excludes current and non-current leasing liabilities recorded in accordance with the provisions of IFRS 16.

Despite the highly uncertain macroeconomic backdrop that is characterising the first months of the year, Somec expects a growth-driven 2023 financial year, underpinned by the (i) good prospects of the sectors in which the Group operates, (ii) slow but steady decrease in raw material prices, and (iii) management action geared towards recovering profitability.

More specifically, in providing guidance to the financial market for the first time ever, Management expects revenues in 2023 to grow by more than 360 million Euro, EBITDA of no less than 30 million Euro corresponding to a profitability of more than 8%, a Net Financial Position ex-IFRS16¹ of less than 40 million Euro, as well as a return to dividends from current year profits.

“I am pleased with what we achieved in financial year 2022, which was a very challenging year from many respects, starting with the availability of raw materials and the general increase in costs and energy – said the Chairman of Somec, Oscar Marchetto. “Despite such a backdrop, the 27% growth in revenues and improvement in margins compared to the first half of the year allow us to power ahead as planned and remain upbeat with a view to the near future.”

Marchetto continued: *“All three business units making up the Somec Group have achieved significant growth in the last twelve months and have room of development with encouraging prospects, given the growing focus that clients and architects have on customisation, sustainability and energy consumption. This year, too, we have completed a whole range of extraordinary operations, i.e. investments intended to strengthen and establish the new scope of the Group, which is increasingly positioning itself as a hub of Italian construction quality.”*

Revenues and backlog

Revenues as at 31 December 2022 stood at 328.8 million Euro, up 70.3 million Euro from 258.5 million Euro in 2021 (+27.2%, of which 3.1% related to the favourable exchange rate effect).

The Group's organic growth totalled 17%, driven by new naval and civil orders, the strong recovery of refitting activities and the progress of Mestieri, in a generally upbeat post-Covid context despite the tensions arising from the conflict in Ukraine.

The acquisitions of Bluesteel, Budri, Lamp Arredo – consolidated for 12, 6 and 2 months, respectively – brought in additional revenues to the extent of 26.5 million Euro.

Revenue breakdown by division:

€m % incidence	Engineered Systems for Naval Architecture and Building Façades		Professional Kitchen Systems and Products		Mestieri: design and production of bespoke interiors		Total
2022	193.6	58.9%	65.5	19.9%	69.7	21.2%	328.8 100.0%
2021	167.6	64.8%	60.1	23.2%	30.8	11.9%	258.5 100.0%
% change	+15.5%		9.0%		126.3%		27.2%

The Group's new strategy geared towards strengthening traditional sectors, together with expansion into turnkey projects related to fine interiors, has led Somec to reorganise its business into three new business units, overcoming the previous Seascape/Landscape dichotomy.

More specifically:

- The **Engineered Systems for Naval Architecture and Building Façades** business unit, chiefly operating through Somec S.p.A., Fabbrica and Bluesteel, recorded revenues of 193.6 million Euro, up 15.5% from 167.6 million Euro in 2021, of which 11.9 million Euro related to the newly acquired Bluesteel, through which the Group aims at further developing this business unit in the American and European markets.
The naval segment benefited from the full resumption of new building and refitting activities following the pandemic, while the US civil glazing business covered by Fabbrica continued its strong organic growth.

- The **Professional Kitchen Systems and Products** business unit, in which Oxin, Pizza Group, Inxotrend Gico and Primax operate, posted revenues totalling 65.5 million Euro, up 9% from 60.1 million Euro in FY2021, driven by Oxin's naval orders and new pricing levels in the civil sector adopted in response to rising raw material costs.
- **Mestieri: design and production of bespoke interiors** – which arranged for Budri and Lamp Arredo to join TSI, Skillmax and Hysea during the year – showed a strong increase in revenues (+126.3%) to 69.7 million Euro.
In addition to the recovery of TSI's business, driven by a major order from Azamara Cuises, growth was boosted by acquisitions (14.6 million Euro), which act as a mainstay of the strategy pursued by this business unit, whose objective is to build on and leverage the skills and know-how of several highly specialised artisan firms.

During 2022, the Group's **order book** totalled more than 250 million Euro, with special emphasis on the three orders won by Fabbrica for real estate projects in the United States, for a total worth 164 million USD.

The Group's **total backlog**² reached a new record figure of 934 million Euro as at 31 December 2022 (921 million Euro as at 31 December 2021), of which 23% under option, covering the 2023-2031 time horizon. In terms of business units, 666 million Euro pertained to Engineered Systems for Naval Architecture and Building Façades, 159 million Euro to Professional Kitchen Systems and Products, and 109 million Euro to Mestieri: design and production of bespoke interiors.

The backlog is expected to be an increasingly less significant performance gauge in view of Somec's expansion into businesses that do not operate on a contract basis or that involve more fragmented work lasting less than twelve months.

Profitability

EBITDA for financial year 2022 stood at 23.2 million Euro, stable compared to 23 million Euro in the previous year, thus resulting in a decrease of the EBITDA margin to 7.1% (8.9% in 2021).

As expected, profitability improved to 8% in the second half of the year, showing a significant recovery compared to 6% recorded in the first six months of the year, which were affected by the revision of the whole-life margins of ongoing orders, which was in turn driven by an increase in production costs, particularly raw materials and energy.

The improvement in half-year performance is attributable to the diversification strategy adopted by the Group in recent years, which has helped reduce the weight of contract-based business. Management actions also played a role as they mitigated the negative effects of the macroeconomic context, including the revision of pricing, a focus on high-margin activities (e.g. refitting) and the curbing of structural costs.

Ebitda breakdown by division:

€m % incidence		Engineered Systems for Naval Architecture and Building Façades		Professional Kitchen Systems and Products		Mestieri: design and production of bespoke interiors		Total	
2022	EBITDA	12.4	53.4%	5.2	22.5%	5.6	24.2%	23.2	100.0%
	margin	6.4%		7.9%		8.0%		7.1%	
2021	EBITDA	19.5	84.8%	6.3	27.4%	-2.7	-11.7%	23.0	100.0%
	margin	11.6%		10.5%		-8.9%		8.9%	
change	€m	-7.1		-1.1		+8.3		+0.2	
	%	-36.4%		-17.5%		n.m.		+0.9%	

At a business unit level, the coming on stream of the "Mestieri project" entirely offset the impact of the above-mentioned events on the EBITDA of the historical businesses.

² Total backlog being the sum of backlog and soft backlog.

More specifically:

- **Engineered Systems for Naval Architecture and Building Façades** BU's EBITDA stood at 12.4 million Euro, down 7.1 million Euro compared to 2021 (-36.4%), accounting for 6.4% of revenues (down from 11.6% in 2021, but up compared to the first half of 2022: 4.9%).
This trend was mainly driven by a lower profitability of orders, particularly related to Bluesteel, and the non-recurring contribution of 4.3 million Euro (*Paycheck Protection Program*) from which Fabbrica had benefited in 2021, although the business of the US subsidiary drove the profitability of the entire business unit in the year just ended.
- **Professional Kitchen Systems and Products** BU's EBITDA came in at 5.2 million Euro, down 1.1 million Euro over 2021 (-17.5%) and showing a profitability of 7.9% (-2.6% over 2021, but +1.8% compared to the first half-year).
This decrease, which was entirely generated in the first half of the year, was due to the rise in raw material prices, more specifically steel, and technical and electronic components as well as the incurring of costs relating to promotional activities of the subsidiary Pizza Group.
- **Mestieri: design and production of bespoke interiors** BU generated an EBITDA of 5.6 million Euro (accounting for 8% of revenues), as opposed to an operating loss of 2.7 million Euro in the previous year. The significant increase can be attributed to the recovery of refitting activities, which are characterised by higher margins than new construction, as well as the contribution of Budri and Lamp Arredo, which will have an even more positive impact in 2023 as the two companies will be consolidated for the entire financial year.

EBIT for the year amounted to 2.9 million Euro, i.e. 0.9% of revenues. The sharp decrease from the previous year (7.1 million Euro, i.e. 2.8% of revenues) is due to an increase in depreciation and amortisation following the acquisition campaign in financial year 2022, as well as significant provisions for trade receivable write-downs totalling 2.7 million Euro relating to two foreign customers.
Net of this last extraordinary item, which is related to very rare events that have never occurred in the Group's history spanning more than 40 years, **adjusted EBIT** stood at 5.6 million Euro, i.e. 1.7% of revenues.

The **Consolidated net result** showed a loss of 0.5 million Euro, compared to a profit of 10.8 million Euro in 2021 (4.2% of revenues), the latter having benefited from the above-mentioned grant from *Paycheck Protection Program*, as well as an income of 4.8 million Euro related to re-measurement of the fair value of the option towards the minority shareholders of TSI.

In addition to EBIT performance, the result was affected by financial expenses of 2 million Euro related to an increase in gross debt and an increase in income tax, which totalled 1.4 million Euro compared to 0.5 million Euro in 2021.

The **Adjusted Consolidated Net Result**, i.e., net of the effect of the above-mentioned trade receivable write-downs and the related tax effect, came in positive and amounted to 1.6 million Euro, accounting for 0.5% of revenues.

Balance sheet

Net working capital stood at 20.6 million Euro, down 4.3 million Euro from 24.9 million Euro as at 31 December 2021.

The main changes related to an increase in (i) inventories due to a rise in material costs; (ii) contract work in progress and contract work in progress liabilities due to an increase in production volumes and unit costs; and (iii) trade payables related to the positive performance of core business.

The Group's **shareholders' equity** totalled 32 million Euro as at 31 December 2022 compared to 47.3 million Euro as at 31 December 2021. In addition to the trend for the period, this change was mainly due to the capital gains recognised following the acquisition of an additional 20% of the share capital of the subsidiary Fabbrica LLC, such capital gains being entered against shareholders' equity and dividend distribution.

The **Net Financial Position**, excluding the effects of the application of IFRS 16 accounting standard¹, stood at 54.3 million Euro as at 31 December 2022, up by 31,8 million Euro from 22.5 million Euro posted as at 31 December 2021, mainly as a result of the strong acquisition campaign carried out during the year, which targeted the share capital of Fabbrica (20%), Bluesteel (60%), Lamp Arredo (60%) and Budri (65%).

Overall – including the price of the equity interests acquired, the valuation of earn-out and put-and-call clauses, as well as the net debt of the companies that joined the consolidation scope – the increase in Net Financial Position related to acquisitions amounted to 36 million Euro. Dividend payouts totalling 8.5 million Euro were added to the above amount, of which 5.5 million Euro was paid out by the parent company and 3 million Euro was paid by Fabbrica to its minority shareholders.

Against these outlays, Somec generated a largely positive **operating cash flow** during the year, amounting to 14 million Euro (16.8 million Euro in 2021), in addition to resorting to the medium/long-term loan signed in March with a pool of three leading Italian banks.

Gross of the effects of IFRS 16, the Net Financial Position totalled 81.9 million Euro, up from 48.2 million Euro as at 31 December 2021 due to the same facts as outlined above.

Significant events occurred during the 2022 fiscal year

Increase in majority shareholding in Fabbrica

On 3 January 2022, Somec S.p.A., through its direct subsidiary 3.0 Partners USA Inc., entered into a sale and purchase agreement to acquire an additional 20% interest in the share capital of its US subsidiary Fabbrica LLC from minority shareholder 2.0 Partners LLC. The transaction, following which Somec increased its indirect controlling stake from 50.9% to 70.9% of Fabbrica's capital, was completed on 19 April 2022.

Completion of Bluesteel acquisition

On 13 January 2022, Somec finalised the acquisition of 60% of the share capital of Bluesteel S.r.l., a European player in engineered facade and window frames. The deal continues the consolidation strategy of the "Engineered systems of naval architecture and civil façades" division, in light of the growing demand for the adaptation of buildings in terms of environmental sustainability, waste reduction and management costs.

Early acquisition of the remaining 20% of GICO

On 15 February 2022, Somec finalised the early purchase of the remaining 20% of the share capital of GICO-Grandi Impianti Cucine - S.p.A., a leading company in the supply of products and complete systems for professional kitchens, acquired in July 2020, thereby becoming its sole shareholder.

Establishment of Mestieri

On 17 February 2022, Mestieri S.r.l. – a company wholly owned by Somec S.p.A. and based in San Vendemiano (Treviso) – was established with the intention of engaging in turnkey projects for high-end interiors, with the aim of expanding the Parent Company's business and strengthening its high-end interiors design and creation business unit.

Establishment of Pizza Group USA

On 22 March 2022, Pizza Group USA LLC was established as a vehicle to strengthen Pizza Group S.r.l.'s footprint in the United States.

Execution of an agreement for a pool loan of up to 60 million Euro

On 31 March 2022, Somec executed a loan agreement for a maximum aggregate principal amount of 60 million Euro over a maximum term of 78 months with a pool consisting of BNL BNP Paribas, Intesa Sanpaolo and UniCredit.

Establishment of Mestieri USA

On 13 April 2022, Mestieri USA Inc. was established to expand the business of designing and creating high-end interiors in the United States as well, following the establishment of Mestieri S.r.l. in Italy.

Resolutions of the Shareholders' Meeting

The Shareholders' Meeting of Somec S.p.A. met on 29 April 2022 to (i) approve the financial statements for the year ended 31 December 2021; (ii) approve the proposal to distribute a gross dividend of 0.80 Euro per share with payment date as of 1 June 2022, allocating the amount of the residual profit for the year to an extraordinary reserve; (iii) approve the first section of the Remuneration Policy for the year 2022; (iv) authorise

the Board of Directors, subject to revocation of the previous authorisation, to purchase and hold treasury shares up to 5% of the share capital and for a maximum period of eighteen months.

Purchase of treasury shares

Effective 12 April 2022, Somec S.p.A. launched a share buyback scheme based on the authorisation resolution approved by the Shareholders' Meeting held on 29 April 2021. The scheme ended on 28 April 2022 with the purchase of a total of 4,562 treasury shares, i.e. 0.07% of the share capital, for a total value of 131 thousand Euro, at a weighted average price of 28.6338 Euro.

Effective 9 May 2022, Somec S.p.A. launched an additional share buyback scheme based on the authorisation resolution approved by the Shareholders' Meeting held on 29 April 2022. The scheme ended on 16 June 2022 with the purchase of a total of 11,500 treasury shares, i.e. 0.17% of the share capital, for a total value of 349 thousand Euro, at a weighted average price of 30.3552 Euro.

As a result of the above transactions and considering the treasury shares already held in its portfolio, Somec treasury shares totalled 22,900, i.e. 0.33% of its share capital.

Acquisition of Budri

On 23 June 2022, Somec announced the acquisition, through its subsidiary Mestieri, of 65% of the share capital of Budri S.r.l., one of the world's leading marble processors.

On the date of the closing, which took place on 20 July 2022, a provisional price of 7.5 million Euro was paid, which may be adjusted over the 2022-2025 period upon the achievement of pre-set EBITDA and net financial position targets. Put and call options were entered into on the minority share.

Purchase of an additional 20% share of TSI

On 20 July 2022, Somec finalised the exercise of its call option on 20% of the share capital of its subsidiary Total Solution Interiors S.r.l. (TSI), engaging in the completion of customised interiors projects, reaching 80% of its share capital. The price paid to minority shareholders was not significant according to the parameters underlying the option exercise formula.

Acquisition of Lamp Furniture

On 24 October 2022, Somec, through its subsidiary Mestieri S.r.l., entered into an agreement for the acquisition of 60% of Lamp Arredo S.r.l., specialising in the engineering and processing of metal furniture and ornamental items, also subscribing put and call options on the remaining 40% of the share capital. The transaction was finalised on 28 October 2022 at a price of 1.9 million Euro, providing further momentum to the Mestieri project.

Better sustainability rating

On 10 November 2022, Somec received its sustainability performance assessment for the year 2021 from Sustainalytics, one of the world's leading independent companies in the review of ESG factors. Somec ranked 33rd out of 140 companies, gaining 10 places compared to 2020 and improving its risk rating by two points.

Preliminary agreement for the acquisition of Gino Ceolin

On 20 December 2022, Somec, through Mestieri, entered into an agreement for the acquisition of 60% of the capital of Gino Ceolin S.r.l., a long-established Treviso-based company representing Italian excellence. The company specialises in the production of custom-made metalwork for exteriors and interiors, particularly for the retail, hospitality and high-end residential sectors.

Significant events occurred after 31 December 2022

Completion of Gino Ceolin acquisition

On 25 January 2023, Somec, through its subsidiary Mestieri, finalised the acquisition of 60% of Gino Ceolin S.r.l. for a consideration of 1.3 million Euro. The remaining 40% of the share capital is tied up in put and call option rights.

Outlook and guidance for financial year 2023

The first months of 2023 were characterised by the continuing conflict in Ukraine and the resulting international geopolitical tensions, the central banks' restrictive approach to monetary policy, and – lastly – the instability caused by defaults in the banking sector that have followed suite since March.

Despite this highly uncertain macroeconomic backdrop, Somec's Management expects a growth-driven 2023 financial year, underpinned by the (i) good prospects of the sectors in which the Group operates, (ii) solid order backlog, (iii) slow but steady decrease in raw material prices, and (iv) management action geared towards recovering profitability.

More specifically:

- The **Engineered Systems for Naval Architecture and Building Façades** BU will focus on the productivity, i.e. profitability, of existing and portfolio orders. It will also focus on naval refitting orders – including both new orders and orders that were already part of a contract as at the end of 2022 – as a value generation lever, as well as on the renegotiation of the soft backlog, the positive effects of which will however show in the medium term.
- The **Professional Kitchen Systems and Products** BU's profitability will normalise also following a revision of price lists;
- The **Mestieri: design and production of bespoke interiors** BU will benefit from a 12-month consolidation of all the companies acquired, including Gino Ceolin from January, as well as from the commercial synergies that are the driving force and the rationale behind the project.

In the light of the foregoing, and for the first time ever, to signify its consideration for and commitment to investors, Somec's Management hereby discloses its earnings and financial forecasts (i.e. guidance) for the current year, expecting in detail:

- **Revenues of no less than 360 million Euro**, with the Mestieri BU nearing 100 million Euro in turnover just two years after the launch of the project;
- **EBITDA to come in at no less than 30 million Euro**, anticipating an operating result in terms of EBITDA margin in excess of 8%;
- **A Net Financial Position ex-IFRS16¹ of less than 40 million Euro**, even considering the impact of the acquisition of Ceolin, finalised in January;
- A return to **dividend payout** from the profits of financial year 2023.

The expected growth as outlined in the above guidance, which, however, is based on general prudence criteria, rests on the solid backlog in place and on the strategic choices adopted by Somec as early as 2021, including diversification and reorganisation of its business into the three new business units, a drive for acquisitions and a stronger focus on costs.

In terms of growth through acquisitions, alongside the consolidation of the newly acquired companies, efforts will continue in 2023 in order to monitor potential target companies, particularly for the benefit of Mestieri BU, as they are expected to bring in new business as early as financial year 2024.

This will take place as part of a disciplined leverage management that has always characterised Somec and its expansion strategy.

Proposal for allocation of the result for financial year 2022

The Board of Directors resolved to propose to the Ordinary Shareholders' Meeting to carry forward the loss for the year recorded by Somec S.p.A., equal to 2.8 million euro.

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Conference call

For the first-time ever, the Management of Somec will present FY 2022 results as well as FY 2023 guidance to financial market operators during a conference call presentation, scheduled for tomorrow, Thursday 23 March 2023 at 11:00 am CET.

To join the conference call, which to be held in Italian, please dial one of the following numbers:

- Analysts and investors: +39 02 802 09 11
- Media (listen-only mode): +39 02 8020927

A slide presentation will be available on www.somecgruppo.com website, Investors / Presentations section, shortly before the beginning of the conference call.

A digital playback, in Italian, will be made available for download at the same link, within 48 hours of the end of the conference call, together with an English transcript.

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Other resolutions of the Board of Directors:

Call of Shareholders' Meeting

In today's meeting, the Board of Directors also resolved to convene the Shareholders' Meeting, in ordinary and extraordinary session, at the Company's registered office in San Vendemiano (Treviso), via Palù 30, in a single notice, on 4 May 2023 at 4:30 p.m., to resolve – in the ordinary session – on: (i) the approval of the financial statements for the year ended 31 December 2022 and the allocation of the year's profit, (ii) the renewal of the Board of Directors and the Board of Statutory Auditors, (iii) the approval of the Remuneration Policy for 2023, contained in Section I of the Remuneration Report prepared pursuant to Article 123-ter of Italian Legislative Decree No. 58/98 ("TUF"), also expressing an advisory vote on the remuneration paid in the year 2022 contained in Section II of such report, (iv) the renewal of the authorisation to purchase and hold treasury shares, and – in the extraordinary session – on: (i) the approval of the proposal to amend Article 6 (Share Capital) of the Articles of Association, for the purpose of introducing the increase in voting rights pursuant to Article 127-quinquies of Italian Legislative Decree No. 58/1998, and of Articles 19 (Shareholders' Meeting proceedings), 21 (Administrative Body) and 23 (Meetings of the Board of Directors) of the Company's Articles of Association.

The notice convening the Shareholders' Meeting and the related documentation required by the laws in force, including the Explanatory Reports on the items on the agenda, prepared by the Board of Directors pursuant to Articles 125-bis and 125-ter of the Italian Consolidated Finance Act (TUF), will be made available to the public, within the time limits laid down by law, at the Company's registered office and on the Company's website ("www.somecgruppo.com) Investors section > Shareholders' Meetings, as well as on the 1Info authorised storage mechanism available at www.1info.it, together with any additional documentation required. In compliance with the regulations in force, the notice convening the Shareholders' Meeting will also be published in an abridged format in a daily newspaper.

Renewal of authorisation to purchase and hold treasury shares

With specific reference to the proposal to renew the shareholders' meeting authorisation to purchase and hold treasury shares, subject to the revocation of the resolution adopted by the Shareholders' Meeting on 29 April 2022, it should be noted that the reasons underlying the aforesaid authorisation will be specified in detail in the Explanatory Report drafted pursuant to Article 125-ter of the Italian Consolidated Finance Act (TUF), as well as Articles 73 and 84-ter of Consob Regulation No. 11971/1999, as amended from time to time, which Report will be made available to the public, together with the notice convening the Shareholders' Meeting, no later than 24 March 2023 (at least 40 days prior to the date of the Shareholders' Meeting), in the manner as outlined above.

According to the above proposal: (i) a maximum number of ordinary shares of the Company with no par value, such as not to exceed the limit of 5% of the share capital, may be purchased as part of one or more transactions and to an extent to be determined freely – from time to time – by resolution of the Board of Directors, with such shares therefore not exceeding the 20% limits set forth by Section 2357(3) of the Italian Civil Code, taking into account any treasury shares already held in the portfolio, or held by subsidiaries; (ii) shares must be purchased at a unit price that may not deviate, either downwards or upwards, by more than 20% from the closing price recorded by the share during the stock exchange 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 Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016).

Approval of other documents

In today's meeting, the Board of Directors also approved (i) the Report on Corporate Governance and Ownership Structure for the year 2022, prepared pursuant to Article 123-bis of the Italian Consolidated Finance Act (TUF), and (ii) the Report on Remuneration Policy and Remuneration Paid Pursuant to Article 123-ter thereof including, in Section I, the "Remuneration Policy for the year 2022" that will be submitted to the binding vote of the Shareholders' Meeting and, in Section II, the statement and details of the "Remuneration Paid in the year 2022", in relation to which the shareholders will be called upon to express an advisory vote.

Both of the aforementioned reports will be made available to the public – at the same time as the Annual Financial Report for the year ended 31 December 2022 containing, inter alia, the annual financial statements and the consolidated financial statements as at 31 December 2022, the Directors' Report on Operations, the Reports of the Statutory Auditors and of the Independent Auditors, as well as the consolidated non-financial disclosure pursuant to Legislative Decree No. 254/16 – according to the terms of the law at the registered office, on the Company's website (www.somecgruppo.com) Investors section > Shareholders' Meetings, and on the 1Info authorised storage mechanism, at www.1info.it.

It should be noted that the Annual Financial Report has been prepared under the Transparency Directive in accordance with the European Single Electronic Format (ESEF) based on the principles dictated by Delegated Regulation (EU) 2019/815, as amended from time to time, and will be made available to the public within the time limits laid down by law, including in a PDF format for ease of reading, it being understood that only the version in ESEF format will have legal value.

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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.

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.

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Somec

The Somec Group specialises in the engineering, design and deployment of complex turnkey projects in civil and naval engineering by relying on three business units: Engineered Systems of Naval Architecture and Building Façades, Professional Kitchen Systems and Products, Mestieri: design and production of bespoke interiors.

The Group's companies operate in an integrated and synergetic manner, according to strict quality and safety standards while guaranteeing a high level of customisation and specific know-how on the processing of different materials, a key requirement when delivering high value-added projects.

In over 40 years of history and by relying on rigorous certification and accreditation processes, Somec has achieved a reputation for quality and operational and financial reliability on a global scale.

Headquartered in San Vendemiano (Treviso, Italy), the Group's footprint spans 12 countries and 3 continents, employing over 900 people and with revenues totalling 329 million Euro in 2022.

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Summary tables

1) Revenues

- Total revenues breakdown by geographic area (% of total):

	Europe (including Italy)	America	Rest of the world	Total
2022	53.8%	35.6%	10.6%	100%
2021	52.4%	40.0%	7.6%	100%

2) Backlog

- Total Backlog semester by semester (million euro):

30.06.2019	31.12.2019	30.06.2020	31.12.2020	30.06.2021	31.12.2021	30.06.2022	31.12.2022
552	638	720	767	826	921	923	937

- Total Backlog breakdown by scheduled year (% of total):

2023	2024	2025	2026	2027	2028	2029	2030	2031	Totale
28.5%	29.2%	16.5%	12.0%	7.2%	3.3%	1.9%	1.3%	0.1%	100%

- Total Backlog breakdown by business division (% of total):

Engineered systems for naval architecture and building façades	Professional kitchen systems and products	Mestieri: design and production of bespoke interiors division	Total
71.3%	17.0%	11.7%	100%

- Backlog by cruise operator (% of total):

A	B	C	D	E	Others ancillary	backlog not related to shipowner	Total
14.1%	11.3%	10.9%	8.8%	7.8%	7.2%	39.9%	100%

3) Reclassified Income Statement

<i>In Euro thousand</i>	2022	%	2021	%	Δ	Δ%
Revenue from contracts with customers	325,616	99.0%	250,550	96.9%	75,066	30.0%
Other revenues and income	3,228	1.0%	7,930	3.1%	(4,702)	-59.3%
Total revenues	328,844	100.0%	258,480	100.0%	70,364	27.2%
Materials, services and other costs	(249,774)	-76.0%	(188,841)	-73.1%	(60,933)	32.3%
Personell costs	(55,834)	-17.0%	(46,597)	-18.0%	(9,237)	19.8%
Operating costs	(305,608)	-92.9%	(235,438)	-91.1%	(70,170)	29.8%
EBITDA	23,236	7.1%	23,042	8.9%	194	0.8%
Depreciation and amortizations	(20,345)	-6.2%	(15,920)	-6.2%	(4,425)	27.8%
EBIT	2,891	0.9%	7,122	2.8%	(4,231)	-59.4%
Net financial income (costs)	(2,041)	-0.6%	4,081	1.6%	(6,122)	-150.0%
Net results from associate companies	87	0.0%	82	0.0%	5	6.1%
EBT	937	0.3%	11,285	4.4%	(10,348)	-91.7%
Income taxes	(1,394)	-0.4%	(507)	-0.2%	(887)	175.0%
Consolidated Net Result	(457)	-0.1%	10,778	4.2%	(11,235)	-104.2%
Non-controlling interests	1,295	0.4%	2,332	0.9%	(1,037)	-44.5%
Group Net Result	(1,752)	-0.5%	8,446	3.3%	(10,198)	-120.7%

4) Reclassified Balance Sheet

<i>In Euro thousand</i>	31/12/2022	31/12/2021
Intangible assets	59,517	47,681
of which Goodwill	36,699	27,417
Tangible assets	20,893	14,135
Right-of-use assets	27,387	25,544
Investments in associates	351	213
Non-current financial assets	2,616	323
Other non-current assets and liabilities	(5,138)	(3,002)
Employee benefits	(5,130)	(4,256)
Net non-current assets	100,496	80,638
Trade receivables	84,152	75,860
Inventory and payments on account	26,213	13,756
Construction contracts and advance payments from customers	27,285	22,329
Liabilities for contract work in progress and customer advances	(43,215)	(35,224)
Trade payables	(79,324)	(53,427)
Provisions for risk and charges	(1,322)	(1,283)
Other current assets and liabilities	6,828	2,893
Net working capital	20,617	24,904
Net Invested capital	121,113	105,542
Group equity	(31,993)	(47,268)
Non-controlling interest in equity	(4,817)	(10,066)
Net financial position	(84,303)	(48,208)
Sources of funding	(121,113)	(105,542)

5) Net Financial Position

<i>in Euro thousand</i>	31/12/2022	31/12/2021	Δ
A. Cash and cash equivalents	71	142	(71)
B. Bank deposits	54,273	47,503	6,770
C. Total liquidity (A+B)	54,344	47,645	6,699
D. Current financial assets	4,608	389	4,219
E. Current bank debt	(27,756)	(17,393)	(10,363)
F. Current portion of long-term debt	(14,881)	(13,612)	(1,269)
G. Other current financial liabilities	(740)	(2,062)	1,322
H. Current debt (E+F+G)	(43,377)	(33,067)	(10,310)
I. Current net financial position (C+D+H)	15,575	14,967	608
J. Non-current financial assets	2,383	-	2,383
K. Non-current bank debt	(61,094)	(34,936)	(26,158)
L. Bonds issued	-	-	-
M. Other non-current financial liabilities	(11,129)	(2,517)	(8,612)
N. Non-current financial position (J+K+L+M)	(69,840)	(37,453)	(32,387)
O. Net financial position (I+N) before IFRS 16	(54,265)	(22,486)	(31,779)
P. IFRS 16 – Lease - impact	(27,655)	(25,722)	(1,933)
Current portion	(4,757)	(3,917)	(840)
Non-current portion	(22,898)	(21,805)	(1,093)
Q. Net financial position (O+P IFRS16 impact)	(81,920)	(48,208)	(33,712)

6) Reclassified Cash Flow statement

<i>In Euro thousand</i>	31/12/2022	31/12/2021
Cash flows from operating activities	13,967	16,819
Cash flows from investing activities	(13,681)	(5,032)
Free Cash Flow	286	11,787
Cash flows from financing activities	5,204	(7,627)
Net cash flow	5,490	4,160
Cash and cash equivalents at the beginning of the period	47,645	41,843
Effect of exchange rate changes on cash and cash equivalents	1,209	1,642
Cash and cash equivalents at the end of the period	54,344	47,645