



SOMEC GROUP ACQUIRES BLUESTEEL

With the agreement to acquire 60% of the European engineered systems for façades and windows player, the Group delivers a high-strategic-value transaction to strengthen the Landscape division

San Vendemiano (TV), July 27, 2021 – Somec S.p.A. (MTA TICKER: SOM), listed on the Italian Stock Exchange and specialised in the engineering, design and execution of complex turn-key civil and naval engineering projects, announces the signing of an agreement to acquire 60% of Bluesteel Srl, a European engineered systems for façade and windows player.

Founded in 2001 in Treviso, Italy, Bluesteel manages and provides a wide range of architectural services, particularly in the construction and installation of curtain walls, doors and windows, movable walls and products for the interior and exterior cladding of buildings. Approximately 80% of its revenues are from overseas, with a particular focus on Great Britain, Switzerland and Denmark. The added value of the company stems from its extensive technical know-how and innovative, eco-sustainable and LEED-certified patented solutions.

Transaction Rationale

This M&A is of major strategic value for the Somec Group as part of its international consolidation of the Landscape division, with the Group operating and continually expanding in the United States through the subsidiary Fabbrica LLC, acquired in 2018 and specialised in the development of glazed building envelopes for the American market. The entry of Bluesteel will quickly expand the civil business in Europe, through establishing production and design synergies with the various Group entities, the contribution of extensive complex building envelope project expertise and its consolidated presence on the continent.

Bluesteel reported a value of production of Euro 5.1 million in 2020, with EBITDA of approx. Euro 0.2 million, shareholders' equity of approx. Euro 2.1 million and a Net Debt of Euro 0.8 million. The company's¹ backlog at December 31, 2020 was Euro 16 million, of which approx. Euro 4.5 million in the first half of 2021, with an order backlog until 2022.

In addition, the rapidly developing construction market in Europe, as well as in the USA, driven by the growing demand for adapting buildings with a view to environmental sustainability and the cutting of waste and operating costs, supports the company's further development given its engineering solutions and many years of experience in this field.

Partners' comments

Oscar Marchetto, the Somec Group's Chairman, stated: *"The Bluesteel transaction is the perfect follow-up to the Fabbrica transaction in the United States and provides the Somec Group with the experience which it lacks in Europe, thanks to which we can grow significantly on the continent. Bluesteel is well-established in the UK, its leading market in terms of volumes and value generated. The objective is to create synergies between the businesses and bring onboard skills and networks to consolidate our presence in the engineered systems for façades. The know-how of Bluesteel in creating innovative and high-performing products, supported by LEED-certified systems and for which the company holds several patents, shall also strengthen our capacity to effectively respond to the eco-sustainable development demands of the market. Today we are not buying a company but rather welcoming another partner. I wish to thank Roberto Savian, the majority shareholder of Bluesteel and an expert in the sector, for the trust he has shown in Somec".*

¹ un-audited operating figure provided by Bluesteel

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Roberto Savian, CEO of Bluesteel said: *"We have always declined offers made to us over the years by other players, but in this case Somec's strategy and corporate values convinced us to join the Group. I am confident that the calibre and value creation capability expressed at group level will help Bluesteel in its near-term growth objectives."*

Transaction Overview

According to the agreements reached, 60% of Bluesteel's share capital shall be transferred once certain customary conditions for such transactions are met. Somec will also be able to rely on the extensive experience gained in the sector by Roberto Savian, who stays on as a member of the board of directors and as the company's CEO until the approval of the 2025 financial statements, indicating his commitment to the team built with the Somec Group and ensuring full business and operating continuity.

The acquisition price includes a fixed component of Euro 1.5 million, to be paid on closing, in addition to a variable earn-out of a maximum Euro 0.5 million to be settled by July 30, 2022, on the basis of established 2021 financial statement targets.

Upon closing Somec will undertake a capital injection of Euro 1 million in the newly-acquired company.

The transaction shall be entirely financed through own funds.

The agreements link the remaining 40% of the shares to put and call option exercisable from the approval of the company's financial statements at December 31, 2025 and until June 30, 2026.

The exercise value of the put-and-call option will be based on the average adjusted EBITDA for the two years prior to the exercise of the option, to which a multiple of 5.50 will be applied, net of the Net Financial Position calculated at the option exercise date.

The transaction is not considered as significant in accordance with Article 71 of the Issuers' Regulation, adopted with Consob motion No. 11971 of May 14, 1999 and subsequent amendments and supplements.

SOMEc

SOMEc SpA is specialised in the engineering, design and execution of complex turn-key civil and naval engineering projects and in particular of glass envelopes, kitchen systems and products and bespoke interiors. All the main Group companies employ similar business models, focussed on the design, production and installation of engineered systems which meet rigorous civil and naval engineering quality and safety standards.

The Group's projects stand out in terms of the high degree of customisation and specialised material know-how, which is a critical aspect for high added-value projects.

Through a rigorous certification and accreditation process, SOMEc has built a global reputation for quality and operational and financial reliability. SOMEc is headquartered in San Vendemiano (TV) and has companies in UK, US, Slovakia, China and Canada, employing approx. 800 people and revenues in 2020 of Euro 223.4 million.

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