GBC Research Initial Coverage

Somec S.p.A.

“Engineering Excellence at Sea and on Land”

IMPORTANT NOTE:
Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 WpHG and Art. 20 MAR from page 42.

Note in accordance with MiFID II regulation for "minor non-monetary benefit" research: this research fulfils the requirements for classification as a "minor non-monetary benefit". Further information on this can be found in the disclosure under "I. Research under MiFID II".

GBC AG
Investment Research

Somec S.p.A.*5a, 5b, 6a, 11

FY 2024 concluded with sales growth and strong improvement in profitability; rating: "BUY"

Sector: shipbuilding / construction industry
Focus: glass systems for shipyards, shipowners and the construction sector
Foundation: 1978

Employees: >1,000 (Dec. 2024)
Headquarters: San Vendemiano (Italy)
Management: Oscar Marchetto (CEO), Gian Carlo Corazza, Alessandro Zanchetta, Davide Callegari

Somec S.p.A. (Somec) specialises in the engineering, design and implementation of complex projects in the civil and naval sectors and operates in three business areas: Horizons (customised systems for naval architecture and building facades), Talenta (professional kitchen systems and products), and Mestieri (design and production of customised interior furnishings). The companies in the group work in an integrated and synergistic way, according to strict quality and safety standards, guaranteeing a high degree of customisation and specific know-how in the processing of different materials, which is a fundamental prerequisite for projects with high added value. In its over 40-year history, Somec has built a worldwide reputation for quality and operational and financial reliability through rigorous certification and accreditation procedures. The group is present in twelve countries and on three continents.

in € million	FY 23	FY 24	FY 25e	FY 26e	FY 27e
Sales	371.04	382.82	398.55	419.02	441.12
EBITDA	18.18	29.58	33.17	36.53	39.79
EBIT	0.15	8.16	15.91	21.02	24.01
Net result (after minorities)	-11.65	-3.30	5.82	9.11	11.38
Earnings per share (EPS)	-1.69	-0.48	0.84	1.32	1.65
Dividend per share	0.00	0.00	0.00	0.00	0.00
EV/Sales	0.39	0.37	0.36	0.34	0.32
EV/EBITDA	7.88	4.84	4.32	3.92	3.60
EV/EBIT	n/s	17.55	9.00	6.81	5.97
P/E ratio	neg.	neg.	16.24	10.38	8.31
P/B ratio		5.34			

Investment Case

- The Somec Group has strong market positions, particularly in the maritime sector (world market leader in ship glazing, etc.) and in the US façade business.
- A successful growth strategy with a clearly positive M&A track record has led to a more than doubling of Group sales to € 382.8 million since the IPO in 2018.
- The extensive order backlog (€ 744.0 million at the end of FY 2024) ensures a high level of visibility and predictability for the business.
- With its highly synergetic and complementary business areas, the Somec Group is active in many attractive end markets worldwide.
- In particular, the expected continuing boom in the cruise industry opens up significant growth and earnings potential for the Somec Group across the various Group divisions.
- **Attractive valuation with upside potential**: Based on our DCF valuation model and our forecasts and a derived price target of € 22.50, we assign a "BUY" rating and see significant upside potential in the Somec share.

Rating: BUY
Target price: EUR 22.50

Share and master data



Closing price (previous day)	13.70 EUR
Stock exchange	Euronext Milan
ISIN	IT0005329815
WKN	A2JL41
Number of shares (in millions)	6.90
MCap (m EUR)	94.53
Enterprise value (m EU)	143.24
Market segment	Euronext Milan
End of FY	31/12/
Accounting	IFRS

Shareholder structure

Venezia S.p.A.	74.9%
Management	1.1%
Free float	24.1%

Financial dates

25/09/25 Approval of the half-year report
17/11/25 Key figures for Q3 sales

Analysts

Marcel Goldmann (goldmann@gbc-ag.de)
Cosmin Filker (filker@gbc-ag.de)

Last GBC research

Date: Publication / target price in EUR / rating

** The research studies listed above can be viewed at www.gbc-ag.de

Completion: 03/06/2025 (8:50)
First transfer: 03/06/2025 (11:00)

Validity of the price target: until 31 December 2025 at the latest

* Catalogue of possible conflicts of interest on p. 43.

EXECUTIVE SUMMARY

Somec S.p.A. (Somec) specialises in the engineering, design and implementation of complex projects in the civil and naval sectors and operates in three different business areas: Horizons (customised systems for naval architecture and building façades), Talenta (professional kitchen systems and products), Mestieri (design and production of customised interior furnishings).

The Somec Group closed the past 2024 financial year with a moderate increase in sales of 3.2% to € 382.82 million (PY: € 371.04 million) thanks to significant growth in the core business area "Horizons" (maritime and civil glass business). Thanks to an improved sales mix (higher share of the high-margin marine business) and greater cost efficiencies, EBITDA increased disproportionately by 62.7% to € 29.58 million (PY: € 18.18 million). At the same time, the EBITDA margin increased significantly to 7.7% (PY: 4.9%). At net level, however, a negative consolidated result (after minority interests) of € -3.30 million (PY: € -11.65 million) had to be reported due to special effects incurred, which primarily related to restructuring costs (approximately € 0.50 million) and goodwill amortisation (approximately € 4.80 million). Adjusted for these effects, an adjusted net result of € 4.80 million was achieved instead, representing a significant improvement on the previous year (PY: € -10.37 million).

The order backlog at the end of the past financial year totalled € 744.0 million (of which around 66.0% was attributable to Horizons) and was therefore almost at the same high level as the previous year (PY: € 752.0 million). According to the company, 39.5% of this extensive order backlog will be recognised as revenue in the current financial year and 26.2% in the following financial year 2025.

In view of their positive business development and strong order backlog, Somec's management is forecasting single-digit percentage growth in Group sales and a significant improvement in profitability for the current 2025 financial year compared to the previous year.

In light of the positive company performance, extensive order backlog and the confirmed outlook in the first quarter, we are forecasting a moderate increase in sales of 4.1% to € 398.55 million for the current financial year (PY: € 382.82 million). Due to an expected improvement in the sales mix (higher share of the high-margin glass business), we also anticipate even stronger EBITDA growth of 12.1% to € 33.17 million (PY: € 29.58 million) and an increase in the EBITDA margin to 8.3% (PY: 7.7%).

With regard to the subsequent financial years 2026 and 2027, we expect Somec's successful growth strategy to continue, with the core business area "Horizons" being the Group's main growth driver. In addition, the "Mestieri" division should also be able to additionally fuel the Group's growth momentum as part of our expected return to (segment) growth.

Accordingly, we are forecasting a further moderate increase in sales for these financial years 2026 and 2027 to € 419.02 million and € 441.12 million respectively. At the same time, we anticipate a disproportionately high increase in EBITDA to € 36.53 million and € 39.79 million respectively due to the expected stronger sales weighting of the traditionally high-margin "Horizons" segment. At the same time, the EBITDA margin should improve further to 8.7% (FY 2026) and 9.0% (FY 2027).

- Overall, the Somec Group's strong niche positioning in the maritime sector (global market leadership in ship glazing, etc.) should enable it to benefit significantly from the booming cruise industry in the area of new ship construction and ship modernisation (refitting projects). We also anticipate a further increase in business volume in the US facade business based on the expected robust demand for complex customised customer solutions. The "Mestieri" business area should also be able to return to growth thanks to its almost unique range of services and the business model-specific optimisation measures implemented. In particular, their promising strategic positioning in the various end markets, especially the luxury and luxury-related sectors, should contribute significantly to this.

- **As part of our DCF valuation model, we have calculated a price target of € 22.50 per share based on our sales and earnings estimates for the current financial year and subsequent years. Based on the current share price level, we therefore assign a "BUY" rating and see significant upside potential in the Somec share.**

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THE COMPANY

Management and executive bodies of the company

Oscar Marchetto - CEO and Somec Group Chairman

Mr Marchetto is an Italian serial entrepreneur and CEO and Chairman of the Board (Group Chairman) of the Somec Group. As the majority shareholder of SOMEC S.p.A. through the holding company Venezia S.p.a., he has been involved in the Group's vision and growth strategy together with the partners and management since 2013. Mr Marchetto's goal is to make SOMEC synonymous with Italian manufacturing quality and an integrable platform for companies and entrepreneurs who master Italian and international excellence.

Gian Carlo Corazza - General Manager Somec NAVALE and Board Director

With more than 325 shipbuilding orders completed since 1995 and scheduled for delivery by 2025, Somec's marine glazing business (Somec NAVALE), led by Mr Corazza as General Manager, has become the global market leader in this segment over the past 26 years. Based on the Group's maritime DNA, he is working with the Group's shipbuilding specialists to further drive integration in various business areas

Alessandro Zanchetta - Chief Corporate Officer Somec Group and Board Director

After graduating in Business Administration from the University "Ca' Foscari" in Venice, Mr Zanchetta worked from 1994 to 2001 in the administration and finance department of a leading clothing group and from 2001 to 2008 in a leading Italian multinational company active in the production of building facades and glass envelopes. In 2008 he joined SOMEC as Finance Director and in the same year was appointed Board Director with responsibility for administration and finance.

Davide Callegari - Group General Manager SOMEC Group

After graduating in Business Administration at the University "Ca' Foscari" in Venice, Mr Callegari worked in the supply chain of a leading manufacturer of household appliances from 1999 to 2003. From 2004 to 2018, he worked for an Italian multinational company in the field of automation systems, where he held the positions of Head of Purchasing, Regional CEO of the Chinese subsidiaries and Group COO, and also played a key role in the company's listing on the stock exchange in 2006. In 2018, Mr Callegari joined SOMEC as Group Operations Director, where he was also involved in integration projects as General Manager of some companies acquired by the Group. Today, he is General Director of the Group and directly responsible for the companies operating in the kitchen appliances and customised interiors business areas.

Diego Frattarolo - Group Director, HR and Organisation SOMEC Group

After graduating in Business Administration from the University "Ca' Foscari" in Venice, Mr Frattarolo was Director of Human Resources, Purchasing and Services at a leading banking and financial group in northeastern Italy from 2008 to 2019 and previously Director of Human Resources at a leading engineering group in the Friuli region. He joined SOMEC in 2020 as Head of Human Resources and General Services of the Group.

Essential core of the business model

The Somec Group operates in three synergetic business areas. Firstly, in the business area of glazing solutions for the civil and maritime sectors ("Horizons"), where the engineering group holds the position of global market leader in the glazing of cruise ships. Secondly, the Somec Group operates in the professional kitchen systems ("Talenta") and products division, primarily targeting the maritime and catering sector (market share in the maritime kitchen systems business GBCe: approximately 35.0%). In its third Group division ("Mestieri"), Somec is active in the business area of customised interior customer solutions for the mainly commercial, public and maritime sectors.

Synergetic divisions of the engineering group



Sources: Somec S.p.A.; GBC AG

Somec has a **fully integrated and highly synergetic business model**. This is based particularly strongly on project management and is often differentiated from competitors by the Group's in-house production, which enables the engineering company to take care of every project step internally and thus avoid critical problems, e.g. during installation, in advance. In addition, the company can also offer the best possible after-sales service by covering almost all relevant stages of the value chain.

The fact that most of the Somec Group's business activities are highly synergetic in terms of business processes (same necessary project management expertise, similar tendering process, etc.), procurement management (many products also require glass, aluminium, steel, etc.) and customer structure (strong joint sales weight in the marine sector, high cross-selling potential across all divisions, etc.) means that the Group can exploit considerable synergy effects.

In view of the fact that all business divisions address the maritime sector (main customer groups: shipbuilders/shipyards and ship owners/operators) with their range of services to varying degrees, this alone results in high revenue and cost-specific synergy benefits that are consistently realised by the Somec Group.

Somec can look back on over 40 years of company history and is currently represented in 12 countries and on three continents, with a total of 18 production facilities and more than 1,000 employees. The Somec Group is also listed on the Euronext Milan stock exchange.

Significant events in the company's history

1978
Year of foundation

1993
Somec enters the **marine glazing business**

2005
The company adds another challenging business: **ship modernization (refitting projects)**

2013
Oscar Marchetto acquires the majority stake of Somec. Giancarlo Corazza and Alessandro Zanchetta, members of the board, become shareholders

2016-2017
Somec enters the business of **marine and professional kitchen equipment** with the acquisition of Oxin and Inoxtrend

At the same time, Somec creates Hysea, entering the business of **marine interiors**

2018
Somec is listed on the **Italian stock exchange (AIM)**

Somec acquires Fabbrica, entering the **building façades business** in the US

2019-2021
Somec has become a Group and continues its **expansion strategy** through the acquisitions of TSI, Gico, Primax, Pizza Group, Skillmax and launches Fabbrica Works

2022
Somec acquires Bluesteel and, as an extension of its **luxury interiors and architectural elements division**, establishes Mestieri and completes the acquisition of Budri and Lamp Arredo

It strengthens its presence in the United States by creating Pizza Group USA and Mestieri USA

2023-2024
Somec continues its business and geographic **diversification strategy**
Somec acquires Gino Ceolin, through its direct subsidiary Mestieri

Sources: Somec S.p.A.; GBC AG

Since its IPO in 2018 and the takeover of the Group by the current management team (keyword: Somec's core shareholder Venezia S.p.A. with a 74.9% stake), Somec has recorded dynamic Group sales growth thanks to organic growth and inorganic growth effects. Since the IPO, the Somec Group's sales have more than doubled from € 165.5 million to € 382.8 million (FY 2024).

The rapid growth of the Group was fuelled in particular by a strong expansion in their civil building façade business (via Fabbrica subsidiary) and their entry into the interiors business through several targeted acquisitions (Mestieri growth project).

The following table provides an overview of the particularly significant M&A activities to date following the Somec IPO (in 2018) which have had a decisive impact on the inorganic growth recorded:

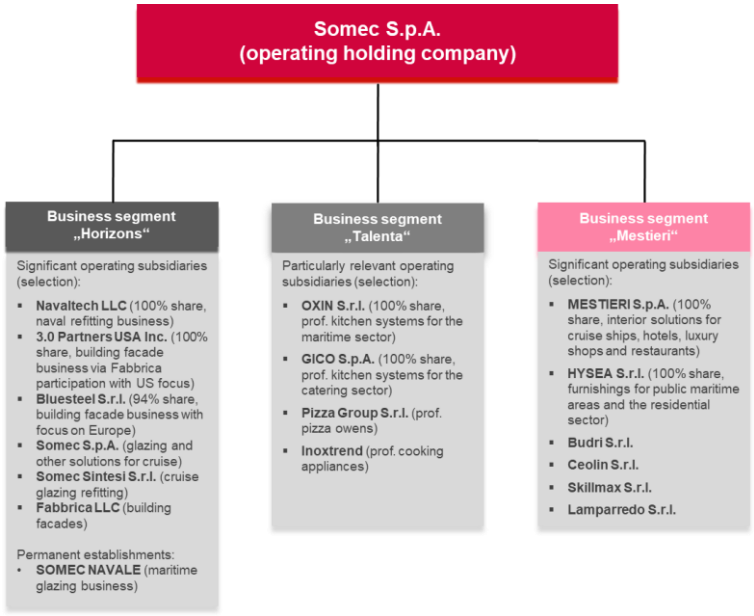
Year	The company	Business focus (business division)	Share (%)
2018	Fabbrica	Building & ship glazing (Horizons)	50.9%
2018	Primax	Prof. Kitchen Systems (Talenta)	60.0%
2019	TSI	Interior (Mestieri)	60.0%
2020	Pizza Group	Prof. Kitchen Systems (Talenta)	100.0%
2020	Skillmax	Interior (Mestieri)	60.0%
2020	GICO	Prof. Kitchen Systems (Talenta)	80.0%
2021	Primax (minorities)	Prof. Kitchen Systems (Talenta)	40.0%
2021	Inoxtred/Hysea (minorities)	Prof. Kitchen Systems (Talenta) / Interior (Mestieri)	10.0%
2021	GICO (minorities)	Prof. Kitchen Systems (Talenta)	20.0%
2022	Bluesteel	Building & ship glazing (Horizons)	60.0%
2022	Fabbrica (minorities)	Building & ship glazing (Horizons)	20.0%
2022	Budri	Interior (Mestieri)	65.0%
2022	Lamp Arredo	Interior (Mestieri)	60.0%
2022	TSI (minorities)	Interior (Mestieri)	20.0%
2022	Bluesteel (minorities)	Building & ship glazing (Horizons)	34.0%
2023	Gino Ceolin	Interior (Mestieri)	60.0%

Sources: Somec S.p.A.; GBC AG; company information

Organisational structure

Somec S.p.A. acts as the operational holding company of the Somec Group and has numerous specialised subsidiaries that are active in the three different business divisions and represent the operational business. The Group's business activities are currently focussed mainly on Europe (most recently accounting for more than 50.0% of consolidated sales). In the following chart (Somec organisational structure as at 31/12/2024), we have provided an overview of what we consider to be the key operating subsidiaries for each business division (selected "flagship companies").

Organisational structure of the Somec Group as at 31/12/2024*



*Sources: Somec S.p.A.; GBC AG *selected*

The subsidiaries of particular relevance to the operating performance of the **"Horizons"** business segment are 3.0 Partners USA Inc. (Fabbrica, US facade business) and Bluesteel S.r.l. (EU facade business) with regard to the civil glazing business and the subsidiary Navaltech LLC (glass *refitting* business) and the permanent establishment SOMEC NAVALE (ship glazing business with cruise ship newbuilds) with regard to the maritime glazing business. The Horizons business segment represents the core business of the Somec Group and traditionally accounts for around half of consolidated revenue.

The **"Talenta"** division is primarily represented and dominated by the subsidiary OXIN S.r.l. (professional kitchen systems for the marine sector), which we believe traditionally accounts for the largest share of sales (GBCe: approximately 50.0% of segment revenue) in the division. In addition, the economic development of the subsidiary GICO S.p.A. (professional kitchen systems for the catering industry) is of key importance for this division.

The relatively young **"Mestieri"** business segment is mainly represented in terms of operating business development by the two subsidiaries MESTIERI S.p.A. (interiors for upmarket retail, the luxury hotel industry and the upmarket residential sector) and HYSEA S.r.l. (furnishings for maritime public areas/places and the residential sector). Mestieri act as a holding and operational company. As operational it works as a general contractor and project manager for luxury projects. Below

Mestieri there are the other operational subsidiaries: Budri (marble), Ceolin (architectural metal), Lamparredo (metal for furniture), Skillmax (wood furniture) and TSI (furniture for cruise sector).

"Horizons" division - the Group's core business

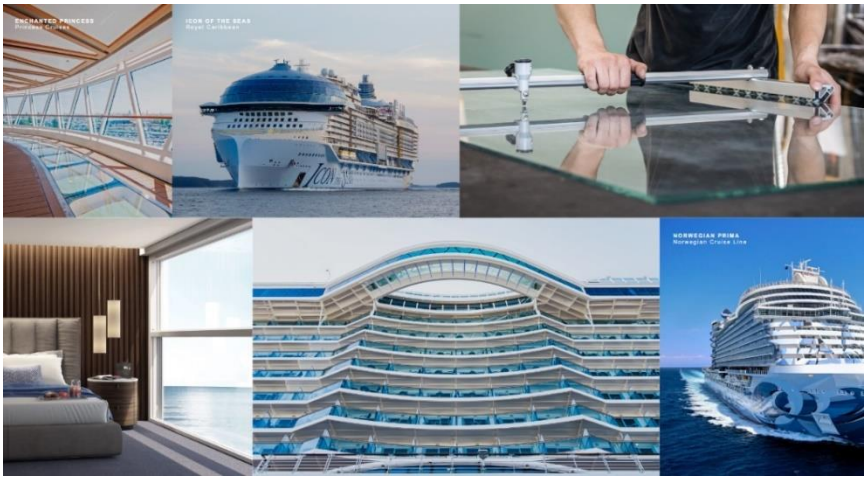
Somec has established itself in the "Horizons" business area as a leading group of companies in the design, procurement, production, installation and maintenance of glass-based systems and solutions for the construction industry and the shipbuilding and ship modernisation sector.

Customised glazing systems for ship architecture and building façades in this division still form the core business of the Somec Group with a share of consolidated sales of around 61.0% (FY 2024) and have also been one of the Group's main growth drivers in recent years.

The "Horizons" Group division is primarily characterised by the **marine glazing business (SOMEC NAVAL)**, which traditionally accounts for just over 50.0% of sales revenues in this business segment. In terms of consolidated sales revenues, we estimate that the maritime business (of all Group divisions) also accounts for around 55.0% of the Somec Group's total sales revenues.

In the marine sector, Somec realises envelopes, glazing and architectural solutions for large cruise ships as part of shipbuilding projects. These complex large-scale projects usually involve multi-year contracts between the relevant suppliers and shipbuilders (or shipyards) specialising in the construction of new cruise ships. As part of such agreements, Somec develops, produces and supplies various glazing systems customised to the respective projects for the construction of new cruise ships. Typically, the company also installs the desired customer solution on site at the relevant shipyard.

Typical glazing solutions from Somec in the marine business (selection)



Sources: Somec S.p.A.; GBC AG

Somic is active in the maritime sector in the maintenance, refurbishment, modernisation and restoration of existing cruise ships (refurbishment/refitting projects) and is one of the market leaders in this business area in the "ship glazing refitting" segment (market share GBCe: approximately 50.0%). Business activities in this area are primarily carried out by their NavalTech subsidiary.

In the segment of glazing solutions for (cruise) ship newbuilds, Somec is the clear global market leader in relation to the main core markets of Europe and the USA, where the Group primarily operates. Accordingly, the engineering company also maintains business relationships with almost all major European cruise shipyards, such as Fincantieri (Italy), Meyer Werft Group (Germany), Meyer Turku (Finland) or Chantiers de l'Atlantique (France), which supply the main cruise markets with new ships.

Somec's customer base also includes major shipping companies and ship owners, such as the Carnival Group, Royal Caribbean and Norwegian Cruise Line, due to the modernisation and renovation projects that regularly occur in their fleets, as they maintain direct business relationships with companies specialising in refitting projects. It should be emphasised here that Somec is not only active in the ship glazing modernisation business, but also carries out refitting projects in the area of professional kitchen systems and ship interiors.

Somec's customer base in the maritime business* (selection)



*Sources: Somec S.p.A.; GBC AG *includes primarily shipbuilders and shipowners*

As a major supplier of various glazing systems and other customer solutions for newly-built cruise ships (typically accounting for around 1.5% of the price of a new ship), Somec is therefore involved in the booming cruise industry and is also benefiting from the increased orders for new ships placed by shipping companies with cruise shipyards, which are currently experiencing record order backlogs.

The gradual increase in the existing fleet of cruise ships is also increasing the fundamental need on the part of ship owners for ship modernisation and refurbishment and, thus, also the business potential for companies specialising in such modernisation projects, such as Somec's refitting business.

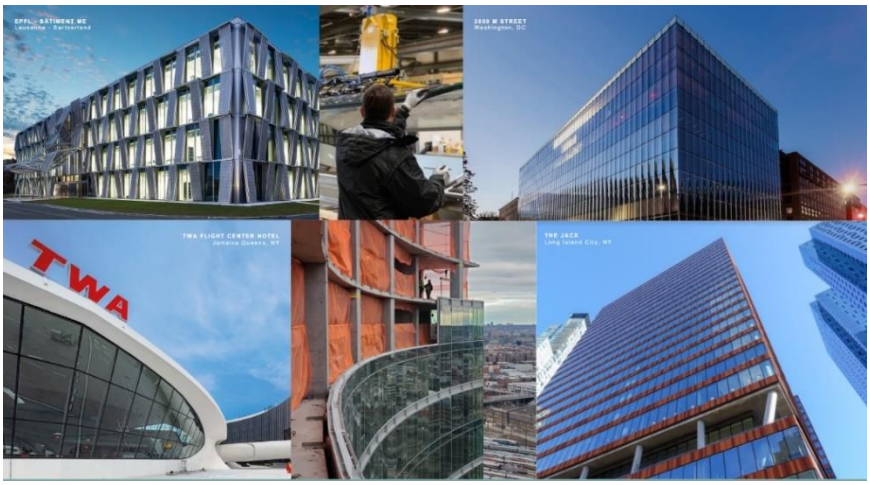
In the second major business segment, **Building Façades**, the Group produces curtain walls and glazed cladding for the construction industry, primarily via its US subsidiary Fabbrica in the northeast of the United States with a local production facility in Connecticut. The business focus of the company is currently primarily on complex construction projects in the metropolitan regions of Boston, New York and Washington D.C. as well as the states of Connecticut and Massachusetts. In the future, the Somec Group is also aiming for regional expansion towards the US West Coast in order to realise further significant growth potential.

Following the acquisition of Fabbrica in the 2018 financial year and the integration of the company into the Somec Group, this US company has grown dynamically and has already carried out several prestigious construction projects (e.g. JFK Airport in New York and Fenway Center in Boston) and is now one of the leading players in the field of façade design on the northeast coast of the USA.

With the acquisition of the European company Bluesteel in 2022, the "Fabbrica success model" is also to be transferred to the European market and the Somec Group is also expanding significantly in Europe with Bluesteel, with the current regional focus being primarily on the UK and Switzerland.

In the façade business, Somec focuses in particular on technologically and creatively sophisticated, high-quality construction projects. In terms of the end markets addressed by this business division, the company pursues a diversification strategy and is primarily active in commercial buildings, public buildings and government buildings. The traditionally more cyclical private residential sector, on the other hand, is not the focus of business activities. The customer base ranges from public and private companies to property project developers and general contractors.

Typical building façade solutions from Somec's US subsidiary Fabbrica



Sources: Somec S.p.A.; GBC AG

"Talenta" business division

Prior to its IPO in 2016 and 2017, the Somec Group had already entered the professional kitchen systems sector by acquiring **Oxin** (professional kitchen systems for the marine catering industry) and **Inoxtrend** (professional kitchen appliances, such as professional ovens). Both companies form the flagship companies of the Talenta business unit.

The decisive factor behind this strategic move was the management's endeavour to diversify more strongly in terms of products and sectors. In addition, their good access to existing customer relationships in the maritime sector was to be utilised in order to further increase the previous sales revenues in this business area through a broader (supplementary) range of services.

The acquired company **Oxin** was the first step in the diversification strategy towards kitchen systems and has been active in the marine kitchen equipment sector for more than 15 years. The Italian company designs, produces and maintains high-end galley systems for cruise ships and large leisure yachts. This maritime galley systems sector is a highly specialised industry in which there are only a few suppliers that meet the strict hygiene and safety requirements of customers (shipyards and ship owners). The customised complete systems manufactured by Oxin are typically made of stainless steel and are particularly appreciated by customers for their high safety, productivity and energy efficiency.

With the subsequent acquisition of **Inoxtrend**, Somec strengthened its product portfolio in the area of professional kitchen systems with the new product category of ovens and, at the same time, increased its customer diversification towards the classic catering industry. The Italian company, which specialises in professional ovens, has been manufacturing high-quality stainless-steel gas and electric ovens in its home market of Italy for more than 30 years and sells its kitchen products to various catering customers (hotels, restaurants, catering businesses, etc.) worldwide.

Typical professional kitchen equipment from the Talenta range (selection)



Sources: Somec S.p.A.; GBC AG

Immediately after Somec's IPO (2018), further targeted acquisitions were made to further expand the kitchen systems business and drive forward diversification. At the end of 2018, Somec acquired **Primax**, an Italian manufacturer of professional kitchen and refrigeration equipment for catering professionals (ice cream parlours,

bakeries/pastry shops and commercial kitchens). This company specialises primarily in certified food preservation systems and manufactures blast chillers, refrigerated beverage counters and waste boxes developed in-house. The company's core business is highly synergetic with that of Oxin and Inoxtrend (e.g. in the form of high cross-selling potential).

Exemplary kitchen products and systems from the Talenta division (selection)



Sources: Somec S.p.A.; GBC AG

The Primax acquisition was followed in 2020 by the further acquisitions of **Pizza Group** (pizza oven producer) and **GICO** (manufacturer of customised professional kitchens) in order to make the division even more "powerful" and broader.

Pizza Group is an Italian company specialising in the development and manufacture of ovens and kitchen equipment for the catering industry. The company has been active on the market for over 45 years and is recognised as the market leader in its sector. The electric and gas cooking appliances manufactured by this company are exported to over 70 countries worldwide. With this acquisition, Somec has expanded its product range in the oven niche and can thus offer potential customers in the civil and maritime catering sector a comprehensive portfolio.

With the **acquisition of GICO** (Grandi Impianti Cucine), the Somec Group has integrated an internationally recognised company into its Talenta division. GICO was founded in Italy in 1971 and specialises in the manufacture of customised commercial kitchen systems. The high-quality professional kitchens on offer provide a high degree of customisation and create working environments that are tailored to customer requirements down to the smallest detail. The clientele addressed by the company is diverse and ranges from hotels, restaurants and commercial kitchens to smaller catering businesses.

The Talenta division is the smallest division of the Somec Group in terms of volume with a share of consolidated sales of around 15.0% (share of sales in FY 2024). The division itself is dominated by the Oxin Group subsidiary with an estimated revenue share of around 50.0%. As a result, around 50.0% (GBCe) of segment sales are traditionally generated with customers from the maritime sector (e.g. shipyards or shipping companies) as part of ship newbuilding or ship modernisation projects (refitting projects). Thanks to the various M&As carried out, Somec's Talenta division is able to serve various markets and customers, primarily restaurants, hotel chains, shipbuilders and ship owners, with its broad kitchen systems portfolio.

"Mestieri" business division

The Mestieri division is the Somec Group's newest business unit. The "Mestieri project" began around two years ago and can be seen as a continuation of the diversification strategy that has been initiated, although strong synergies with the existing business areas are also being sought

The basic idea and vision behind this growth project is to form a group of manufacturing companies that stand out from the competition and are able to create complex, prestigious, customised interiors thanks to Italian craftsmanship and a high level of business expertise. Thanks to the size factor of a powerful group, the Mestieri division is in a strong position to grow more dynamically and can thus come into direct contact with potential customers and offer them a complete solution from a single source for a demanding renovation project, for example.

Following several acquisitions within this division, Somec has been able to steadily expand its product range in this business area and extend its production and craftsmanship expertise to various materials (including wood, marble and a wide range of metals) and target markets.

Typical interior customer solutions from Mestieri (selection)



Sources: Somec S.p.A.; GBC AG

The Mestieri division clearly sets itself apart from smaller and medium-sized competitors in particular with a number of distinctive competitive advantages. For example, the division has a broad in-house range of different products/materials and craftsmanship skills (including its own production and processing structure). The business division also has extensive project management expertise, enabling it to realise complex projects worldwide. The segment can also draw on the financial strength, reliability and synergetic network of connections and contacts within the Somec Group.

Originally, the composition of various companies under the Mestieri "umbrella" only included TSI (Total Solutions Interiors), Hysea and Skillmax. The acquisitions of TSI (in 2019) and Skillmax (in 2020) marked the main entry into the interiors business.

Selected customer solutions from the Mestieri division



Sources: Somec S.p.A.; GBC AG

The acquired company **TSI** focuses on the supply of interiors and the furnishing/design of public areas (including living areas) for cruise ships, including both ship newbuilds and ship modernisations (refitting projects).

Also heavily involved in the marine business is the company **Hysea**, which was founded in 2017 as a start-up of the Somec Group. This company specialises in the design/engineering, supply and installation of interior fittings for ship modernisation projects, public areas and common interior spaces on cruise ships and yachts.

The acquired company **Skillmax**, on the other hand, offers furnishing solutions for various end customers and sectors worldwide as part of customised projects. These include wealthy private customers, luxury shops, shops, offices, hotels and gourmet restaurants.

In order to further expand the business area and broaden the range of services within the Mestieri division, Somec made three further acquisitions in 2022 in the form of **Budri**, **LampArredo** and **Gino Ceolin**. These acquisitions were carried out under the subsidiary "Mestieri S.p.A.", which was founded in the same year and acts as the parent company and main contractor of the Mestieri division.

The acquired company **Budri** is one of the world's leading marble processing companies and in recent years has gained extensive international experience in the production of marble and semi-precious stone elements for complex projects in the residential, luxury retail, hospitality and other prestigious building sectors.

The subsequently acquired company **LampArredo** specialises in the development of metal furniture and is known for its high level of expertise in the processing of lacquered steel and fine materials in various finishes for customised projects of the highest standard. The company complements and expands the business area's existing range of services in the production of high-quality furniture and interior fittings for hotels, museums, shops and exclusive residences.

The company subsequently acquired, **Gino Ceolin**, specialises in the manufacture of metalwork and architectural elements for exterior and interior use, generally for

projects in the luxury retail, hospitality and high-end residential construction sectors.

Thanks to a successful growth strategy, the Mestieri division has been one of the Group's biggest growth drivers in recent years and is the second-largest Group division in terms of sales. Segment sales almost tripled from € 30.8 million in 2018 to € 88.8 million in 2024 due to both organic and inorganic growth effects.

In terms of revenue sources, around 50.0% (GBCe) of segment revenue traditionally comes from the maritime customer segment (shipbuilders and shipowners). The remaining revenue comes from the other broad end customer base, such as high-end retail, the hospitality industry, luxury hotel chains, luxury flats and private villas. The companies bundled under the Mestieri umbrella typically generated annual sales of between € 10.0 million and € 15.0 million each. The only exception is TSI (marine interiors and public areas), which generates estimated sales of around € 40.0 million.

MARKET AND MARKET ENVIRONMENT

The Somec Group specialises in the engineering, design and implementation of complex, turnkey projects in the civil and maritime sectors and operates in three business divisions (Horizons, Talenta, and Mestieri). It should be emphasised at this point that the majority of sales revenue across all three divisions is generated with European and North American B2B customers from the maritime sector and the cruise industry (estimated share of consolidated sales revenue most recently approximately 55.0%), although this is likely to apply even more to the consolidated operating earnings contribution (earnings contribution GBCe: >70.0%), as revenue from this sector is traditionally associated with higher margins.

The Group divisions Horizons (share of sales GBCe: approximately 55.0%) and Talenta (share of sales GBCe: approximately 50.0%) are particularly heavily involved in the marine sector, manufacturing and installing glazing systems and professional kitchen systems for the new construction and/or modernisation of cruise ships, mainly on behalf of shipbuilders and shipowners. Against this backdrop, the following comments will focus in particular on the European and North American cruise industry and, in particular, on the shipbuilders and shipyards and the shipping companies/cruise lines.

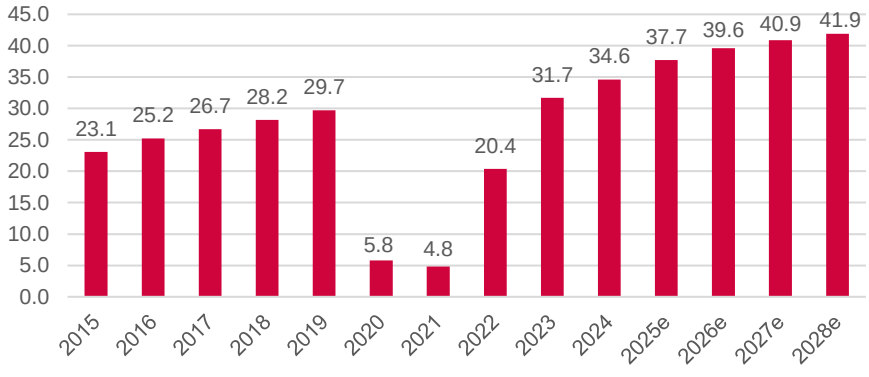
General global cruise industry

Cruise holidays as one of the fastest-growing tourism segments

The global cruise industry has experienced a veritable boom for several years thanks to persistently high tourist demand and generates annual sales well into the double-digit billions. According to the CLIA industry association, the number of cruise travellers increased significantly by around 67.0% to 29.7 million in the decade from 2009 to 2019.

The basic concept of cruise holidays continues to enjoy great popularity among tourists worldwide, as it allows travellers to travel the world on attractive routes as part of ocean voyages on cruise ships and discover new places every day without having to change hotels or accommodation, for example, as is the case with traditional trips.

Development of passengers transported on cruise ships worldwide (million) - Strong recovery after the coronavirus pandemic



Sources: CLIA; GBC AG

The subsequent outbreak of the coronavirus pandemic in 2020 and the associated severe restrictions on tourism led to a real slump in the global cruise market and

almost brought the industry to a standstill. In the absolute low point year of 2021, only 4.8 million passengers were transported on cruise ships worldwide. This was followed by a rapid recovery in the industry, which meant that the pre-corona level of just over 20.0 million cruise passengers was already reached again in 2022, with around 69.0%

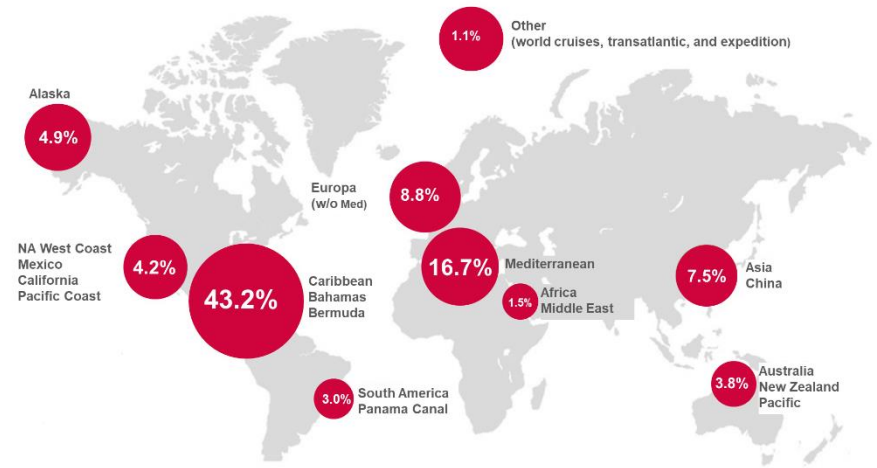
In view of the dynamic market development to date and the sustained, significant recovery following the coronavirus crisis, industry experts currently consider the cruise industry to be one of the fastest-growing segments of the tourism sector, although cruise tourism, with a global tourism share of around 2.0% of the entire travel industry, can still be considered more of a niche market segment of the tourism industry. Accordingly, there is still a high potential for growth in the cruise sector.

Historically, the global cruise industry has also proved to be quite robust in the face of the sometimes difficult macroeconomic conditions and crises that have been observed in some of the industry's core markets in recent years. For example, cruises in Europe have become increasingly popular in recent years despite high inflation in some areas, although the cost of travelling by ship has also risen significantly.

Current development of the cruise market

According to the latest figures from the Cruise Lines International Association (CLIA), the number of travelers who opted for a cruise in 2024 was 34.6 million, representing a significant increase of 9.1% over the previous year and well above the pre-coronavirus level of 2019 (29.7 million). According to the industry association, cruise tourism is also recovering faster than other forms of international travel and was already able to exceed pre-coronavirus passenger records in 2023 with 107.0% of the 2019 level.

World's most popular travel destinations for cruise passengers in 2024*

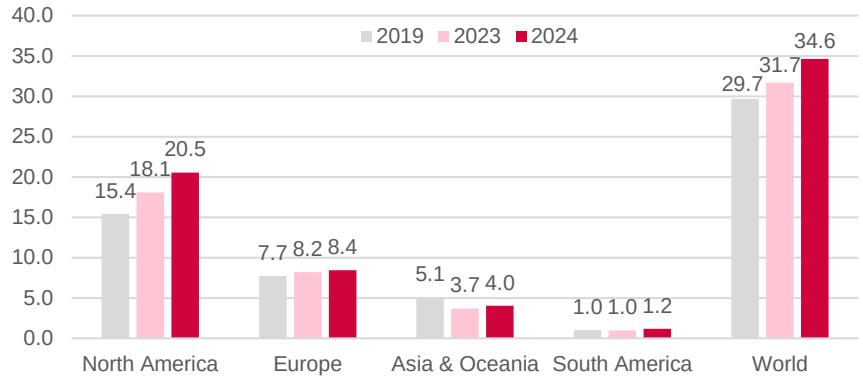


*Sources: CLIA; GBC AG *Percentage distribution of passengers by world region*

In terms of travel destinations, the Caribbean, the Mediterranean, and Europe remained the three most popular cruise destinations in the world in 2024, accounting for 43.2%, 16.7%, and 8.8% of passengers, respectively. In absolute terms, 15.0 million cruise passengers visited the Caribbean (an increase of 2.2 million compared to 2023), while the Mediterranean accounted for 5.8 million passengers (an increase of 0.3 million compared to 2023) and European ports 3.0 million (an increase of 0.1 million compared to 2023).

In terms of passenger regions of origin, North America, Europe and Asia remain the three largest markets of origin and, therefore, the main markets for cruise holidays with by far the highest passenger volumes. Both the North American and European markets of origin increased significantly in 2023 compared to 2019. Passenger volume in North America rose dynamically by 13.4% to 20.5 million, while in Europe it increased moderately by 2.8% to 8.4 million. Asia and Oceania also recorded significant growth in passenger numbers during the same period, rising by 9.8% to 4.0 million.

Development of passenger volume by country of origin (in millions)



Sources: CLIA; GBC AG

According to market observers, the American market for ocean cruises is seven times larger than the two leading European cruise markets of Germany and the UK in terms of sales volume, making it the cruise industry's main market.

According to the results of the CLIA industry survey, global demand for cruises will remain high in 2025 and beyond. For example, 82.0% of those who have already been on a cruise intend to do so again, and 68.0% of international travelers are considering it for the first time, with one in three international travelers having already been on a cruise. Accordingly, the industry association expects a further significant increase in global cruise passenger volume of 9.0% to 37.7 million for the current year 2025. By 2028, industry experts expect further significant growth in passenger numbers to 41.9 million, which would correspond to an average annual growth rate ($CAGR_{25-28}$) of 3.6%.

Development & key market players in the global cruise industry

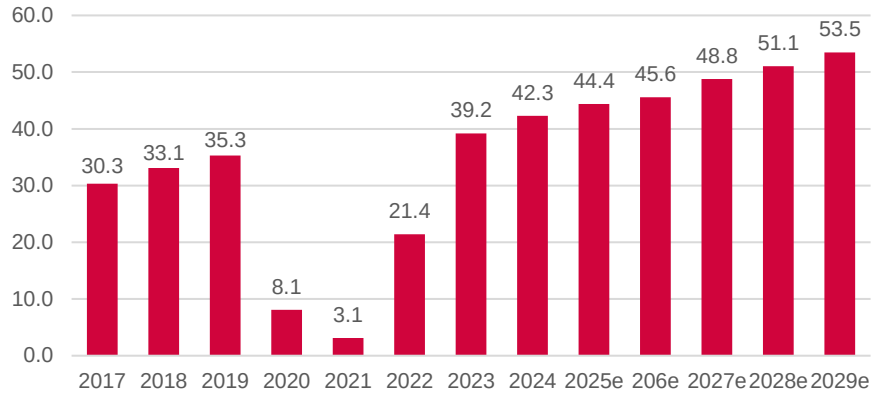
Following the coronavirus-related slump in business from 2020 to 2022, the cruise industry has recovered rapidly and has been experiencing strong demand for ocean voyages again for some time. Cruises have become one of the most popular travel trends worldwide and are therefore also currently ensuring high demand for holidays from shipping companies.

In view of the strong recovery in the cruise sector, the industry's revenue also increased significantly by 7.9% year-on-year to USD 42.3 billion in 2024 (PY: USD 39.2 billion), according to a study by the data portal Statista. Industry growth was also boosted by higher ticket prices implemented by cruise operators, which did not have a negative impact on travellers' booking behaviour due to persistently high customer demand. According to Statista Market Insights, the average revenue per cruise customer totalled a good € 1,200 last year.

Cruise companies are also currently reporting a significant increase in customer bookings despite higher prices. Against this backdrop, the authors of the study

expect growth in this sector to continue in the coming years and forecast a significant increase in industry revenue to USD 53.5 billion by 2029, which equates to an average annual growth rate of 4.8% ($CAGR_{25-29}$) for this period.

Development of global sales in the cruise industry (bn USD)



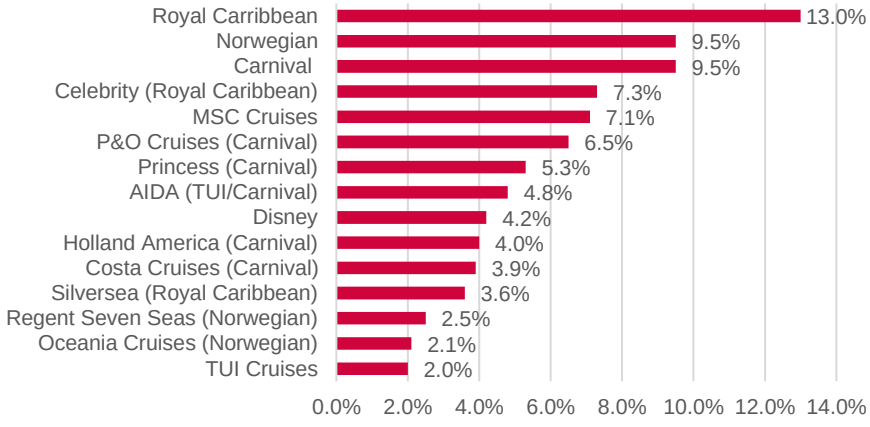
Sources: Statista Market Insights; GBC AG

The strong customer demand is being fuelled in particular by the ever larger and more spectacular ocean-going vessels of the cruise lines, such as the 365-metre-long "Icon of the Seas" of the US shipping company Royal Caribbean with a total capacity of 5,610 (double-occupancy) passengers.

The cruise industry, with its various cruise companies and shipping interests, is a particularly highly concentrated sector that is dominated or decisively characterised by just a few market players. According to publicly available market data and industry studies, the three US cruise groups Carnival (market share GBCe: approximately 34.0%), Royal Caribbean (market share: approximately 23.9%) and Norwegian Cruises (market share: approximately 14.1%) account for over 70.0% of bookings and industry revenue.

In terms of fleet size and its particularly strong market share, the Carnival Group with its more than 100 cruise ships is considered the market leader in the industry. In terms of market capitalisation (current market capitalisation: approximately € 45.6 billion), however, the Royal Caribbean Group is the clear number one in the sector.

Global market shares of cruise lines by revenue in 2024



Sources: Company data; CLIA; FCCA; DVB Bank; GBC AG

With a market share of 13.0% for the core cruise line Royal Caribbean alone and a total fleet of more than 65 cruise ships, the **Royal Caribbean Group** is one of the world's leading cruise operators. The fleet currently includes the six largest cruise ships, including the well-known "Icon of the Sea". In addition to the Royal Caribbean brand and line, the cruise group also includes Celebrity Cruises (market share: 7.3%) and Silversea (3.6%). The Royal Caribbean Group also holds a 50.0% stake in Tui Cruises (market share: 2.0%) with its "Mein Schiff" fleet. According to the listed Royal Caribbean Group, which has over 100,000 employees, consolidated revenue totalled USD 17.1 billion last year, a moderate increase on the previous year (PY: USD 16.5 billion).

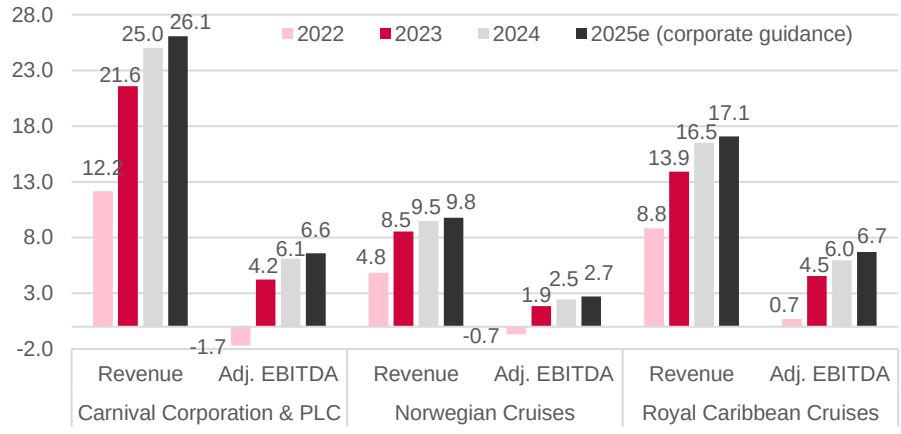
In second place with a market share of 9.5% is the British-American Carnival Cruise Line. The commercial beginnings of the long-established **Carnival shipping company** date back to 1972. At present, almost a dozen different brands belong to the Carnival group of companies. Including subsidiaries and joint ventures as well as brands such as P&O Cruises (market share: 6.5%), Princess Cruises (market share: 5.3%), Holland America Line (market share: 4.0%), Costa Cruises (market share: 3.9%) and AIDA Cruises (market share: 4.8%), the Carnival Group is by far the industry leader with a market share of over a third

Carnival Corporation and Carnival PLC are two cruise companies listed on the New York and London stock exchanges respectively. In the past financial year 2024, the Carnival Group with its more than 160,000 employees achieved a significant increase in consolidated revenue of around 16.0% to USD 25.0 billion (PY: USD 21.6 billion).

With a market share of 9.5% in relation to the core line Norwegian Cruises, the American **Norwegian cruise group** also plays a significant role in the global cruise sector. Including the market shares of the other brands and cruise lines belonging to the Group, Regent Seven Seas (market share: 2.5%) and Oceania Cruise (market share: 2.1%), Norwegian even has a market share of 14.1%.

The Norwegian Group currently has a fleet of just over 30 cruise ships travelling to destinations worldwide. According to the company, the fleet is to be significantly expanded across all three brands with a further eight ocean-going ships by 2036. In the past financial year 2024, the listed Norwegian Group reported significant revenue growth of around 11.0% to USD 9.5 billion (PY: USD 8.5 billion).

Economic development of the world's leading shipping companies (bn USD)



Sources: Company information; GBC AG

Development in global cruise ship newbuilding

Despite the fact that the cruise business is mainly dominated by the major American shipping companies, there is a high degree of concentration on Europe and dependence on European shipyards for the construction of new cruise ships. Due to the particularly high demands of cruise lines and passengers, more than 90.0% of newbuilds are traditionally built in European shipyards—primarily in Italy, Germany and France.

Even at shipbuilder level, there is a high concentration on a few particularly relevant market players. For example, the shipbuilders Fincantieri from Trieste, Meyer Werft from Papenburg and Chantiers de l'Alantique from Saint-Nazaire dominate the global newbuilding business for cruise ships, with the former being the undisputed market leader in the industry.

Worldwide number of cruise ships in operation



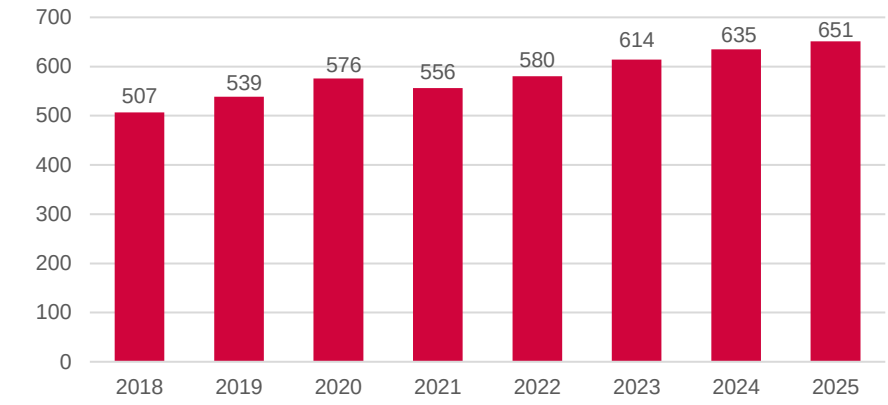
Sources: CLIA; Cruise Industry News; GBC AG

According to the CLIA industry association, there are currently 310 ocean-going giants with a total bed capacity of 651,000 sailing the world's seas, with the number of ships owned by various shipping companies growing moderately by 2.3% to 310 (PY: 303 ships) in 2025 alone. Cruise ships can be regarded as a kind of technical marvel due to their elaborate facilities for entertainment, leisure, and sports activities. Accordingly, new construction prices for such cruise giants typically range roughly between € 1.0 billion and € 1.5 billion, depending on the size of the ship and the level of equipment.

Due to the extremely positive outlook for the industry and in order to be able to meet the continuing high customer demand for ocean-going voyages, numerous large orders for newbuilds have been received from shipping companies at the leading European shipyards in the past. Accordingly, shipbuilders such as Europe's market leader Fincantieri can look back on an extensive order backlog of around € 51.0 billion.

According to market data from the industry portal Cruise Industry News, shipyards currently have 67 newbuilds on their order books with a total order value of around USD 57.0 billion, which are to be delivered between 2024 and 2036. The price and capacity per ship averages around USD 845 million and 2,548 passengers respectively, which equates to more than 170,000 additional beds. It should be emphasised that 35 of these 67 orders were placed in 2024 alone, which clearly reflects and underlines the current boom in the industry.

Development of the number of beds in the global cruise fleet (in thousands)



Sources: CLIA; GBC AG

In terms of the recipients of the major orders for these cruise ships, the Italian Fincantieri shipyard group accounts for the largest share. It is followed by the Meyer Werften Group with currently 12 firm orders and the French shipyard Chantiers de l'Atlantique with 8 firm orders. Based on a recent market analysis for the period from 2025 to 2036, the global industry association CLIA expects 56 new cruise ships (from association members alone) and an additional 168,000 beds. Market experts estimate the associated order volume at USD 56.7 billion.

According to market observers, one of the largest customers at present is the American Norwegian Cruise Line Holdings (NCL), which has ordered a total of 13 cruise giants up to 2036. The total number of current orders for new ships indicates that there will be a veritable boom in new cruise ships over the next two years, as roughly 15 new ships are due to enter service each year. Shipping companies have already ordered 12 cruise ships for delivery in 2027.

The highly complex and innovative cruise ships are built by specialised European shipyards and their suppliers. In some cases, more than 16 million individual parts are used in the construction of a giant ocean-going vessel. In view of this, shipyards rely on a network of several thousand specialised suppliers to deliver individual components and systems for the construction of a ship when implementing these complex large-scale projects.

These include, for example, the Somec Group, whose maritime business activities include developing and manufacturing various glazing solutions for cruise liners and installing them on the ship in the shipyard. The suppliers are often already decisively involved in the development of the ships (development cooperation with shipyards) and then develop and manufacture customised products and systems for the shipyards according to customer requirements and then also install the customer solution on site.

It should also be mentioned at this point that the cruise industry is not only investing in new ships but, according to market reports, will be investing over USD 50.0 billion in various innovations over the next four years. The particular focus here is on ships fuelled by LNG (liquefied natural gas), more environmentally-friendly cruises, improved use of on-board technology and more entertainment and activities on board.

Ship owners and operators also regularly invest in the modernisation and improvement of the existing ship fleet (refurbishment/refitting projects), primarily in order to meet technological and regulatory requirements (more climate-friendly and

efficient drive technology, etc.). This is primarily not just about fulfilling new regulatory requirements through the use of newer technologies and systems, but also about economic aspects (increasing economic efficiency and profitability, etc.) in order to significantly extend the competitiveness and service life of ships.

Nowadays, modern cruise ships are typically put into dry dock every five years for inspections, maintenance work, modernisation and classification regulations. In view of the approximately 300 cruise ships currently sailing the world's oceans and the regular maintenance and modernisation work required on these ships, industry experts estimate the annual refitting market volume at around USD 4.0 billion. We assume that the cruise market leader Carnival alone invests at least an estimated USD 1.0 billion (GBCe) annually in refitting projects to modernise and renew its entire group fleet

With its market-leading Group subsidiaries, which offer customised solutions (glazing, interior fittings and kitchen systems for ships) for cruise ship builders and shipping companies, the Somec Group is in a good position to benefit significantly from the booming cruise industry. And not only in the area of new ship construction, but also increasingly in refitting projects due to the general increase in the global cruise ship fleet.

BUSINESS DEVELOPMENT 2024

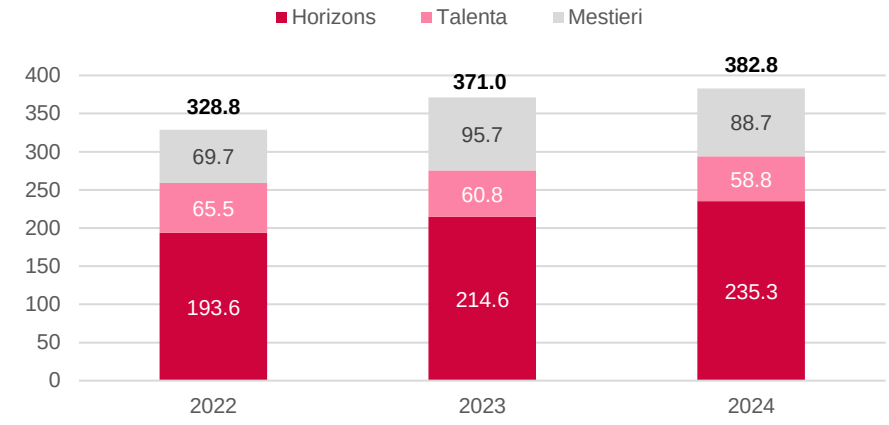
P&L (in € million)	FY 2022	FY 2023	FY 2024
Sales	328.84	371.04	382.82
EBITDA	23.24	18.18	29.58
EBIT	2.89	0.15	8.16
Net result (after minorities)	-1.75	-11.65	-3.30

Sources: Somec S.p.A.; GBC AG

Sales development FY 2024

On 27 March 2025, the Somec Group announced its business figures for the past financial year 2024. According to these figures, the engineering company achieved a moderate increase in consolidated sales of around 3.2% to € 382.82 million (PY: € 371.04 million) thanks to a pleasing core business (glass business or Horizons business) and thus also benefited noticeably from the ongoing recovery in the cruise industry. In particular, their dynamic growth of 23.9% to € 112.82 million in the fourth quarter (Q4 2023: € 91.04 million) made a significant contribution to this.

Development of Group sales and segment revenue (in € million)



Sources: Somec S.p.A.; GBC AG

In terms of revenue distribution, the main segment “Horizons” accounted for the lion's share of Group sales (approximately 61.5%). In this business segment, revenue rose significantly by 9.6% to € 235.30 million (PY: € 214.6 million) due to stronger marine business (expansion of the glass-based refitting and new shipbuilding business). Their glass business in the civil sector (with US subsidiary Fabbrica) also supported their positive segment development with a solid performance and was able to further consolidate their leading market position in the US facade business.

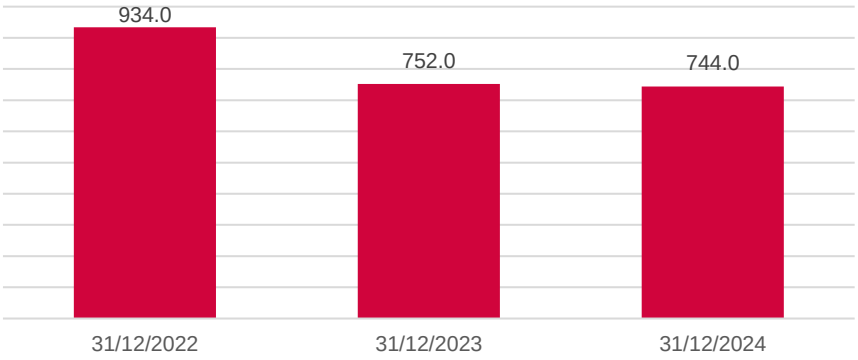
In the second-largest segment, "Mestieri", on the other hand, Somec suffered a significant drop in sales of 7.3% to € 88.7 million (PY: € 95.7 million). This was primarily due to a slowdown in the business activities of a single segment company that focused on maritime interior projects.

The smallest segment in terms of volume, "Talenta", also recorded a moderate decline in sales of 3.2% to € 58.8 million (PY: € 60.8 million). The main reason for this was the postponement of orders that had already occurred in the first half of

the year, which led to a significant decline in sales (sales development in H1 2024: - 20.6%) that could not be fully made up by the end of the year.

Somec also recorded positive results with regard to its order situation. Thanks to a strong order intake (order intake volume in 2024: over € 350 million), the order backlog of € 743.7 million at the end of the past financial year was almost maintained at the previous year's high level (order backlog at the end of 2023: € 752.4 million). The engineering group thus continues to benefit from high demand for the Somec Group's products and customer solutions, particularly from cruise ship builders/shipyards.

Development of the order backlog at the end of the financial year (in € million)

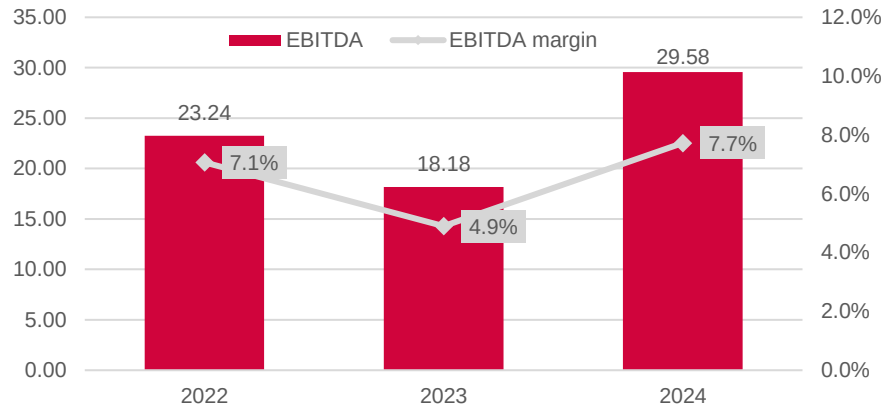


Sources: Somec S.p.A.; GBC AG

Earnings development FY 2024

The positive Group sales trend also had a very strong impact on all earnings levels. As a result of an improved sales mix (higher proportion of higher-margin core/marine business), cost optimisation measures (efficiency improvements) and the onset of economies of scale, the operating result (EBITDA) increased by a disproportionately high 62.7% to € 29.58 million (PY: € 18.18 million). Accordingly, the EBITDA margin also rose dynamically to 7.7% (PY: 4.9%).

Development of Group EBITDA (in € million)

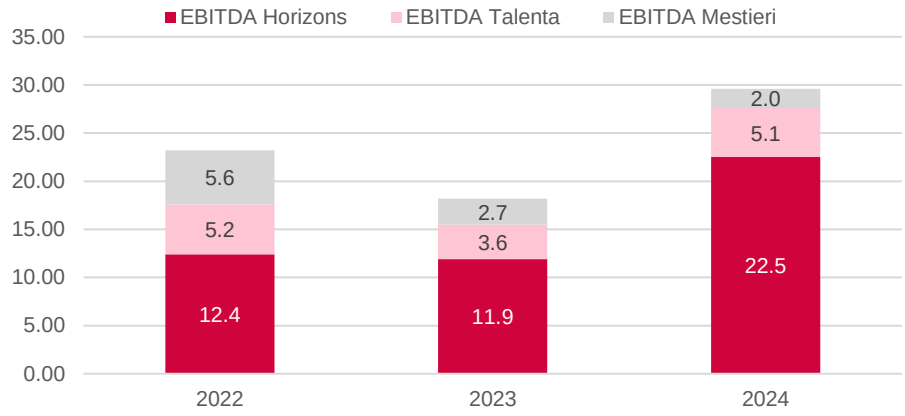


Sources: Somec S.p.A.; GBC AG

Adjusted for special effects (in particular special costs for restructuring totalling € 0.51 million), adjusted EBITDA (Adj. EBITDA) even increased by around 65.5% to € 30.09 million (PY: € 18.18 million).

In terms of the composition of earnings, the "lion's share" (approximately 76.0% of Group EBITDA) was attributable to the main business segment "Horizons". In this segment, EBITDA rose dynamically by approximately 88.9% to € 22.5 million thanks to the expansion of the maritime glass business and a solid performance by the US facade business. At the same time, the EBITDA margin rose disproportionately to 9.6% (PY: 5.5%), which was primarily due to the particularly high-margin refitting project business.

Development of operating segment performance (in € million)



Sources: Somec S.p.A.; GBC AG

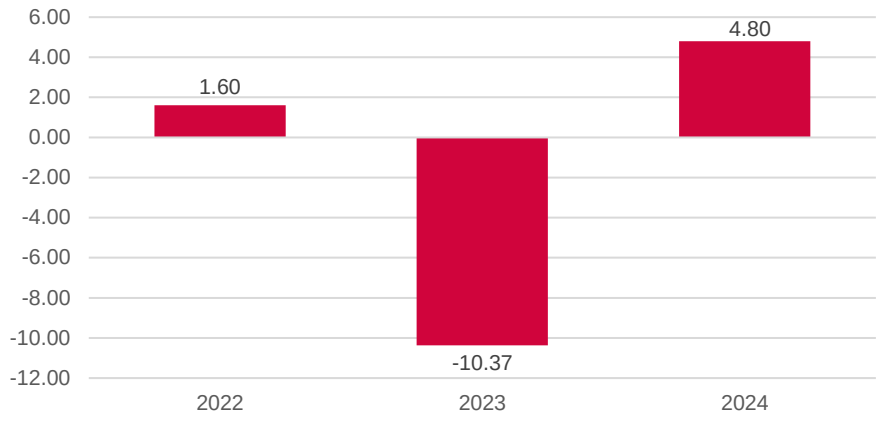
The operating result in the "Talenta" division also developed positively with a significant increase in EBITDA of 41.3% to € 5.1 million (PY: € 3.6 million). The significant increase in earnings despite a moderate decline in segment sales was mainly due to a strong earnings performance in the maritime kitchen business. In addition, the operating result was boosted by the business activities of some segment companies that focus on professional kitchen products and are increasingly benefiting from production efficiencies as part of the gradual integration of the Group.

By contrast, the operating performance in the "Mestieri" business division developed in the opposite direction, with EBITDA falling by 25.5% to € 2.0 million (PY: € 2.7 million). This development was primarily due to the results of a subsidiary that specialises in maritime interiors and was exposed to margin pressure on last year's orders. Instead, all other business segments of the "Mestieri" division recorded growth in business volume and profitability, but were unable to more than compensate for the negative effects of the marine business.

The positive earnings trend was also reflected in the Somec Group's operating cash flow development. As a result of the strong margin recovery and clearly positive effects from working capital optimisation measures, operating cash flow increased dynamically year-on-year to € 27.44 million (PY: € 0.13 million).

Taking into account further amortisation, financing and tax effects, the consolidated net result (after minority interests) at the end of the last financial year was significantly improved compared to the previous year, amounting to € -3.30 million (PY: € -11.65 million). It should be noted that the net result was significantly impacted by extraordinary amortisation of goodwill (primarily goodwill amortisation in the Talenta division) amounting to € 4.75 million. Adjusted for these special effects (extraordinary amortisation and costs), a clearly positive adjusted net result of € 4.80 million was generated instead, thus achieving a strong improvement in earnings compared to the previous year (adjusted net result: € -10.37 million).

Development of adjusted consolidated net income (in € million)



Sources: Somec S.p.A.; GBC AG

Overall, the Somec Group therefore continued its growth trajectory in the 2024 financial year. The clearly positive business performance in the core business area "Horizons" more than compensated for the declining business performance of the other two segments. Thanks to an improved sales mix (in particular a higher share of high-margin marine business) and cost efficiency measures, a strong improvement in margins and profitability was achieved, which pushed net income (on an adjusted basis) into clearly positive territory.

Presentation of the balance sheet and financial position

in € million	31/12/2022	31/12/2023	31/12/2024
Equity (equity ratio)	36.81 (11.0%)	19.66 (6.0%)	17.69 (5.6%)
Property, plant and equipment	20.89	19.11	18.01
Intangible assets	59.52	55.14	46.01
thereof goodwill	36.70	37.42	33.06
Receivables	84.15	73.51	79.67
Inventories and contract assets	53.50	59.90	44.84
Interest-bearing financial loans	103.73	110.63	96.19
Total liquidity	54.34	46.96	47.48
Net financial position (NFP)*	81.20	84.31	58.58
Balance sheet total	333.97	329.09	315.51

*Source: Somec S.p.A. *NFP including IFRS 16 effects*

The company's performance in recent years and the growth strategy pursued by the Somec Group have also been reflected in the Somec Group's consolidated balance sheet.

Due to the large number of acquisitions made in recent years (three M&As in 2022 alone), Somec's balance sheet contains a significant proportion of intangible assets and goodwill, which accounted for around 15.0% of total assets at the end of the past financial year. As at the balance sheet date of 31 December 2024, intangible assets decreased significantly to € 46.01 million (31 December 2023: € 55.14 million) due to regular amortisation (€ 5.19 million) and impairment losses (goodwill amortisation in the Talenta division of € 4.75 million).

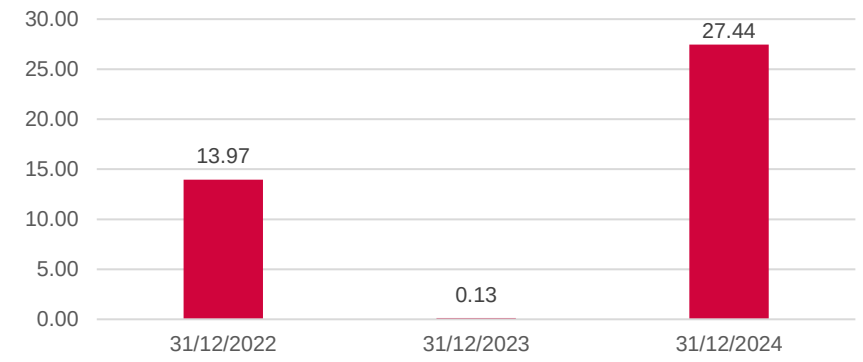
Inventories (including contract assets) also fell significantly to € 44.84 million as at the reporting date of 31 December 2024 (31 December 2023: € 59.90 million) due to the working capital optimisation measures implemented (launched efficiency programme).

Due to the increase in Group sales, however, receivables, which traditionally represent the largest single item in the consolidated balance sheet, rose significantly to € 79.67 million at the end of the past financial year (31 December 2023: € 73.51 million).

In addition to equity and operating cash flow, the Somec Group's business activities are usually financed primarily through traditional bank loans. As a result, the proportion of interest-bearing bank loans and liabilities remained at a high level of 30.5% (31 December 2023: 33.6%) as at the balance sheet date and has decreased noticeably compared to the previous year due to the disproportionately high reduction in financial loans in relation to total assets.

At the end of the past fiscal year, interest-bearing financial liabilities to financial institutions and other debtors amounted to € 96.19 million, which represents a significant reduction compared to the previous year's reporting date (31 December 2023: € 110.63 million). The significant reduction in debt is the result of a significantly improved operating cash flow, which rose sharply to € 27.44 million at the end of the past fiscal year (31 December 2023: € 0.13 million) due to a strong increase in profitability and more efficient working capital management.

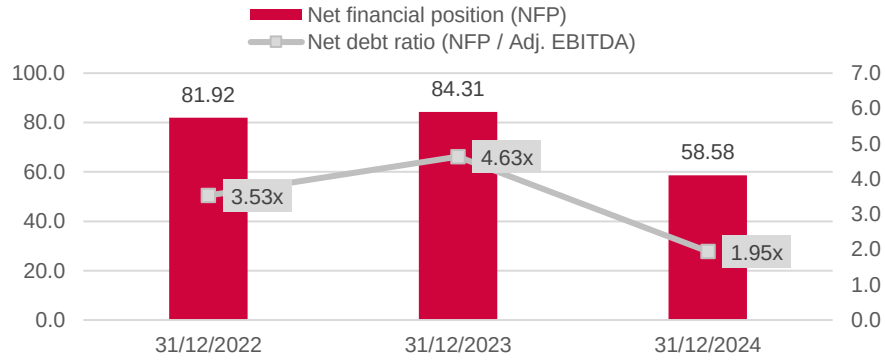
Development of operating cash flow year-on-year (in € million)



Sources: Somec S.p.A.; GBC AG

As of December 31, 2024, the total liquidity amounted to € 47.48 million, almost unchanged from the previous year (31 December 2023: € 46.96 million). Accordingly, the Somec Group's net financial position (NFP, including IFRS 16 effects) at the end of the past fiscal year amounted to € 58.58 million, representing a significant improvement on the previous year's level (31 December 2023: € 84.31 million). At the same time, the (net) debt ratio (NFP / adj. EBITDA) was significantly reduced to 1.95x as of the balance sheet date December 31, 2024 (31 December 2023: 4.63x), with Somec intending to further improve its debt situation in the future.

Development of net financial position (in € million) and debt ratio



Sources: Somec S.p.A.; GBC AG

Due to the negative consolidated result for the year, the engineering company's equity fell moderately to € 17.69 million at the end of the past fiscal year (31 December 2023: € 19.66 million). At the same time, the equity ratio as of the balance sheet date of December 31, 2024, remained almost at the previous year's level at 5.6% (31 December 2023: 6.0%).

In order to further strengthen its equity capital, Somec decided at the end of May to carry out a capital increase in kind (without subscription rights) amounting to approximately € 6.11 million. The capital increase is reserved for VIS S.r.l., which is wholly owned by Somec's main shareholder, Venezia S.p.A. This transaction includes the transfer of the real estate lease agreement under which Somec has its headquarters. In the course of the capital increases, which are to be completed by the end of June 2025, 381,875 new shares will be issued at a price of € 16.00 per share. In addition to strengthening the capital base, this measure also serves to conclude an amendment agreement with main financing partners.

BUSINESS DEVELOPMENT Q1 2025

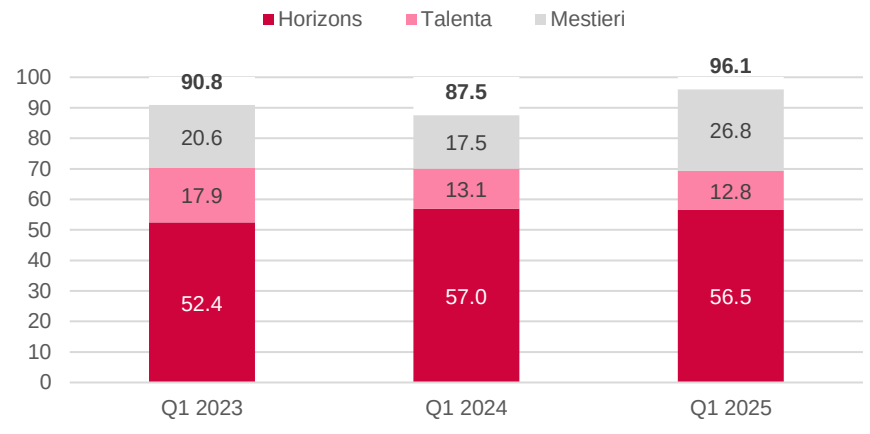
Group / segment revenue (m €)*	Q1 2023	Q1 2024	Q1 2025
Revenue „Horizons“	52.4	57.0	56.5
Revenue „Talenta“	17.9	13.1	12.8
Revenue „Mestieri“	20.6	17.5	26.8
Consolidated revenue	90.8	87.5	96.1

*Sources: Somec S.p.A.; GBC AG * unaudited consolidated key figures for Q1 2025*

On May 15, the Somec Group published key figures for the first quarter of the current fiscal year. According to these figures, the engineering group achieved a significant increase in consolidated sales revenues of 9.8% to € 96.1 million in the first three months of the current fiscal year (Q1 2024: € 87.5 million), thus continuing the positive momentum from the second half of the previous fiscal year. The significant quarterly growth was mainly driven by dynamic growth in the “Mestieri” division (Q1 segment growth: >50.0%).

The lion's share of consolidated revenue (approx. 58.8%) was generated by the core business segment “Horizons,” which, at the end of the first quarter, generated segment revenue of € 56.5 million, almost matching the level of the prior-year quarter (Q1 2024: € 57.0 million). The high level of the prior-year quarter was confirmed thanks to the sustained high order backlog and the continued positive business development in the civil and maritime sectors, which continues to be supported by a well-distributed project pipeline in the core markets.

Development of consolidated and segment revenues (in million €)



Sources: Somec S.p.A.; GBC AG

The Talenta business segment achieved equally robust segment revenue growth, with revenue of € 12.8 million, which was slightly below the prior-year quarter (Q1 2024: € 13.1 million) but still in line with the company's expectations.

In contrast, the Mestieri business segment developed positively, with segment revenues growing dynamically by 53.4% to € 26.8 million (Q1 2024: € 17.5 million). According to the company, this extremely positive development is the result of strong project performance in customer projects in the US and Europe.

The order intake in the first few months of the current fiscal year was just as encouraging as the quarterly sales performance, with orders received to date totaling

over € 60.0 million across all divisions. The “Talenta” segment won orders with a total value of approximately € 35.0 million, and the “Horizons” segment secured a major order with a volume of approximately € 30.0 million. In addition, the US subsidiary Fabbrica recently won a prestigious project (order volume: approx. USD 30.0 million) for a new NOKIA research facility.

In view of the encouraging business development in the first quarter, Somec's management has confirmed its previous rough outlook for the company and continues to expect an improvement in profitability compared with the previous year and a continuation of the positive sales trend.

SWOT ANALYSIS

Strengths	Weaknesses
• Strong market position in the marine glazing business for new construction and refitting projects (clear global market leader). • Diversified and, at the same time, highly synergetic business areas, primarily due to the "overlaps" of all sectors in the maritime business. • Comprehensive coverage of the key stages of the value chain in core business activities (from design and production through to installation). • Asset-light approach of the business model, which enables significant growth even without major investments. • Improved cost control through the introduction of price adjustment clauses and additional hedging instruments. • The extensive order backlog ensures high visibility and predictability of the business.	• Low equity ratio in the financing mix of business activities and significant goodwill position within the balance sheet structure. • High dependence on various raw material costs (aluminium, glass, etc.) • Strong weighting and high influence of personnel-related fixed costs • Great dependence on individual top management executives
Opportunities	**Risks**
• Participation in the booming cruise market through increased business activities with shipbuilders and cruise lines (shipping companies/shipowners) • Expansion of the Fabbrica glass façade business to the US West Coast • Greater utilisation of synergies between Group divisions and acquired companies (high cross-selling potential) • Successful transformation of the Mestieri division could have a significant positive impact on future growth momentum and earnings position • Renewed M&A activities would significantly increase the pace of growth and could significantly strengthen individual business areas (e.g. Mestieri division)	• A significant deterioration in the general conditions (e.g. significantly higher interest rates) over a longer period of time would have a negative impact on customer demand • Significant increases in raw material and primary product prices could only be passed on to customers in part and with a time delay • Possible far-reaching problems in the realisation of major projects would have a negative impact on business development • Orders suddenly cancelled by major customers or project postponements caused by customers could have a significant negative impact on sales and earnings development

FORECASTS & MODEL ASSUMPTIONS

in € million	FY 24	FY 25e	FY 26e	FY 27e
Sales	382.82	398.55	419.02	441.12
EBITDA	29.58	33.17	36.53	39.79
EBIT	8.16	15.91	21.02	24.01
Net result (after minorities)	-3.30	5.82	9.11	11.38

Sources: Somec S.p.A.; GBC AG

Sales and earnings forecasts

The Somec Group has focussed its strategic orientation in particular on the promising sectors of the cruise industry, infrastructure (complex construction projects) and the luxury industry.

As part of its strategic positioning, the Somec Group is pursuing a growth-oriented corporate strategy that includes both organic and inorganic growth. The main "pillars" of this growth strategy are the expansion of the business volume in the glass business ("Horizons" division) and the further expansion of the complementary and synergetic business areas "Talenta" and "Mestieri".

Core elements of Somec's growth strategy



Source: GBC AG

With regard to the **main business area "Horizons"**, Somec aims to exploit its strong market positions in the individual niches in the maritime business (global market leadership in the glazing of cruise ships and a leader in maritime refitting projects) and to grow significantly with the fast-growing cruise industry through increased ship newbuilding projects with the cruise shipyards and ship modernisation projects of the shipowners (cruise groups). In addition, the engineering company also intends to drive forward its façade business, which is primarily represented by the US subsidiary Fabbrica, in the north-east of the USA and in Europe.

Parallel to the glass business, the two complementary and synergetic business areas "Talenta" and "Mestieri" are also to be further expanded. The **catering technology division "Talenta"** in particular should be able to benefit significantly from its strong market position in the maritime sector (for new ships) and at the same time utilise the Somec Group's good customer access to shipowners in order to significantly increase its sales revenues in the area of refitting projects.

Somec's management sees the group's greatest future growth potential in the "**Mestieri" division**. Somec has bundled several highly specialised manufacturing companies under the "Mestieri" umbrella. This group is made up of companies that stand for high Italian craftsmanship and quality and are able to create and manufacture complex, prestigious and customised interiors. With this almost unique range of services and expertise, this division clearly sets itself apart from existing competitors.

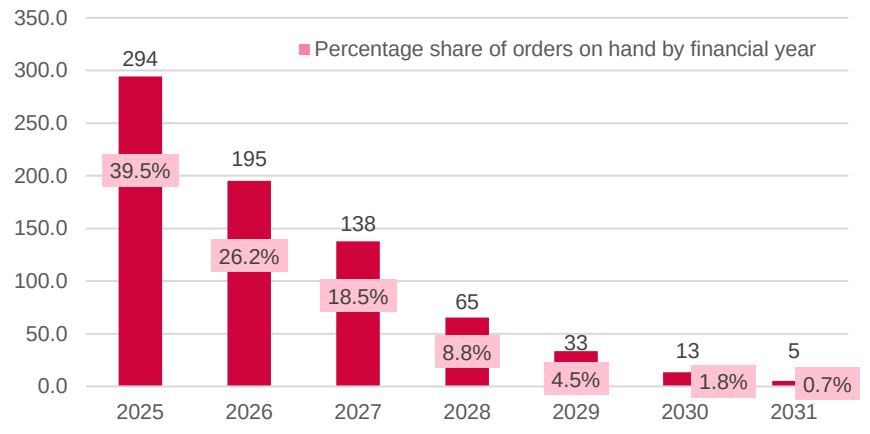
In order to fuel growth in this segment, the Somec Group has invested significantly in this division and also strengthened the management team (keyword: new CEO Stefan Rosa Uliana). In view of this promising starting position, Somec should be able to consistently exploit the business potential in this division in the various end markets, such as luxury boutiques, luxury hotels and upmarket apartments/villas, and turn it into sustainable growth. We also expect the "Mestieri" segment to benefit from the increasing opportunities in the maritime sector and thus return to growth overall.

In addition, the permanent promotion of synergies within the Somec Group is also a focus of the corporate strategy. In our opinion, there is great potential for synergies, particularly in the (maritime) customer structure, where extensive cross-selling opportunities can be utilised across all divisions. There are also extensive synergy opportunities on the cost side. For example, significant synergy potential can be realised in the area of procurement (central purchasing, bundled supply chains, etc.) or in the joint use of project management expertise and experience.

Furthermore, the management of the engineering group is keeping the option open at all times to additionally support the targeted expansionary business policy through targeted M&A transactions. We consider potential acquisitions to be possible in the medium and long term (2026 at the earliest), particularly in the "Mestieri" segment, in order to further strengthen this division and realise the full potential of this "growth project".

With the publication of its key financial figures for the 2024 financial year, Somec's management has also provided rough company guidance for the current 2025 financial year and expects single-digit percentage sales growth and a significant improvement in profitability for this period.

Distribution of the order backlog (end of FY 2024) by financial year



Sources: Somec; GBC *AG*

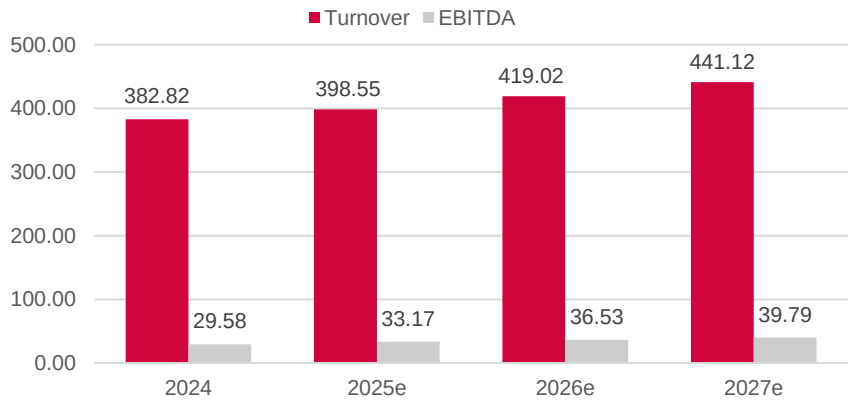
This positive company outlook results in particular from an extensive order backlog totalling € 744.0 million (at the end of FY 2024) and the significant incoming orders

already received in the first few months of the current financial year (approximately € 35.0 million to date). It should be noted that around 65.0% of the order backlog is attributable to the "Horizons" division and therefore includes orders in the maritime and civil sectors. According to the company, around 40.0% of this order backlog will be recognised as revenue in the current financial year. A further 26.0% of the order backlog is expected to be realized in the following fiscal year 2026.

Based on the recent positive company performance, the extensive order backlog and the confirmed outlook in the first quarter, we expect a moderate increase in sales of 4.1% to € 398.55 million (PY: € 382.82 million) for the current 2025 financial year. The international glass business should once again prove to be the main growth driver, although we also expect business activities in the "Talenta" and "Mestieri" divisions to pick up again. In view of the forecast sales growth in the particularly high-margin core business and expected economies of scale, we also anticipate a disproportionately high increase in EBITDA and EBITDA margin to € 33.17 million (PY: € 29.58 million) and 8.3% (PY: 7.7%) respectively.

In the subsequent financial years 2026 and 2027, the “Horizons” business unit should also prove to be the main growth driver for the Group. At the same time, we anticipate that the “Mesteri“ segment will also be a key growth factor in the future with expected significant revenue growth. Accordingly, we anticipate a further moderate increase in sales to € 419.02 million (FY 2026) and € 441.12 million (FY 2027) in the following years. As a result of the associated stronger sales weighting of the particularly high-margin core business and the stronger onset of volume effects, we anticipate a disproportionately high increase in EBITDA to € 36.53 million (FY 2026) and € 39.79 million (FY 2027). At the same time, we are forecasting a significant improvement in the EBITDA margin to 8.7% (FY 2026) and 9.0% (FY 2027).

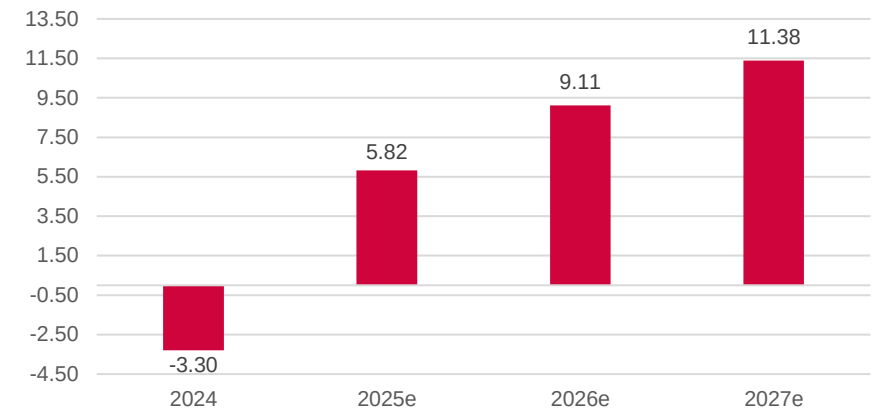
Expected sales and EBITDA development (in € million)



Sources: Somec S.p.A.; GBC *AG*

In view of our expected positive operating earnings performance, we also anticipate significant earnings growth at the downstream earnings levels. Accordingly, taking further account of amortisation, financing and tax effects, we are forecasting a clearly positive consolidated net result (after minority interests) of € 3.63 million for the current financial year. For the following financial years, we are forecasting further significant increases in after-tax earnings to € 5.15 million (FY 2026) and € 6.59 million (FY 2027).

Expected development of consolidated net income (in € million)



Sources: Somec S.p.A.; GBC AG

Overall, the Somec Group's strong niche positioning in the maritime sector should enable it to benefit significantly from the booming cruise industry in the area of ship newbuilding and ship modernisation. We also anticipate a further increase in sales volume for the US façade business based on (expected) robust demand for complex customised customer solutions. The "Mestieri" business area should also return to growth in view of its almost unique range of services and the business model-specific optimisation measures implemented. In particular, the promising positioning in the various end markets, especially the luxury and luxury-related sectors, should contribute significantly to this.

Based on our DCF valuation model and our sales and earnings estimates for the current financial year and subsequent years, we have determined a price target of € 22.50 per share. In relation to the current share price level, we therefore assign a "BUY" rating and see significant upside potential in the Somec share.

Valuation

Modelling assumptions

Somec S.p.A. was valued by us using a three-stage DCF model. Starting with the specific estimates for the years 2025 to 2027 in phase 1, the second phase from 2028 to 2032 involves a forecast based on value drivers. In the second phase, we expect sales to increase by 5.0%. We have assumed an EBITDA margin target of 9.0%. We have taken the tax rate into account at 27.0% in phases 1 and 2. In the third phase, a residual value is also determined after the end of the forecast horizon using perpetuity. We have assumed a growth rate of 2.0% in the terminal value.

Determination of the cost of capital

The weighted average cost of capital (WACC) of Somec S.p.A. is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the IDW's Technical Committee for Business Valuations and Business Administration (FAUB). This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. The average yields of the previous three months are used to smooth out short-term market fluctuations. The risk-free interest rate currently used is 2.50%.

We use the historical market premium of 5.50% as a reasonable expectation of a market premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to outperform low-risk government bonds.

According to the GBC estimation method, a beta of 1.38 is currently determined.

Using the assumptions made, we calculate a cost of equity of 10.06% (beta multiplied by the risk premium plus the risk-free interest rate). As we assume a sustainable weighting of the cost of equity of 80.0%, the weighted average cost of capital (WACC) is 9.33%.

Valuation result

Future cash flows are discounted on the basis of the entity approach. We have calculated the corresponding cost of capital (WACC) at 9.33%. The resulting fair value per share at the end of the 2025 financial year corresponds to a target price of € 22.50.

DCF MODEL

Phase	estimate			consistency					final
	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e	FY 32e	
Turnover	398.55	419.02	441.12	463.18	486.34	510.65	536.19	563.00	
Sales growth	4.1%	5.1%	5.3%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%
EBITDA	33.17	36.53	39.79	41.78	43.87	46.06	48.36	50.78	
EBITDA margin	8.3%	8.7%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
EBITA	15.91	21.02	24.01	26.00	27.03	28.12	29.21	30.39	
EBITA margin	4.0%	5.0%	5.4%	5.6%	5.6%	5.5%	5.4%	5.4%	5.4%
NOPLAT	11.62	15.34	17.53	18.98	19.73	20.53	21.32	22.18	
Working capital (WC)	25.91	26.19	27.13	28.49	29.91	31.41	32.98	34.62	
Fixed assets (OAV)	83.85	86.12	90.28	96.33	102.65	109.60	116.67	124.70	
Invested capital	109.75	112.31	117.41	124.81	132.56	141.00	149.65	159.32	
Return on investment	10.8%	14.0%	15.6%	16.2%	15.8%	15.5%	15.1%	14.8%	14.1%
EBITDA	33.17	36.53	39.79	41.78	43.87	46.06	48.36	50.78	
Taxes on EBITA	-4.30	-5.68	-6.48	-7.02	-7.30	-7.59	-7.89	-8.21	
Change OAV	-15.15	-17.78	-19.94	-21.83	-23.16	-24.89	-26.23	-28.42	
Change WC	-4.22	-0.28	-0.94	-1.36	-1.42	-1.50	-1.57	-1.65	
Investments in goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Free cash flow	9.51	12.79	12.43	11.57	11.99	12.08	12.68	12.51	262.96

Development of cost of capital	
Risk-free return	2.50%
Market risk premium	5.50%
Beta	1.38
Cost of equity	10.06%
Target weighting	80.00%
Borrowing costs	8.50%
Target weighting	20.00%
Tax shield	24.99%
WACC	**9.33%**

Determination of fair value	FY 25e	FY 26e
Value of operating business	202.09	208.14
Present value of explicit FCFs	61.21	54.13
Present value continuing value	140.88	154.01
Net debt	42.46	33.18
Value of equity	159.63	174.97
Minority interests	-4.41	-4.84
Value of the shared capital	155.22	170.13
Outstanding shares in million	6.90	6.90
Fair value of the share in EUR	**22.50**	24.66

Sensitivity analysis

		WACC				
		7.3%	**8.3%**	**9.3%**	**10.3%**	**11.3%**
Return on capital	**12.1%**	28.75	23.12	19.12	16.15	13.87
	13.1%	31.39	25.21	20.81	17.54	15.04
	14.1%	34.04	27.29	**22.50**	18.93	16.21
	15.1%	36.68	29.38	24.18	20.33	17.37
	16.1%	39.33	31.47	25.87	21.72	18.54

ANNEX

I. Research under MiFID II

1. there is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the respective issuer. GBC AG is remunerated for this by the issuer. If this is the case, this is indicated in the respective study according to the notations.

2. the research report is made available to all interested investment service providers at the same time.

or

3. if the studies are not commissioned by the issuer, the studies are prepared independently of the commission. The studies are also prepared without influence by third parties.

4. the research report is made widely available and published in a generally accessible manner and is not only distributed exclusively to certain clients and investors. The research study is therefore also categorised as a "minor non-monetary benefit" and is therefore MiFID II compliant.

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§ 2 (I) Updating:

A specific update of the present analysis(es) at a fixed date has not yet been scheduled. GBC AG reserves the right to update the analysis without prior notice.

§ 2 (II) Recommendation / Classification / Rating:

GBC AG has been using a three-stage absolute share rating system since 1 July 2006. Since 1 July 2007, the ratings have been based on a time horizon of at least six to a maximum of 18 months. Previously, the ratings were based on a time horizon of up to 12 months. When the analysis is published, the investment recommendations are determined according to the ratings described below with reference to the expected return. Temporary price deviations outside these ranges do not automatically lead to a change in the rating, but do give rise to a revision of the original recommendation.

The respective recommendations/classifications/ratings are linked to the following expectations:

BUY	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is >= + 10%.
HOLD	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is > - 10% and < + 10%.
SALE	The expected return, based on the calculated price target, including dividend payment within the corresponding time horizon is <= - 10%.

GBC AG price targets are determined on the basis of the fair value per share, which is calculated using generally recognised and widely used methods of fundamental analysis, such as the DCF method, the peer group comparison and/or the sum-of-the-parts method. This takes into account fundamental factors such as share splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

§ 2 (III) Historical recommendations:

GBC's historical recommendations on the present analysis(es) can be viewed on the Internet at the following address: https://www.gbc-ag.de/de/Offenlegung

§ 2 (IV) Information basis:

For the preparation of the present analysis(s), publicly available information on the issuer(s) (where available, the three most recently published annual and quarterly reports, ad hoc announcements, press releases, securities prospectuses, company presentations, etc.) was used, which GBC considers to be reliable. In addition, discussions were held with the management of the company/companies concerned in order to obtain more detailed information on business developments.

§ 2 (V) 1. Conflicts of interest pursuant to § 85 WpHG and Art. 20 MAR:

GBC AG and the responsible analyst hereby declare that the following potential conflicts of interest exist for the company/companies named in the analysis at the time of publication and thus fulfil the obligations of § 85 WpHG and Art. 20 MAR. A detailed explanation of the possible conflicts of interest is provided below in the catalogue of possible conflicts of interest under § 2 (V) 2.

The following potential conflict of interest exists with regard to the securities or financial instruments discussed in the analysis: (5a, 5b, 6a, 11)

§ 2 (V) 2 Catalogue of possible conflicts of interest:

(1) GBC AG or a legal entity affiliated with it holds shares or other financial instruments in this analysed company or analysed financial instrument or financial product at the time of publication.

(2) This company holds more than 3% of the shares in GBC AG or a legal entity associated with it.

(3) GBC AG or a legal entity affiliated with it is a market maker or designated sponsor in the financial instruments of this company.

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The analysts responsible for this analysis are

Marcel Goldmann, M.Sc., Financial Analyst

Cosmin Filker, business administration graduate (Dipl. Betriebswirt FH), Deputy Chief Analyst

Other person involved in this study:

Manuel Hölzle, business administration graduate (Dipl. Kaufmann), Chief Analyst

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GBC AG
Halderstrasse 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax: 0821/24 11 33-30
Internet: http://www.gbc-ag.de

e-mail: compliance@gbc-ag.de

GBC AG®
- RESEARCH & INVESTMENT ANALYSES -

GBC AG
Halderstrasse 27
86150 Augsburg
Internet: http://www.gbc-ag.de
Fax: ++49 (0)821/241133-30
Phone: ++49 (0)821/241133-0
Email: office@gbc-ag.de