



**INTERIM FINANCIAL  
REPORT AS AT AND  
FOR THE SIX MONTHS  
ENDED 30 JUNE  
2024**





**SOMECC**  
GRUPPO



# INDEX

<b>5</b>	<b>Interim Directors' Report – Interim Condensed Consolidated Financial Statements as at and for the period ended 30 June 2024</b>	<b>33</b>	<b>Interim Condensed Consolidated Financial Statements as at and for the six months ended 30 June 2024</b>
6	Introduction	34	Consolidated Statement of Financial Position
7	Corporate bodies and company information	36	Consolidated Statement of Comprehensive Income
<b>8</b>	<b>General information</b>	38	Consolidated Statement of Cash Flows
8	Somec Group	40	Consolidated Statement of Changes in Equity
9	Somec Group structure		
12	Scope of consolidation	<b>42</b>	<b>Explanatory notes</b>
<b>16</b>	<b>Significant events</b>	42	General information
16	During the first half of 2024	42	Basis of preparation
16	After 30 June 2024	44	Scope of consolidation
<b>17</b>	<b>Order backlog</b>	46	Basis of consolidation
<b>18</b>	<b>Somec Group operating performance</b>	48	New accounting standards, interpretations and amendments adopted by the Group
18	Results	49	Discretionary measurements and significant accounting estimates
20	Trends of single divisions	51	Correction of an error (IAS 8)
22	Statement of financial position	52	Operating segment reporting
23	Net financial position	<b>58</b>	<b>Financial highlights</b>
<b>25</b>	<b>Other informations</b>	<b>81</b>	<b>Key income statement items</b>
<b>28</b>	<b>Disclosure of risks</b>	<b>87</b>	<b>Other informations</b>
28	Operational risks	87	Financial risk management: objectives and criteria
30	Financial risks	91	Fair value measurement and hierarchy
<b>32</b>	<b>Business outlook</b>	92	Related-party transactions
		94	Compensation of Directors, Statutory Auditors and Executive Officers
		95	Long-term variable incentive plan 2021-2025
		96	Valuation of the fair value
		97	Share-based payments - "2024-2026 performance share plan"
		99	Tax disputes
		100	Financial debt
		101	Commitments and guarantees
		102	Significant events after 30 June 2024
		104	<b>Management representation</b>
		105	<b>Review report of independent auditing firm</b>

# 5

**DIRECTORS' REPORT**  
**INTERIM CONDENSED**  
**CONSOLIDATED FINANCIAL**  
**STATEMENTS AS AT**  
**AND FOR THE PERIOD**  
**ENDED 30 JUNE**  
**2024**

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## INTRODUCTION

On 23<sup>th</sup> September 2023, the Board of Directors approved the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2024 prepared by the Parent company, Somec S.p.A..

The Interim Condensed Consolidated Financial Statements were drawn up in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, based on IAS 34 Interim Financial Reporting. "IFRS" also includes all amended International Accounting Standards ("IAS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").

### ALTERNATIVE PERFORMANCE INDICATORS

Somec's management measures the performance of the Group and its divisions partly based on some performance indicators not required by IFRS. More specifically, EBITDA and EBIT are used to measure the Group's profitability.

As required by Consob Notice no. 0092543 of 3 December 2015, which transposes the ESMA/2015/1415 guidelines on alternative performance indicators, the components of each indicator are described below:

- **EBT** is obtained by adding income taxes to net result for the period, as reported in the financial statements
- **EBIT** is obtained by adding to EBT net financial income/expense, i.e. the sum of financial income and charges, net exchange rate gains and losses and net income from associates to profit/loss before taxes
- **EBITDA** is obtained by adding amortisation, depreciation and other write-downs to EBIT, as reported in the financial statements
- **EBITDA margin** is obtained from the ratio of EBITDA to the sum of Revenues from contracts with customers and Other revenues and income
- **Adjusted EBITDA** is obtained by adding depreciation and amortisation – as reflected in the financial statements – and non recurring items to EBIT
- **Adjusted EBITDA margin** is obtained from the ratio of adjusted EBITDA to the sum of Revenues from contracts with customers and Other revenues and income
- **Backlog** is the residual value of the orders that have yet to be completed. This amount accounts for the difference between the total nominal value of an order (including additions or modifications) on a certain date and the value on the same date of revenues from contracts with customers relating to orders associated with such contracts
- **Backlog under Option** is the total value of the contractual options on orders that are held but have yet to be exercised by customers on a certain date
- **Total Backlog** is the sum of Backlog and Backlog under option
- **Net Financial Debt** is determined as defined by the new ESMA Guidelines dated 4 March 2021 (see Consob Notice No. 5/21 of 29 April 2021);
- **Net Financial Position** is determined by adding fair value of current and non-current derivative assets to net financial debt

## CORPORATE BODIES AND COMPANY INFORMATION

### BOARD OF DIRECTORS

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**Oscar Marchetto**  
*Chairman of the Board of Directors*

**Alessandro Zanchetta**  
*Director and Executive Officer*

**Giancarlo Corazza**  
*Director and Executive Officer*

**Davide Callegari**  
*Director and Executive Officer*

**Gianna Adami**  
*Lead Independent Director*

**Elena Nembrini**  
*Independent Director*

**Giuliana Borello**  
*Independent Director*

The term of office of the Board of Directors ends with the approval of the financial statements as at 31 December 2025.

### BOARD OF STATUTORY AUDITORS

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**Michele Furlanetto**  
*Chairman of the Board of Statutory Auditors*

**Annarita Fava**  
*Standing Auditor*

**Luciano Francini**  
*Standing Auditor*

**Lorenzo Boer**  
*Alternate Auditor*

**Barbara Marazzi**  
*Alternate Auditor*

The term of office of the Board of Statutory Auditors ends with the approval of the financial statements as at 31 December 2025.

### MANAGER RESPONSIBLE FOR PREPARING FINANCIAL REPORTS

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**Federico Puppini**

### COMMITTEES

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**Gianna Adami (Chairman),  
Elena Nembrini and Giuliana Borello**  
*Remuneration and Appointment Committee*

**Elena Nembrini (Chairman),  
Gianna Adami and Giuliana Borello**  
*Control, Risk and Sustainability Committee*

**Gianna Adami (Chairman),  
Elena Nembrini and Giuliana Borello**  
*Related parties Committee*

### INDEPENDENT AUDITING FIRM

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#### EY S.p.A.

The statutory audit will be performed by the auditing firm EY S.p.A. up until the approval of the financial statements as at 31 December 2028.

### REGISTERED OFFICE AND CORPORATE DETAILS

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**Somec S.p.A.**  
Via Palù, 30  
31020 San Vendemiano (TV) Italy  
Tel: +39 0438 4717  
Share Capital EUR 6,900,000.00 fully paid in  
VAT no. IT 04245710266  
www.somecgruppo.com

### INVESTOR RELATIONS ADVISOR

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TWIN  
somec@twin.services

# GENERAL INFORMATION

## SOMEC GROUP

specialises in the engineering, design and deployment of complex turnkey projects in civil and naval engineering by relying on three divisions: Horizons: engineered systems for naval architecture and building façades; Talenta: professional kitchen systems and products; Mestieri: design and production of bespoke interiors.

The Group's companies operate in an integrated and synergetic manner, according to strict quality and safety standards while guaranteeing a high level of customisation and specific know-how on the processing of different materials, a key requirement when delivering high value-added projects. In over forty years of history and by relying on rigorous certification and accreditation processes, Somec has achieved a reputation for quality and operational and financial reliability on a global scale.

The Group operates through three divisions:

## 8

→ **Horizons: engineered systems for naval architecture and building façades**

The Somec Group is one of the largest players in Europe and North America regarding the design, careful selection of materials, production, installation and maintenance of innovative solutions and original engineered systems for naval architecture and building façades, ensuring the highest certified standards of quality and durability

→ **Talenta: professional kitchen systems and products**

The Somec Group designs and produces integrated and customisable systems for professional kitchens, harmoniously combining aesthetics with top performance, as well as turnkey projects in the restaurant and hospitality sectors.

All its products are backed by certified standards of high efficiency and durability for international clients whose needs and expectations are always satisfied

→ **Mestieri: design and production of bespoke interiors**

The Somec Group rolls out turnkey projects for high-end interiors, making the most of the skills and know-how of Italian craftsmen able to work with a wide range of materials, from metals and marbles to precious woods, leathers and fabrics. A history of excellence, with a portfolio of unique references, coordinated by a lead company that takes charge of the general management of the most complex and sophisticated projects in the following sectors: cruising and yachting, hospitality and restaurant, high-end residential and first-class retail

## SOMEC GROUP STRUCTURE

The following graph shows the Group's structure at 30 June 2024.





## BUSINESS SEGMENTS

10

### HORIZONS

Engineered systems  
for naval architecture  
and building façades



**SOMECSOME**  
NAVALE

**SOMECSOME**  
NAVALTECH

**SOMECSOME**  
SINTESI

**SOMECSOME**  
SOTRADE



**FABBRICA**

**FABBRICA**  
WORKS

**AFM**

**bluesteel**

**SQUADRA**



## TALENTA

Professional kitchen systems and products



**M** SOMEC  
**OXIN**



**GICO**

**INOXTREND**

**PIZZAGROUP**

**PRIMAX**

**OXIN**

## MESTIERI

Design and production of bespoke interiors



**M** SOMEC  
**TSI**



**BUDRI**<sup>®</sup>

**CEO  
LIN**

**lamparredo**

**& SKILLMAX**

## SCOPE OF CONSOLIDATION

As at 30 June 2024 the scope of consolidation includes the following companies directly or indirectly owned by Somec S.p.A.:

COMPANY	REGISTERED OFFICE	% OWNERSHIP	CURRENCY	SHARE CAPITAL
<b>Directly owned subsidiaries</b>				<i>(currency unit)</i>
3.O Partners USA Inc.	New York (USA)	100%	USD	10,000
Bluesteel S.r.l.	Colle Umberto (TV)	94% <sup>(1)</sup>	Euro	650,000
GICO S.p.A.	Vazzola (TV)	100%	Euro	120,000
Hysea S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Inoxtrend S.r.l.	Santa Lucia di Piave (TV)	100%	Euro	622,222
Mestieri S.p.A.	San Vendemiano (TV)	100%	Euro	3,000,000
Navaltech LLC	Miami (USA)	100%	USD	1,000
Oxin S.r.l.	Codognè (TV)	100%	Euro	100,000
Pizza Group S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	12,000
Primax S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	1,030,000
Somec Sintesi S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Somec Shanghai Co., Ltd	Shanghai (Cina)	100%	CNY	4,733,773
Sotrade S.r.o.	Piestany (Slovacchia)	100%	Euro	92,380
<b>Indirectly owned subsidiaries</b>				<i>(currency unit)</i>
Atelier de Façades Montréal Inc.	Montréal (Canada)	70.90%	CAD	100
Bluesteel Group UK Ltd	Londra (UK)	94% <sup>(1)</sup>	GBP	100
Bluesteel Group USA Inc.	New York (USA)	94% <sup>(1)</sup>	USD	10,000
Budri S.r.l.	Mirandola (MO)	65% <sup>(2)</sup>	Euro	3,000,000
Budri London Ltd	Londra (UK)	65% <sup>(2)</sup>	GBP	10,000
Budri Switzerland SA	Lugano (CH)	65% <sup>(2)</sup>	CHF	100,000
Fabbrica LLC	Delaware (USA)	70.90%	USD	6,250,000
Fabbrica Works S.r.l.	San Biagio di Callalta (TV)	65.63% <sup>(3)</sup>	Euro	100,000
Gino Ceolin S.r.l.	Mogliano Veneto (TV)	60% <sup>(4)</sup>	Euro	50,000
Lamp Arredo S.r.l.	Quinto di Treviso (TV)	60% <sup>(5)</sup>	Euro	100,000
Mestieri USA Inc.	Delaware (USA)	100%	USD	10,000
Pizza Group USA LLC	Houston (USA)	100%	USD	10,000
Skillmax S.r.l.	San Biagio di Callalta (TV)	60% <sup>(6)</sup>	Euro	500,000
Skillbuild S.r.l.	San Biagio di Callalta (TV)	60% <sup>(6)</sup>	Euro	20,000
Total Solution Interiors S.r.l.	Cantù (CO)	100%	Euro	100,000
Total Solution Interiors LLC	Miami (USA)	100%	USD	293,034
<b>Associate subsidiaries</b>				<i>(currency unit)</i>
Squadra S.r.l.	Pieve di Soligo (TV)	31.10%	Euro	41,500

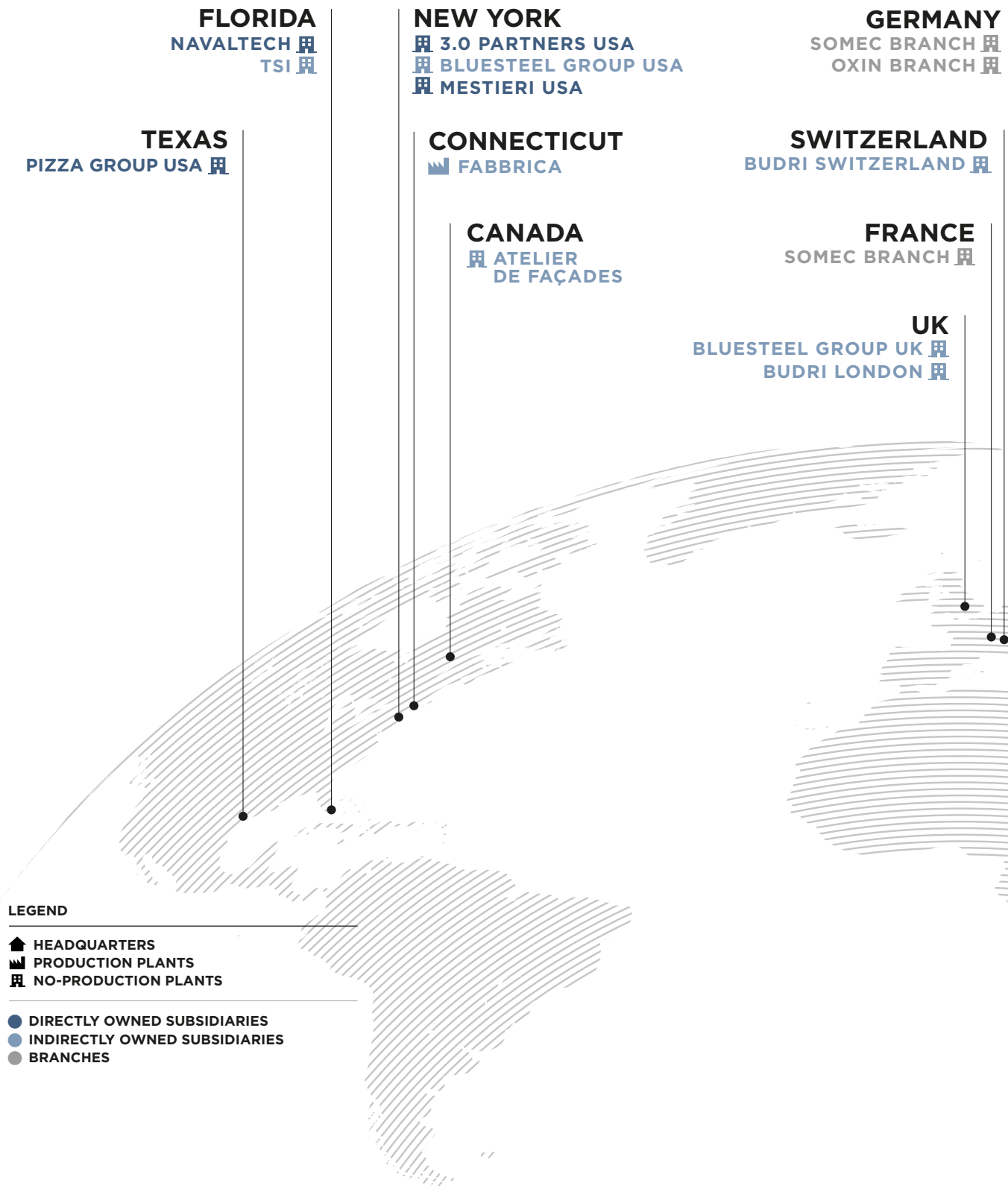
It should be noted that during the first half of 2024, Mestieri S.p.A. became the sole shareholder of Total Solution Interiors S.r.l., following the resolution of the subsidiary's Shareholders' Meeting held on 8 April 2024, whereby it was resolved to cover the losses and replenish the share capital, including the unopted portion of the previous minority shareholder, on 11 June 2024. As a result, Mestieri S.p.A. increased its majority stake in Total Solution Interiors S.r.l. from 80% to 100% of the share capital.

No further events or changes concerning the Somec Group's scope of consolidation are reported.

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- (1) The acquisition of Bluesteel S.r.l. includes an option (Put and Call) for the purchase of the remaining 6% minority stake, which may be exercised from the approval of the company's financial statements at 31 December 2025 until 30 June 2026. By virtue of the Put and Call option, consolidation does not entail the recognition of minority interests.
  - (2) The acquisition of Budri S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 35%. This option can be exercised: (i) in relation to 15% from the approval of the company's financial statements for the year ending 31 December 2025; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2027. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (3) 70% of Fabbrica Works S.r.l. is directly owned by Fabbrica LLC and 16% is directly owned by Somec S.p.A. 65.63% is the related indirectly owned stake held by Somec S.p.A. on the reporting date.
  - (4) The acquisition of Gino Ceolin S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised within 90 days of the approval of the financial statements as of 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (5) The acquisition of Lamp Arredo S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised: (i) in relation to 20% from the approval of the company's financial statements for the year ending 31 December 2024; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (6) The acquisition of Skillmax S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. The option can be exercised starting from May 2027 and by April 2028. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

## LIST OF COMPANY PREMISES

Pursuant to article 2428 of Italy's Civil Code, the Company operates in Italy at its registered office in Via Palù 30 in San Vendemiano (TV), its premises in Via Palù 32, 34 and 38, also in San Vendemiano (TV).



The Group also operates through permanent establishments in Saint Nazaire in France, Turku in Finland, Papenburg, Wismar and Rostock in Germany, Tulcea in Romania, Sovik, Ulstein and Langsten in Norway. The Group is also active in Miami (USA), New York (USA), Houston (USA), Connecticut (USA), Delaware (USA), Montréal (Canada), Piestany (Slovakia), Bucharest (Romania), London (UK), Lugano (Switzerland), Santa Lucia di Piave (TV), Codognè (TV), San Vito al Tagliamento (PN), Cantù (CO), Aprilia (LT), San Biagio di Callalta (TV), Vazzola (TV), Colle Umberto (TV), Quinto di Treviso (TV), Mirandola (MO) and Mogliano Veneto (TV).

## ITALY

▲ **SOMEC GRUPPO HQ**  
**SOMEC NAVALE**

- **BLUESTEEL**
- **BUDRI**
- **GINO CEOLIN**
- **FABBRICA WORKS**
- **GICO**
- **HYSEA**
- **INOXTREND**
- **LAMP ARREDO**
- **MESTIERI**
- **OXIN**
- **PIZZA GROUP**
- **PRIMAX**
- **SKILLMAX**
- **SKILLBUILD**
- **SOMEC SINTESI**
- **SQUADRA**
- **TSI**
- **SOTRADE BRANCH**

## NORWAY

■ **SOMEC BRANCH**  
 ■ **OXIN BRANCH**

## FINLAND

■ **SOMEC BRANCH**  
 ■ **SOTRADE BRANCH**

## SLOVAKIA

■ **SOTRADE**

## ROMANIA

■ **SOMEC BRANCH**  
 ■ **OXIN BRANCH**

## CHINA

■ **SOMEC**  
**SHANGHAI**



# SIGNIFICANT EVENTS

## DURING THE FIRST HALF OF 2024

### **Resolutions of the Shareholders' Meeting**

The Shareholders' Meeting of Somec S.p.A. held on 29 April 2024 to: (i) approve the financial statements for the year ended 31 December 2023; (ii) approve, with a binding vote, the first section of the report on the remuneration policy and emoluments paid and cast a favourable advisory vote on the second section; (iii) approve the share-based compensation scheme pursuant to Article 114-bis of the Consolidated Finance Act (TUF) concerning the free assignment to top management of a total number of shares equal to 3.5% of the share capital, subject to the achievement of performance targets; (iv) approve the authorisation to purchase and dispose of treasury shares.

### **Appointment of the Managing Director of Mestieri S.p.A.**

On 6 May 2024, Stefano Rosa Uliana was appointed Managing Director of Mestieri S.p.A., the parent company of the Mestieri, Design and Production of Bespoke Interiors division.

The purpose underlying this appointment was to add proven management experience to the Group while strengthening the management team, the ultimate goal being to seize all opportunities of the growth process underway.

**16**

## AFTER 30 JUNE 2024

### **Strengthening of Somec Group's Management**

On July 16, 2024, as part of the reorganization and strengthening of the Group's management structure, a new organizational structure for the Administration, Finance, and Control area was adopted. Alessandro Zanchetta was appointed Chief Corporate Officer, and Daniel Bicciato as Group Chief Financial Officer.



# ORDER BACKLOG

The Group's total backlog<sup>(1)</sup> stood at 783 million Euro as at 30 June 2024, compared to 752 million Euro as at 31 December 2023, of which 26.9% under option, covering the 2024-2031 time horizon. This increase was mainly driven by Mestieri division, which rose from 115 million to 138 million Euro (+23 million Euro or +20%), and to the Horizons division, which rose from 484 million Euro to 493 million Euro (+9 million Euro or +2%). On the other hand, Talenta division unit declined slightly (-2.0 million Euro or -1%). The share of the backlog under option remained in line with the previous period and stood at 26.9% of the total (26.2% at 31 December 2023). Horizons and Mestieri divisions benefitted from the recovery of volumes in the cruise marine sector, driven by the increased investments announced by major ship owners in 2024. Equally significant is the contribution of the new contracts won by Mestieri division in the luxury retail sector, bearing out the development strategy adopted by the Group in the recent period.

The following table summarises the historical Backlog trend by half-year period.

TOTAL BACKLOG SEMESTER BY SEMESTER (MILLION EURO)					
31.12.2021	30.06.2022	31.12.2022	30.06.2023	31.12.2023	30.06.2024
921	923	934	845	752	783

The following chart shows the total Backlog (as at 30 June 2024) breakdown by scheduled delivery year.

TOTAL BACKLOG BREAKDOWN BY SCHEDULED YEAR (% OF TOTAL)							
2024	2025	2026	2027	2028	2029	2030	2031
22.9%	34.3%	17.0%	13.2%	5.4%	3.7%	2.8%	0.7%

The following table shows a summarised breakdown of orders in our Backlog by business divisions.

TOTAL BACKLOG BREAKDOWN BY DIVISION (% OF TOTAL):		
Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors
63.0%	19.4%	17.6%

The table below briefly illustrates the backlog broken down by the shipping companies making orders for new vessels.

BACKLOG BY CRUISE OPERATOR (%)						
A	B	C	D	E	Others ancillary	Backlog not related to cruise operator
16.1%	14.6%	11.7%	5.7%	4.6%	13.1%	34.2%

(1) Total Backlog: Backlog plus Backlog under option, as described in the introduction to Alternative Performance Indicators.

# SOMEC GROUP OPERATING PERFORMANCE

## RESULTS

Below is the reclassified consolidated income statement as at 30 June 2024 and 30 June 2023.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT					
	Half-year as at 30 June 2024	%	Half-year as at 30 June 2023	%	Δ%
Revenue from contracts with customers	183,914	99.1%	190,146	99.2%	-3.3%
Other revenues and income	1,650	0.9%	1,442	0.8%	14.4%
<b>Total revenues</b>	<b>185,564</b>	<b>100.0%</b>	<b>191,588</b>	<b>100.0%</b>	<b>-3.1%</b>
Materials, services and other costs	(138,903)	-74.9%	(150,257)	-78.4%	-7.6%
Personnel costs	(33,474)	-18.0%	(31,543)	-16.5%	6.1%
<b>Operating costs</b>	<b>(172,377)</b>	<b>-92.9%</b>	<b>(181,800)</b>	<b>-94.9%</b>	<b>-5.2%</b>
<b>EBITDA adjusted</b>	<b>13,187</b>	<b>7.1%</b>	<b>9,788</b>	<b>5.1%</b>	<b>34.7%</b>
Non-recurring costs	(436)	-0.2%	-	0.0%	n.d.
<b>EBITDA</b>	<b>12,751</b>	<b>6.9%</b>	<b>9,788</b>	<b>5.1%</b>	<b>30.3%</b>
Depreciation and amortisation	(10,280)	-5.5%	(8,607)	-4.5%	19.4%
<b>EBIT</b>	<b>2,471</b>	<b>1.3%</b>	<b>1,181</b>	<b>0.6%</b>	<b>109.2%</b>
Net financial income (expenses)	(2,060)	-1.1%	(2,367)	-1.2%	-13.0%
Net results from associate companies	48	0.0%	46	0.0%	4.3%
<b>EBT</b>	<b>459</b>	<b>0.2%</b>	<b>(1,140)</b>	<b>-0.6%</b>	<b>-140.3%</b>
Income taxes	(1,682)	-0.9%	(699)	-0.4%	140.6%
<b>Consolidated Net Result</b>	<b>(1,223)</b>	<b>-0.7%</b>	<b>(1,839)</b>	<b>-1.0%</b>	<b>-33.5%</b>
Non-controlling interests	918	0.5%	467	0.2%	96.6%
<b>Group Net Result</b>	<b>(2,141)</b>	<b>-1.2%</b>	<b>(2,306)</b>	<b>-1.2%</b>	<b>-7.2%</b>

Amounts in €/000

The **consolidated income statement** of the Group for the period ended 30 June 2024 shows revenues of 185.6 million Euro compared to 191.6 million Euro as at 30 June 2023.

This decrease was due to a shift in the timescale of the development of some projects in Talenta and Mestieri divisions, which was offset by a strong increase in revenues in Horizons divisions following an increase in volumes of refitting operations in the shipbuilding sector. It should also be noted that revenues for the first half of 2023 benefited from the contribution of a major order from the interior marine sector (Mestieri division) through the subsidiary Hysea S.r.l. (revenues came in at 4.5 million Euro in 1H2023), the latter not having managed any projects during 2024.

The following table shows a summary of the **total revenues breakdown by geographic area**:

<b>TOTAL REVENUES BREAKDOWN BY GEOGRAPHIC AREA</b>		
	<b>30/06/2024</b>	<b>30/06/2023</b>
Europe (including Italy)	45.4%	54.9%
North America	46.5%	37.0%
Rest of the World	8.1%	8.1%

Consolidated **adjusted EBITDA**<sup>(2)</sup> as at 30 June 2024 stood at 13.2 million Euro, up 34.7% from 9.8 million Euro as at 30 June 2023. While revenues declined slightly, adjusted EBITDA margin rose markedly to 7.1% from 5.1% in the first-half of 2023, showing a significant recovery in operating margins. The most significant contribution to margin recovery came from Horizons division, driven by glazing activities in the naval sector, with a stabilisation of input costs as well as the development of projects in the refitting area playing a role in this respect. US subsidiary Fabbrica LLC also made a positive contribution to the improved performance in the building façade market.

While posting a drop in revenues mainly due to a shift in orders for professional kitchens in the marine sector, Talenta division showed an improvement in margins.

Mestieri division posted a drop in operating profit as a result of the decline in volumes, together with a small decline in margins caused by some orders in the naval interiors sector.

**Personnel expenses** at 30 June 2024, net of non-recurring items (0.4 million Euro), stood at 33.5 million Euro, compared to 31.5 million Euro at 30 June 2023, with an 18% ratio to revenues.

This rise was due to an increase in the average number of employees in the half-year period from 977 to 1,046, which was related to the increase in volumes in Horizons division and, notably, in the US subsidiary Fabbrica LLC, as well as to the strengthening of the management structure of Mestieri division.

**Amortisation and depreciation** totalled 10.3 million Euro, compared to 8.6 million Euro at 30 June 2023, showing an increase of 1.7 million Euro chiefly due to the impairment loss resulting from the outcome of the impairment test conducted on the Professional Cooking Equipment CGU, which amounted to 2 million Euro. Amortisation of intangible assets, on the other hand, decreased significantly (-0.6 million Euro) due to the conclusion of the amortisation process of intangible assets related to the acquisitions of Fabbrica LLC and Total Solution Interiors S.r.l..

Consolidated **EBIT** at 30 June 2024 stood at 2.5 million Euro, compared to 1.2 million Euro at 30 June 2023.

(2) Adjusted EBITDA does not include in operating expenses, certain non-recurring items held under labour costs and related to the reorganisation of the management structure that took place in the first half of the year in Mestieri and Horizons divisions.

The item **Financial income (expenses)** was negative to the tune of 2.0 million Euro at 30 June 2024 compared to a negative value of 2.4 million Euro at 30 June 2023, down by about 0.4 million Euro. The period under review saw an increase in net interest in the region of 0.8 million Euro following an increase in the rates applied on the Group's short-term positions, which was offset by the positive effect on foreign exchange gains to the extent of 1.2 million Euro.

The **Consolidated Net Result** of -1.2 million Euro compares with -1.8 million Euro in the first half of 2023.

The **Group net result** of -2.1 million Euro compares with -2.3 million Euro in the first half of 2023.

The **Net result for minority interests** of 0.9 million Euro compares with 0.5 million Euro in the first half of 2023.

## TRENDS OF SINGLE DIVISIONS

Below is a summary of the key income statement figures for the three divisions as at 30 June 2024 with comparative figures for 30 June 2023.

30 JUNE 2024				
	Horizons: engineered systems for naval architecture	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total
<b>Total revenues</b>	119,756	26,895	38,913	<b>185,564</b>
<b>EBITDA adjusted</b>	9,335	2,159	1,693	<b>13,187</b>
<b>EBITDA adjusted margin</b>	7.8%	8.0%	4.4%	<b>7.1%</b>
<b>EBITDA</b>	9,220	2,159	1,372	<b>12,751</b>
<b>EBITDA margin</b>	7.7%	8.0%	3.5%	<b>6.9%</b>
<b>EBIT</b>	2,876	1,008	(1,413)	<b>2,471</b>
<b>EBIT margin</b>	2.4%	3.7%	-3.6%	<b>1.3%</b>

Amounts in €/000

30 JUNE 2023				
	Horizons: engineered systems for naval architecture	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors division	Total
<b>Total revenues</b>	109,767	33,850	47,971	<b>191,588</b>
<b>EBITDA</b>	5,430	2,003	2,355	<b>9,788</b>
<b>EBITDA margin</b>	4.9%	5.9%	4.9%	<b>5.1%</b>
<b>EBIT</b>	918	751	(489)	<b>1,181</b>
<b>EBIT margin</b>	0.8%	2.2%	-1.0%	<b>0.6%</b>

Amounts in €/000

**Total revenues** per division showed the following performances:

- **Horizons: engineered systems for naval architecture and building façades** division posted revenues of 119.8 million Euro as at 30 June 2024, showing an increase of 9.1% compared to 109.8 million Euro as at 30 June 2023. This increase was mainly due to positive trends in naval refitting operations, as well as an increase in new civil constructions posted by Fabbrica LLC
- **Talenta: professional kitchen systems and products** division posted revenues of 26.9 million Euro as at 30 June 2024, showing a decrease of 20.5% compared to 33.9 million Euro in the first half of 2023. The reduction was mainly due to a postponement of some projects for professional kitchens in the naval sector. Revenues from other professional products increased slightly, driven by the positive trend of industrial pizza ovens
- **Mestieri: design and production of bespoke interiors** division posted revenue of 38.9 million Euro, showing a decrease 9 million Euro compared to 48 million Euro for the period ended 30 June 2023 (-18.9%). The decrease was mainly due to the subsidiary Hysea S.r.l., whose revenues in the first half of the year stood at 4.5 million Euro, whereas in 2024 it managed no further projects. Hysea is a company focusing on naval interiors projects for smaller shipyards, where the Group is not engaged on an ongoing basis, unlike the large cruise shipyards underpinning Somec's core business. The reduction in revenues, in addition to the described dynamics of Hysea, is attributable to a different timing of the company's naval interior projects Total Solution Interiors S.r.l., following a production peak recorded by the company in the first half of 2023

Below is the performance shown by the three divisions in terms of **EBITDA**:

- **Horizons: engineered systems for naval architecture and building façades** division posted an adjusted EBITDA of 9.3 million Euro for the period ended 30 June 2024, showing an increase of 3.9 million Euro compared to 30 June 2023 (+72.2%), with adjusted EBITDA margin standing at 7.8%, highlighting a marked increase compared to the previous period under comparison (4.9%). This improvement can be attributed to glazing operations in the shipbuilding sector due to refitting work as well as a general stabilising effect on input costs
- **Talenta: professional kitchen systems and products** division posted an EBITDA of 2.1 million Euro in the first half of 2024, showing a slight increase compared to 2 million Euro at 30 June 2023, with profitability coming in at 8.0% of revenues compared to 5.9% in the corresponding period under comparison. The improvement in EBITDA margin was due to the cost-effectiveness process launched in the professional kitchen product segment
- **Mestieri: design and production of bespoke interiors** division generated adjusted EBITDA of 1.7 million Euro (4.4% of revenues) at 30 June 2024, compared to 2.4 million Euro in the previous period (4.9% of revenues). This drop in profitability was mainly due to the negative impact recorded in the marine interiors segment, as a result of some projects completed on French and German shipyards where the Mestieri division had never operated before. On the other hand, the contribution of the new civil works developed by Mestieri S.p.A. and Mestieri USA Inc. was very positive, as the two companies are delivering market synergies involving all the firms that define the craftsmanship excellence hub: Budri S.r.l., Skillmax S.r.l., Lamp Arredo S.r.l. and Gino Ceolin S.r.l.

## STATEMENT OF FINANCIAL POSITION

The following is the reclassified consolidated statement of financial position as at 30 June 2024 and 31 December 2023.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30/06/2024	31/12/2023 restated*
Intangible assets	50,552	55,143
of which Goodwill	35,620	37,423
Tangible assets	18,496	19,109
Right-of-use assets	22,210	23,936
Investments in associates	335	339
Non-current financial assets	257	257
Other non-current assets and liabilities	(8)	(548)
Employee benefits	(5,807)	(5,841)
<b>Net fixed assets</b>	<b>86,035</b>	<b>92,395</b>
Trade receivables	78,255	73,511
Inventory and payments on account	25,231	23,699
Contract work in progress	35,646	36,200
Liabilities for contract work in progress and customer advances	(46,466)	(49,052)
Trade payables	(79,378)	(74,904)
Provisions for risk and charges	(1,458)	(1,086)
Other current assets and liabilities	241	3,202
<b>Net working capital</b>	<b>12,071</b>	<b>11,570</b>
<b>Net Invested capital</b>	<b>98,106</b>	<b>103,965</b>
Group equity	(14,909)	(16,910)
Non-controlling interest in equity	(2,849)	(2,748)
Net financial position	(80,348)	(84,307)
<b>Sources of funding</b>	<b>(98,106)</b>	<b>(103,965)</b>

Amounts in €/000

**Net fixed assets** amounted to 86 million Euro at 30 June 2024, down from 92.4 million Euro a year earlier.

**Net working capital** stood at 12.1 million Euro, down by 0.5 million Euro, compared with 11.6 million Euro as at 31 December 2023.

**Shareholders' equity for the Group** amounted to 14.9 million Euro at 30 June 2024 compared to 16.9 million Euro at 31 December 2023. This change was mainly due to the result for the period.

(\*) For more details on the restatement of balances for the year ended 31 December 2023, refer to paragraph "Correction of an error (IAS 8)", in the notes to the condensed consolidated interim financial statements.

## NET FINANCIAL POSITION

Consolidated net financial position is composed as follows:

CONSOLIDATED NET FINANCIAL POSITION		
	30/06/2024	31/12/2023
A. Cash and cash equivalents	61	46
B. Bank deposits	47,092	46,916
<b>C. Total liquidity (A+B)</b>	<b>47,153</b>	<b>46,962</b>
<b>D. Current financial assets</b>	<b>12,775</b>	<b>21,888</b>
E. Current bank debt	(37,544)	(35,356)
F. Current portion of long-term debt	(19,435)	(62,432)
G. Other current financial liabilities	(3,358)	(4,467)
<b>H. Current financial position (E+F+G)</b>	<b>(60,337)</b>	<b>(102,255)</b>
<b>I. Current net financial position (C+D+H)</b>	<b>(409)</b>	<b>(33,405)</b>
J. Non-current financial assets	781	631
K. Non-current bank debt	(44,048)	(12,842)
L. Other non-current financial liabilities	(13,979)	(14,512)
<b>M. Non-current financial position (J+K+L)</b>	<b>(57,246)</b>	<b>(26,723)</b>
<b>N. Net financial position before IFRS 16 (I+M)</b>	<b>(57,655)</b>	<b>(60,128)</b>
<b>O. IFRS 16 – Lease impact</b>	<b>(22,693)</b>	<b>(24,179)</b>
Current portion	(4,827)	(5,188)
Non-current portion	(17,866)	(18,991)
<b>P. Net financial position (N+O IFRS 16 impact)</b>	<b>(80,348)</b>	<b>(84,307)</b>

Amounts in €/000

Group **Net Financial Position** as at 30 June 2024, including the effect of IFRS 16, stands at 80.3 million Euro, down by 4 million Euro compared to 84.3 million Euro as at 31 December 2023.

The reduction in the consolidated net financial position for the period ended 30 June 2024 compared to 31 December 2023 was mainly due to: (i) an increase in operating cash flow, resulting from the improvement in margins compared to the previous year and the management of working capital flows; (ii) a reduction in financial liabilities on leases (1.5 million Euro).

It should be noted that during the first half of 2024, the earn out portions due to the minority shareholders of Fabbrica LLC (totalling 1.3 million Euro) were paid, while dividends to the extent of 1 million Euro were paid to the minority shareholders of Fabbrica LLC.

Net financial debt as defined under the new ESMA Guidelines dated 4 March 2021 (see Consob Notice no. 5/21 of 29 April 2021) is shown in the explanatory notes to the interim consolidated financial statements.

It should be noted that during the 2022 fiscal year the Parent Company signed a medium to long-term loan agreement in pool, with three leading banking institutions. This loan requires compliance with covenants to be calculated annually on the basis of the results of the consolidated financial statements. At 31 December 2023, the financial parameters were not met, consequently, the entire amount of the loan was fully restated under the current portion of Loans and Financing in the 2023 Consolidated Financial Statements. Prior to the approval of the 2023 consolidated financial statements by the Board of Directors, the Parent Company obtained a waiver on the calculation of the parameters as at 31 December 2023. Based on such waiver, the Company stated debt according to contractual maturity, thus under the current and non-current portions as shown in the table above.

Group Net Financial Position, excluding the effects of the application of IFRS 16, stands at 57.7 million Euro as at 30 June 2024, down by 2.4 million Euro compared to 60.1 million Euro as at 31 December 2023.

The reclassified consolidated cash flow statement as at 30 June 2024 and 30 June 2023 is shown below.

### CONSOLIDATED CASH FLOW STATEMENT

	30/06/2024	30/06/2023
Cash flows from operating activities	15,833	(7,953)
Cash flows from investing activities	(2,299)	(1,931)
<b>Free Cash Flow</b>	<b>13,534</b>	<b>(9,884)</b>
Cash flows from financing activities	(13,853)	(4,955)
Effect of exchange rate changes on cash and cash equivalents	510	(463)
<b>Net cash flow</b>	<b>191</b>	<b>(15,302)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46,962</b>	<b>54,344</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>47,153</b>	<b>39,042</b>

Amounts in €/000

Cash flow from **operating activities** came in at +13.5 million Euro, showing a considerable increase compared to the previous period under comparison, mainly due to the recovery of margins and flows in working capital management.

Net outflow from **investing activities** amounted to 2.3 million Euro and related to investments in plant and machinery (1 million Euro) and the payment of earnout portions to minority shareholders of Fabbrica LLC (1.3 million Euro).

Net inflow from **financing activities** was negative to the extent of 13.9 million Euro, mainly due to the repayment of medium- and long-term loans (totalling 11.9 million Euro) and the payment of dividends to minority shareholders of Fabbrica LLC (1 million Euro).



# OTHER INFORMATIONS

## RESEARCH & DEVELOPMENT

The Group, which has always taken a proactive approach towards customers, creates and offers innovative solutions in step with market developments. Our strategy of constantly updating our products and processes is therefore one of the Group's core values and over time has enabled us to compete on a global scale.

The objectives of the research and development department focus on issues such as energy efficiency, reducing our environmental impact and lowering operating costs.

As tangible evidence of the commitment to the integration of sustainability considerations in the business model, our business activity is reported through a set of ESG-oriented (Environmental, Social & Governance) indicators on the performance of the Group on the sustainability front.

The R&D department is constantly committed to creating innovative solutions that can make a tangible contribution.

## ENVIRONMENT AND PERSONNEL

The Somec Group is sensitive to environmental issues, aware of the deep interconnection between the environment and other sustainability aspects. The Group is accordingly aware of the setting in which companies in its perimeter operate and, for aspects related to both Human Resources and the environment, the Somec Group – whose parent company is ISO 14001 certified – is pursuing the goal of transferring and increasing sensitivity to the entire Group.

It should be noted that during the last months of 2023 and the first months of 2024, preparatory work continued on the drafting of a sustainability business plan involving managers from all departments across the various business areas. The plan, which will be finalised in 2024, will define strategic drivers and related targets, broken down by both company and sector, taking into account primarily the priorities set out within the framework of the UN 2030 Agenda for Sustainable Development Goals (SDGs), thus contributing to their achievement. Also in the pipeline is the establishment of a managerial Sustainability Committee consisting of top management and a number of individuals with expertise in environmental, health and safety issues, with the aim of supporting the Board of Directors in the pursuit of long-term ESG objectives.

Thanks to the strong sense of responsibility that sets the Group apart in every aspect of its operations, Somec is committed to promoting and supporting any measures that safeguard the health and safety of its employees, in full compliance with current legislation. In line with this effort, for the companies subject to Italian law, the Group has begun the gradual process of consolidating and standardising health and safety practices with the aim of managing centrally all the aspects that are currently controlled by the individual companies.

For further information, reference should be made to the consolidated non-financial statement prepared for the year ended 31 December 2023.

## HUMAN RESOURCES

As at 30 June 2024, the Group's headcount amounts to 1,039 employees including members of the project management, marketing and sales teams (around 12%), general office staff (roughly 16%), research and development, engineering (approximately 13%) and manufacturing (about 59%) personnel. The figure is substantially in line with the headcount as at 31 December 2023.

## OWNERSHIP OF THE COMPANY

As at 30 June 2024, the company Venezia S.p.A. directly owns 74.86% of the share capital of Somec S.p.A., accounting for 5,165,300 ordinary shares. Venezia S.p.A. is a holding company indirectly controlled by Oscar Marchetto (81.3%), Alessandro Zanchetta (10.0%) and Giancarlo Corazza (8.7%). On the reporting date, in addition to the indirect stake held via Venezia S.p.A., Oscar Marchetto owns a direct shareholding of 0.52%, Giancarlo Corazza - through Gicotech S.r.l. of which he is sole director and shareholder - owns a direct shareholding of 0.14%, Alessandro Zanchetta - through Ellecigi S.r.l. of which he is sole director and shareholder - owns a direct shareholding of 0.12%. It is also noted that, at the end of the reporting period, Parent Company Somec S.p.A. held 968 treasury shares, 0.01% of the share capital, following the treasury share purchase program launched at the previous years.

The remaining 24.34% is float, accounting for 1,679,797 of a total of 6,900,000 Somec Group ordinary shares.

## RELATED PARTY AND INTRA-GROUP TRANSACTIONS

During the period, Somec Group conducted business with parent companies and their subsidiaries. The transactions essentially include the provision of services, rental payments on real estate, and loans and financing. The transactions are part of day-to-day operations and are conducted on an arm's length basis, i.e. at conditions that are or would be applied between two independent parties on an open market. For details on outstanding receivables / payables as at 30 June 2024 and income and expenses from related party transactions in the first half of 2024, please see the relevant section of the notes to the interim condensed financial statements.

# 26

## TREASURY SHARES

Somec S.p.A. has launched a number of treasury share buyback schemes based on the authorisation resolutions approved in previous years and during the current year.

On 29 April 2024, the Shareholders' Meeting approved the proposal of the Board of Directors and authorised the Board of Directors, subject to revocation of the previous authorisation granted on 4 May 2023, for the part not yet executed, to purchase and dispose of treasury shares up to a maximum number of shares that will not exceed the limit of 5% of the share capital and for a maximum period of eighteen months, such number including treasury shares already held and/or held by subsidiaries.

In principle, the authorisation to purchase and dispose of treasury shares is granted with the aim of providing Somec S.p.A. with a flexible process that helps to pursue some of the purposes compatible with the laws and regulations in force and, specifically, to: (i) the maintenance of a securities portfolio (aka securities warehouse) to be used, consistent with the Company's strategic guidelines, to service any extraordinary transactions, and/or the possible use of shares as consideration in extraordinary transactions, including those involving the exchange of shareholdings, with other parties as part of transactions of interest to the Company; (ii) use treasury shares to service bonds or other debt instruments convertible in Somec S.p.A.'s shares; (iii) use treasury shares to service any incentive plans, either for a consideration or free of charge, reserved to directors and/or employees and/or collaborators of Somec S.p.A. or its Group; (iv) carry out any other extraordinary transactions on the share capital (including any reduction thereof through the cancellation of treasury shares, subject to the requirements of the law); (v) provide the shareholders with an additional instrument to monetise their investment.

As part of these schemes and net of the allocations made to service the incentive scheme, at 30 June 2024 Somec S.p.A. held a total of 968 treasury shares, i.e. 0.01% of its share capital, worth 31 thousand Euro

**PERFORMANCE OF SOMECSHARES LISTED ON THE BORSA ITALIANA S.P.A.  
ELECTRONIC STOCK EXCHANGE (EURONEXT MILAN MARKET - EXM)**

**KEY FIGURES**

Share Capital	Euro 6,900,000.00
Ordinary shares issued	6,900,000
Treasury shares	968
ISIN	IT0005329815
Market	Euronext Milan
Ticker	EXM: SOM
Bloomberg	SOM:IM
Minimum lot	1
Specialist	Intermonte SIM S.p.A.

As at 28 June 2024, the official closing price of Somecs shares was 16.70 Euro (-41.4% compared to the closing value as at 29 December 2023, i.e. 28.50 Euro).

The market capitalisation as at 30 June 2024 is 115,230 thousand Euro (compared to 196,650 thousand Euro as at 31 December 2023).

**UNUSUAL TRANSACTIONS**

Pursuant to Consob Communication No. DEM/6064293 dated 28 July 2006, it should be noted that the Group did not carry out any atypical and/or unusual transactions in the first half of 2024.

# DISCLOSURE OF RISKS

As part of its activities, the Group is exposed to risks and uncertainties deriving from external factors related to the general or specific macroeconomic context of its business sectors, as well as to risks resulting from strategic decisions and internal management risks. The Group, above all through internal audit and risk management system based on a risk-based approach, systematically monitors and identifies business risks, the results of which are reported to the Board of Directors and the competent internal committees. The main business risks identified by the Group are described below.

## OPERATIONAL RISKS

### RISKS RELATING TO THE WORLDWIDE GEOPOLITICAL SITUATION

Over the past few years, the macroeconomic backdrop has been filled with uncertainty. Geopolitical instability, with special reference to the conflict in the Middle East and the continuation of hostilities between Russia and Ukraine, has led to an extremely complex and unpredictable outlook, characterised by inflationary phenomena, highly speculative patterns and effects on international logistics and demand. Notably, these trends have had an impact on energy and commodity prices, as well as on reliability of supplies and, more generally, a sharp increase in inflation on a global scale, resulting in a tightening of central banks' monetary policies.

For the first time, resource availability was at risk, making any planning and optimisation of the production chain difficult. This in turn had an impact on costs and efficiency.

Although the Group has no direct or indirect business interests in the areas affected by the conflict, and its business model is neither energy-intensive nor particularly exposed to inflationary phenomena, the continuation of this situation might lead to difficulties in the normal management of operations or to pressures on margins.

The impact of these risks is however mitigated by an extremely streamlined organizational structure and abundant order backlog, which is an undoubted advantage in terms of potential planning.

In any case, the Group constantly monitors the evolution of the macroeconomic environment and its impact on business.

## **RISK OF FAILURE TO WIN PROJECTS, CANCELLATIONS AND CONSEQUENT EFFECT ON THE BACKLOG AND BACKLOG UNDER OPTION**

This risk refers to the possibility of failure to win further new contracts or the cancellation and/or postponement of existing contracts, as well as to unforeseen events during the term of contracts arising from changes in the purchasing conditions of raw materials (e.g. prices, availability, order turnaround times, etc.).

In general, there is no certainty that the backlog and backlog under option will actually generate the expected revenues, cash flows or margins, or generate them to the extent as expected and within the expected timeframe, inasmuch as unforeseen events may occur over time that may affect the orders included in the backlog and backlog under option, including, but not limited to, non-allocation, postponement, partial performance of orders under option and/or reductions, slowdowns, suspensions terminations and cancellations of orders or backlog orders or, more generally, additional costs, non-fulfilment by suppliers or subcontractors, force majeure events or legal impediments, unforeseeable events of a different nature that could – without prejudice to any remedies at law or by contract – have significant negative consequences on the backlog contracts and, therefore, on the operating results and of the state of affairs and profit or loss of the Group.

Although the Group is exposed to this risk, which is inherent to the sector and has been exacerbated by the current macroeconomic backdrop, it still operates according to a “Business to Business” model, which is therefore extremely structured and organised, based on a multi-year Backlog consisting of projects for which customers have already paid given the need for careful planning in this industrial sector.

With regard to the absence of customer concentration, it is noted that in this sector no operator accounts for more than 16.1% of turnover, which greatly limits the Group’s exposure to this risk. As for Backlog “under option”, the existing letters of intent exercisable by customers, the contracts subject to conditions, as well as contract negotiations currently under way, may not lead to new order acquisitions. However, the impact of this outcome would not be seen for several years. The impact of this risk is further mitigated by the diversification strategy implemented by the Group in recent years through the expansion of its business, both organically and through acquisitions in new markets, geographical areas, products and services.

The civil sector of the Horizons: engineered systems for naval architecture and building façades division, for example, is less exposed to such risks, in view of both the product sector and the extreme fragmentation of the customer base.

## **OPERATIONAL RISKS RELATED TO THE INTEGRATION OF NEWLY ACQUIRED COMPANIES**

The external growth of Somec, through acquisitions, exposes the Group to operational risks deriving from the integration of newly acquired companies in terms of adaptation to Group policies, alignment of local organizational setups to the standards of the Parent Company, effectiveness of internal communication and adaptation to operational and management control best practices.

## **CYBER SECURITY RISKS**

The Group is exposed to such risks due to the growing use of IT systems and the spread of digitisation processes. Relative consequences might lead to a loss of data, interruptions to activities or privacy violations. While it is not particularly exposed to this risk, the Group is still engaged in constant activity to strengthen its security systems and procedures, training staff and protecting IT infrastructures with ad hoc measures.

## RISKS RELATED TO CLIMATE CHANGE

The Group is committed to ensuring a transition to business management with a lower environmental impact, trying to reduce the generation of greenhouse gas emissions. An integral part of this path is the determination of the transition risks and physical risks that could have an impact on company processes, in particular production processes.

Group assets might also be affected by natural events (floods, droughts, fires and so on) generated by the effects of climate change.

The Group's industrial strategy is oriented towards continuously raising the efficiency of production processes and the product sold to reduce energy consumption and air emissions. Its market positioning makes it a partner of excellence for leading US players in the sphere of research, development and implementation of innovative solutions that have a low environmental impact and actively combat climate change.

The Group has taken out specific insurance coverage to guard against possible consequences deriving from disastrous climatic and natural events.

In order to mitigate these risks, the Group is committed to integrating sustainability issues in its business plan and incentive tools, monitoring relevant elements through "what-if" analyses.

## FINANCIAL RISKS

The Group is exposed to financial risks, where among the main risks, following the significant growth in the business of the US subsidiaries is the risk of currency-based transactions. With regard to financial debt, interest rate fluctuations also pose a risk, partly due to the current upward trend in interest rates, while liquidity risk is very low. The Group is not exposed to significant credit risks as its financial counterparties are represented by prime customers considered solvent by the market. We confirm that, in the choice of its financing and investment transactions, the Group has adopted prudential criteria aimed at mitigating risks and that no speculative transactions have been implemented. The main types of financial risk are set out below, with the relative comments on the degree of significance of the exposure to the different risk categories.

### EXCHANGE RATE RISKS

The Group is exposed to exchange rate risk on account of its US subsidiaries, which conduct their business in US dollars. While monitoring this risk very closely, the Group does not currently deem it necessary to adopt specific management or hedging strategies given that the risk is mainly currency translation-related, i.e. determined exclusively by the conversion of the US dollar-denominated assets and liabilities of US subsidiaries into Euro.

### INTEREST RATE RISK

Interest rate risk management aims to ensure a balanced debt structure, minimising the cost of lending over time. The Group is exposed to the risk that significant fluctuations in interest rates may occur, and that the policies adopted to neutralise these fluctuations prove insufficient. Fluctuations in interest rates affect the market value of the company's financial assets and liabilities and the level of its net financial charges, given that some of the loans are subscribed by the Group at variable rates. The Parent Company has contracted medium / long-term loans with variable Euribor-linked rates, regarding which it has carried out hedging transactions. Details of existing loans and derivative transactions are reported in the Notes to the interim condensed financial statements.

## **CREDIT RISKS**

A credit risk is the probable financial loss generated by the failure of a third party to fulfil its payment obligation towards the Group. Although the Group is not particularly exposed to the risk of its customers delaying or defaulting on their payment obligations depending on the type of contract entered into or trade practices, we cannot rule out the possibility that the current geopolitical crisis may indirectly have an impact on its customer portfolio due to inflationary trends or unreliability of supplies. For business purposes, policies have also been adopted to ensure the solvency of its clients and limit exposure to the credit risk vis-à-vis each single client through activities that include customer assessment and monitoring. Periodically, all receivables undergo an analytical assessment, for each client, and are written down in the event of any impairment.

## **LIQUIDITY RISKS**

Liquidity risk is defined as the risk that the Group encounters difficulties in obtaining the funds it needs to meet the obligations arising out of its financial liabilities. Prudential management of the liquidity risk is pursued by monitoring the Group's cash flows, financing needs and liquidity, with the aim of guaranteeing sound management of financial assets through the correct management of any excess liquidity or assets that may be liquidated and the use of appropriate credit lines. It is noted that some existing medium/long-term loans require compliance with economic/financial parameters, or covenants, to be calculated annually based on the results of the consolidated financial statements (specifically: net financial debt/EBITDA and net financial debt/equity).

# BUSINESS OUTLOOK

The cruise marine market, covered across all three divisions of the Group, is showing a significant increase in orders for large ships, confirming a robust recovery in the sector. The demand for new ships is driven by the growing number of cruise passengers and the need for environmentally-friendly vessels to meet new emission standards.

In this context, there is also an increase in demand for the refitting of ships already in operation, generating new important opportunities for Horizons, Talenta and Mestieri. The recovery in orders, already evident as of June 30, 2024, allows the Group to confirm its targets of margin recovery and debt reduction set for the current financial year.

As for the general macroeconomic environment, the interest rate cut announced by the European and U.S. central banks are expected to create favourable conditions for new investments, including in the civil sector, which may bring new opportunities in both the civil façades and interior sectors, particularly in luxury retail and private projects.

In terms of development, in the second half of the year, the Group will continue to closely monitor opportunities in the cruise and civil markets, carefully evaluating expected margins, execution risks, and project sustainability, favouring selective business growth over unconditional expansion.



# 33

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL  
STATEMENTS AS AT AND  
FOR THE SIX MONTHS  
ENDED 30 JUNE  
2024**

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS				
	Note	30/06/2024	31/12/2023 restated*	01/01/2023 restated*
<b>Non-current assets</b>				
Property, plant and equipment	1	18,496	19,109	20,893
Intangible assets	2	50,552	55,143	59,517
Right-of-use assets	4	22,210	23,936	27,387
Investments in associates	5	335	339	351
Non-current financial assets	6	1,038	888	2,616
Deferred tax assets	7	9,075	7,773	4,268
<b>Total non-current assets</b>		<b>101,706</b>	<b>107,188</b>	<b>115,032</b>
<b>Current assets</b>				
Inventory and contract assets	8	60,877	59,899	53,498
Trade receivables	9	78,255	73,511	84,152
Other receivables	10	15,809	15,283	18,417
Tax receivables	11	3,877	4,358	4,166
Other current financial assets	12	12,775	21,888	4,608
Cash and cash equivalents	13	47,153	46,962	54,344
<b>Total current assets</b>		<b>218,746</b>	<b>221,901</b>	<b>219,185</b>
<b>Total assets</b>		<b>320,452</b>	<b>329,089</b>	<b>334,217</b>

Amounts in €/000

## LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	30/06/2024	31/12/2023 restated*	01/01/2023 restated*
<b>Group net equity</b>				
Share capital	14	6,900	6,900	6,900
Share premium reserve	14	18,173	18,173	18,173
Legal reserve	14	1,380	1,380	1,380
Other reserves and retained earnings	14	(11,544)	(9,543)	4,237
<b>Total Group net equity</b>	<b>14</b>	<b>14,909</b>	<b>16,910</b>	<b>30,690</b>
Non-controlling interests	14	2,849	2,748	4,817
<b>Total net equity</b>	<b>14</b>	<b>17,758</b>	<b>19,658</b>	<b>35,507</b>
<b>Non-current liabilities</b>				
Loans and financing	15	44,048	12,842	61,094
Other non-current financial liabilities	16	31,845	33,503	34,026
Other non-current liabilities		674	759	669
Provisions for liabilities and charges	17	1,458	1,086	1,322
Net defined-benefit obligations	18	5,807	5,841	5,130
Deferred tax liabilities	7	8,409	7,562	8,493
<b>Total non-current liabilities</b>		<b>92,241</b>	<b>61,593</b>	<b>110,734</b>
<b>Current liabilities</b>				
Trade payables	19	79,378	74,904	80,871
Other current liabilities	20	16,489	14,647	13,084
Contract work in progress and customer advances	21	46,466	49,052	43,215
Loans and financing	15	56,979	97,788	42,638
Other current financial liabilities	16	8,185	9,655	5,497
Income tax liabilities	22	2,956	1,792	2,671
<b>Total current liabilities</b>		<b>210,453</b>	<b>247,838</b>	<b>187,976</b>
<b>Total liabilities</b>		<b>302,694</b>	<b>309,431</b>	<b>298,710</b>
<b>Total liabilities and shareholders' equity</b>		<b>320,452</b>	<b>329,089</b>	<b>334,217</b>

Amounts in €/000

(\*) For more details on the restatement of balances for the year ended 31 December 2023, refer to paragraph "Correction of an error (IAS 8)", in the notes to the condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
	Note	30/06/2024	30/06/2023
Revenues from contracts with customers	23	183,914	190,146
Other revenues and income	24	1,650	1,442
<b>Revenues</b>		<b>185,564</b>	<b>191,588</b>
Raw materials and consumables		(79,073)	(91,537)
Employee benefit expenses	25	(33,910)	(31,543)
Depreciation, amortisation and other write-downs	26	(10,280)	(8,607)
Other operating costs	27	(59,830)	(58,720)
<b>Operating profit (EBIT)</b>		<b>2,471</b>	<b>1,181</b>
Financial expenses	28	(3,439)	(3,141)
Financial income	28	1,082	1,645
Other income (and expenses)	29	297	(871)
Income from associates	30	48	46
<b>Profit/(loss) before tax (EBT)</b>		<b>459</b>	<b>(1,140)</b>
Income taxes	31	(1,682)	(699)
<b>Profit/(loss) for the period</b>	<b>14</b>	<b>(1,223)</b>	<b>(1,839)</b>
Non-controlling interests	14	918	467
<b>Group net result</b>	<b>14</b>	<b>(2,141)</b>	<b>(2,306)</b>
Earnings/(loss) per share (in Euro)	32	(0.31)	(0.34)
Diluted earnings/(loss) per share (in Euro)	32	(0.31)	(0.34)

Amounts in €/000

	Note	30/06/2024	30/06/2023
<b>Other comprehensive income/(loss) that may be subsequently reclassified within profit/(loss) for the period (net of tax):</b>			
Exchange gains/(losses) arising on translation of foreign subsidiaries' financial statements	14	165	(64)
Net gains/(losses) on cash flow hedges	14	53	(222)
<b>Total other comprehensive income/(loss) that may be subsequently reclassified within profit/(loss), net of tax:</b>	<b>14</b>	<b>218</b>	<b>(286)</b>
<b>Other comprehensive income/(loss) that will not be subsequently reclassified within profit/(loss) for the period:</b>			
Gains/(losses) from remeasurement of defined benefit plans	14	23	(104)
<b>Total other consolidated comprehensive income that will not be reclassified to net income/(loss), net of tax:</b>	<b>14</b>	<b>23</b>	<b>(104)</b>
<b>Total other comprehensive income/(loss), net of tax:</b>	<b>14</b>	<b>241</b>	<b>(390)</b>
<b>Total income/(loss) net of tax</b>		<b>(982)</b>	<b>(2,229)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent</b>		<b>(2,049)</b>	<b>(2,619)</b>
<b>Non-controlling interests</b>		<b>1,067</b>	<b>390</b>

Amounts in €/000

## CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note	30/06/2024	30/06/2023 restated*
Result for the period		(1,223)	(1,839)
<b>Reconciliation of net income to operating cash flow:</b>			
Income taxes	31	1,682	699
Depreciation and amortisation	26	7,718	8,283
Change in defined benefit obligations	14-18	(11)	(38)
Change in Put and Call option liabilities	28	(829)	(940)
Write-downs for impairment	2-3-26	2,000	-
Finance costs	28	3,394	3,135
Finance income	28	(207)	(698)
Net exchange rate changes		(698)	1,207
Income/(loss) for the period from associates	5-30	(48)	(46)
(Capital gains)/Capital losses on sale of assets		-	(3)
Net change in provisions for risks and charges	17	372	(13)
Costs for share-based payments	13-25	42	(32)
<b>Change in operating assets and liabilities:</b>			
Decrease/(Increase) in inventory and contract assets	8	(978)	(17,939)
Increase/(Decrease) in contract work in progress and customer advances	21	(2,586)	(4,205)
Decrease/(Increase) in trade receivables	9	4,287	(1,214)
Decrease/(Increase) in other receivables	10	(526)	1,279
Increase/(Decrease) in trade payables	19	4,474	2,281
Decrease/(Increase) in other current assets and liabilities		2,025	5,404
Income tax payments		(444)	(1,441)
Interest received/(paid)		(2,611)	(1,833)
<b>Cash flows from operating activities (A)</b>		<b>15,833</b>	<b>(7,953)</b>

Amounts in €/000

	Note	30/06/2024	30/06/2023 restated*
<b>Investing activities:</b>			
Investments in property, plant and equipment	1	(1,063)	(823)
Investments in intangible assets	2	(36)	157
Investments in associates	5	-	96
Realisable price of property, plant and equipment	1	63	3
Settlement of price adjustment on business combination	16	(1,263)	(487)
Acquisition of subsidiaries net of cash acquired		-	(877)
<b>Cash flows from investing activities (B)</b>		<b>(2,299)</b>	<b>(1,931)</b>
<b>Financing activities:</b>			
Loans and financing granted	15	-	12,700
(Repayments)	15	(11,909)	(6,912)
Lease liability payments	4-16	(3,166)	(3,086)
Increase/(Decrease) in short term bank loans	15	2,188	(5,098)
Treasury share purchase reserve	14	-	365
Dividends paid to minority shareholders	14	(966)	(2,924)
<b>Cash flows from financing activities (C)</b>		<b>(13,853)</b>	<b>(4,955)</b>
<b>Increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(319)</b>	<b>(14,839)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>13</b>	<b>46,962</b>	<b>54,344</b>
Net effect of exchange differences		510	(463)
<b>Cash and cash equivalents at the end of the period</b>	<b>13</b>	<b>47,153</b>	<b>39,042</b>

Amounts in €/000

(\*) For more details on the restatement of balances for the year ended 31 December 2023, refer to paragraph "Correction of an error (IAS 8)", in the notes to the condensed consolidated interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024

	Note	Share Capital	Share premium reserve	Legal reserve	Other reserves and retained earnings/(losses)	Net income/(loss) for the period	Group net equity	Minority interest capital and reserves	Minority net income/(loss)	Minority interest	Total net equity
<b>01/01/2024 restated*</b>		<b>6,900</b>	<b>18,173</b>	<b>1,380</b>	<b>2,105</b>	<b>(11,648)</b>	<b>16,910</b>	<b>1,475</b>	<b>1,273</b>	<b>2,748</b>	<b>19,658</b>
<b>2023 result allocation:</b>											
• <i>other reserves</i>					(11,648)	11,648	-	1,273	(1,273)		
• <i>dividends</i>								(966)		(966)	(966)
Treasury share purchase reserve	14				324		324				324
Reserve for share-based payments	14				(282)		(282)				(282)
Other changes					6		6				6
<b>Other comprehensive income (OCI)</b>	<b>14</b>										
• <i>Defined benefit plans</i>					22		22	1		1	23
• <i>Change in currency translation reserve</i>					17		17	148		148	165
• <i>Change in cash flow hedge reserve</i>					53		53				53
Net income/(loss) for the period						(2,141)	(2,141)		918	918	(1,223)
<b>30/06/2024</b>		<b>6,900</b>	<b>18,173</b>	<b>1,380</b>	<b>(9,403)</b>	<b>(2,141)</b>	<b>14,909</b>	<b>1,932</b>	<b>918</b>	<b>2,849</b>	<b>17,758</b>

Amounts in €/000

(\*) For more details on the restatement of balances for the year ended 31 December 2023, refer to paragraph "Correction of an error (IAS 8)", in the notes to the condensed consolidated interim financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2023

	Note	Share Capital	Share premium reserve	Legal reserve	Other reserves and retained earnings/(losses)	Net income/(loss) for the period	Group net equity	Minority interest capital and reserves	Minority net income/(loss)	Minority interest	Total net equity
<b>01/01/2023</b>		<b>6,900</b>	<b>18,173</b>	<b>1,380</b>	<b>7,292</b>	<b>(1,752)</b>	<b>31,993</b>	<b>3,522</b>	<b>1,295</b>	<b>4,817</b>	<b>36,810</b>
Adjustment for correction of an error					(1,303)		(1,303)			-	(1,303)
<b>01/01/2023 restated*</b>		<b>6,900</b>	<b>18,173</b>	<b>1,380</b>	<b>5,989</b>	<b>(1,752)</b>	<b>30,690</b>	<b>3,522</b>	<b>1,295</b>	<b>4,817</b>	<b>35,507</b>
<b>2022 result allocation:</b>											
• <i>other reserves</i>					(1,752)	1,752	-	1,295	(1,295)	-	-
• <i>dividends</i>							-	(2,924)		(2,924)	(2,924)
Treasury share purchase reserve	14				330		330			-	330
Reserve for share-based payments	14				(32)		(32)			-	(32)
Other changes					5		5			-	5
<b>Other comprehensive income (OCI)</b>	<b>14</b>										
• <i>Defined benefit plans</i>					(97)		(97)	(7)		(7)	(104)
• <i>Change in currency translation reserve</i>					6		6	(70)		(70)	(64)
• <i>Change in cash flow hedge reserve</i>					(223)		(223)				(223)
Net income/(loss) for the period					-	(2,306)	(2,306)		467	467	(1,839)
<b>30/06/2023</b>		<b>6,900</b>	<b>18,173</b>	<b>1,380</b>	<b>4,227</b>	<b>(2,306)</b>	<b>28,373</b>	<b>1,816</b>	<b>467</b>	<b>2,283</b>	<b>30,655</b>

Amounts in €/000

(\*) For more details on the restatement of balances for the year ended 31 December 2023, refer to paragraph "Correction of an error (IAS 8)", in the notes to the condensed consolidated interim financial statements.

# EXPLANATORY NOTES

## GENERAL INFORMATION

Publication of the Interim Condensed Consolidated Financial Statements of Somec S.p.A. and its subsidiaries (“Somec Group”) for the period ended 30 June 2024 has been authorised by the Board of Directors, which approved the financial statements on 23 September 2024.

The Somec Group specializes in the engineering, design and rollout of complex turnkey projects in the naval and civil engineering field. As described in more detail in the interim Directors’ Report, the Group operates through three divisions: i) Horizons: engineered systems for naval architecture and building façades ii) Talenta: professional kitchen systems and products iii) Mestieri: design and production of bespoke interiors.

Somec S.p.A. (hereinafter, “Somec” or the “Parent Company”) is a public limited company that is incorporated and domiciled in Italy in Via Palù 30, San Vendemiano (TV) and is part of the Fondaco Group. Fondaco S.r.l. controls Somec S.p.A. indirectly via Venezia S.p.A.. Fondaco S.r.l. and Venezia S.p.A. are not involved in the management and coordination of the company.

The company was listed on the Borsa Italiana S.p.A. Stock Exchange (Euronext Milan Market - EXM) on 4 August 2020.

**42**

## BASIS OF PREPARATION

The Interim Consolidated Financial Statements as at and for the period ended 30 June 2024 have been prepared in accordance with IAS 34 - Interim Reporting.

The Interim Consolidated Report have been prepared on a going concern basis, since the Directors have verified that there are no financial, operating or other types of indicators that might highlight significant uncertainties in the Group’s ability to meet its obligations in the foreseeable future and particularly within the next 12 months.

Specifically, as a result of the failure to comply with the covenants governing medium/long-term loans as at 31 December 2023, during the first half of 2024 a waiver was obtained from the bank lender and, at the same time, discussions got underway with all the institutions of the banking pool to agree on a redefinition of the covenants, to be calculated annually on the basis of the results of the consolidated financial statements.

In this context, a revision of the 2024-2026 business plan was conducted, with the help of independent experts, with the aim of confirming the assumptions underlying the plan and redefining the economic/financial parameters used to secure the bank debt in a consistent and sustainable manner. Trusting that discussions with the banks would prove successful, the Directors prepared the financial statements on a going-concern basis, believing that there are no significant uncertainties considering the Group’s operating performance, the level of orders, and further in view of the current available funds.

The Interim Consolidated Financial Statements do not include all disclosures reported in the annual consolidated financial statements. Therefore, it is advisable to read the Interim Consolidated Financial Statements in conjunction with the Consolidated Financial Statements as at and for the year ended 31 December 2023. The Somec Group half-year financial statements provide an interim picture of its condition.

The Consolidated Financial Report is composed of:

- a consolidated statement of financial position which shows current and non-current assets and liabilities on the basis of their realisation or settlement during the course of ordinary business operations within twelve months of the end of the previous financial year
- a statement of the profit (loss) for the period and other items of the consolidated statement of comprehensive income, which shows costs and revenues classified according to their nature, a method that most accurately represents Group's sector of business
- a consolidated statement of cash flows prepared using the indirect method of accounting
- a consolidated statement of changes in shareholders' equity
- the explanatory notes containing all information required under current legislation and according to IAS 34, which is appropriately presented and refers to the accounting schedules

The reporting currency of the Interim Consolidated Financial Statement is the Euro, the functional currency adopted by the Parent Company in accordance with IAS 1. All amounts are shown in thousands of Euro, including those presented in the explanatory notes, unless otherwise stated.

The Interim Consolidated Financial Statements are subject to a limited audit performed by the independent auditing firm, EY S.p.A., which audits the accounts of the Parent Company and its main subsidiaries.

Please see the Directors' Report for further information on the Group's financial condition, its operating performance and income, both as a whole and in the various sectors of business. Details on costs, revenues and investments, in addition to information on the main events in the first half 2024 and the business outlook are provided.

## SCOPE OF CONSOLIDATION

The Interim Consolidated Financial Statements include the financial statements of the Parent company, Somec S.p.A. as at 30 June 2024, and those of the following directly or indirectly controlled subsidiaries on the same reporting date:

COMPANY	REGISTERED OFFICE	% OWNERSHIP	CURRENCY	SHARE CAPITAL
<b>Directly owned subsidiaries</b>				<i>(currency unit)</i>
3.O Partners USA Inc.	New York (USA)	100%	USD	10,000
Bluesteel S.r.l.	Colle Umberto (TV)	94% <sup>(1)</sup>	Euro	650,000
GICO S.p.A.	Vazzola (TV)	100%	Euro	120,000
Hysea S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Inoxtrend S.r.l.	Santa Lucia di Piave (TV)	100%	Euro	622,222
Mestieri S.p.A.	San Vendemiano (TV)	100%	Euro	3,000,000
Navaltech LLC	Miami (USA)	100%	USD	1,000
Oxin S.r.l.	Codognè (TV)	100%	Euro	100,000
Pizza Group S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	12,000
Primax S.r.l.	San Vito al Tagliamento (PN)	100%	Euro	1,030,000
Somec Sintesi S.r.l.	San Vendemiano (TV)	100%	Euro	100,000
Somec Shanghai Co., Ltd	Shanghai (Cina)	100%	CNY	4,733,773
Sotrade S.r.o.	Piestany (Slovacchia)	100%	Euro	92,380
<b>Indirectly owned subsidiaries</b>				<i>(currency unit)</i>
Atelier de Façades Montréal Inc.	Montréal (Canada)	70.90%	CAD	100
Bluesteel Group UK Ltd	Londra (UK)	94% <sup>(1)</sup>	GBP	100
Bluesteel Group USA Inc.	New York (USA)	94% <sup>(1)</sup>	USD	10,000
Budri S.r.l.	Mirandola (MO)	65% <sup>(2)</sup>	Euro	3,000,000
Budri London Ltd	Londra (UK)	65% <sup>(2)</sup>	GBP	10,000
Budri Switzerland SA	Lugano (CH)	65% <sup>(2)</sup>	CHF	100,000
Fabbrica LLC	Delaware (USA)	70.90%	USD	6,250,000
Fabbrica Works S.r.l.	San Biagio di Callalta (TV)	65.63% <sup>(3)</sup>	Euro	100,000
Gino Ceolin S.r.l.	Mogliano Veneto (TV)	60% <sup>(4)</sup>	Euro	50,000
Lamp Arredo S.r.l.	Quinto di Treviso (TV)	60% <sup>(5)</sup>	Euro	100,000
Mestieri USA Inc.	Delaware (USA)	100%	USD	10,000
Pizza Group USA LLC	Houston (USA)	100%	USD	10,000
Skillmax S.r.l.	San Biagio di Callalta (TV)	60% <sup>(6)</sup>	Euro	500,000
Skillbuild S.r.l.	San Biagio di Callalta (TV)	60% <sup>(6)</sup>	Euro	20,000
Total Solution Interiors S.r.l.	Cantù (CO)	100%	Euro	100,000
Total Solution Interiors LLC	Miami (USA)	100%	USD	293,034
<b>Associate subsidiaries</b>				<i>(currency unit)</i>
Squadra S.r.l.	Pieve di Soligo (TV)	31.10%	Euro	41,500

It should be noted that during the first half of 2024, Mestieri S.p.A. became the sole shareholder of Total Solution Interiors S.r.l., following the resolution of the subsidiary's Shareholders' Meeting held on 8 April 2024, whereby it was resolved to cover the losses and replenish the share capital, including the unopted portion of the previous minority shareholder, on 11 June 2024. As a result, Mestieri S.p.A. increased its majority stake in Total Solution Interiors S.r.l. from 80% to 100% of the share capital.

No further events or changes concerning the Somec Group's scope of consolidation are reported.

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- (1) The acquisition of Bluesteel S.r.l. includes an option (Put and Call) for the purchase of the remaining 6% minority stake, which may be exercised from the approval of the company's financial statements at 31 December 2025 until 30 June 2026. By virtue of the Put and Call option, consolidation does not entail the recognition of minority interests.
  - (2) The acquisition of Budri S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 35%. This option can be exercised: (i) in relation to 15% from the approval of the company's financial statements for the year ending 31 December 2025; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2027. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (3) 70% of Fabbrica Works S.r.l. is directly owned by Fabbrica LLC and 16% is directly owned by Somec S.p.A. 65.63% is the related indirectly owned stake held by Somec S.p.A. on the reporting date.
  - (4) The acquisition of Gino Ceolin S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised within 90 days of the approval of the financial statements as of 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (5) The acquisition of Lamp Arredo S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. This option can be exercised: (i) in relation to 20% from the approval of the company's financial statements for the year ending 31 December 2024; (ii) in relation to the additional 20% from the approval of the company's financial statements for the year ending 31 December 2026. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.
  - (6) The acquisition of Skillmax S.r.l. includes an option right between the parties (Put and Call option) for the purchase of the minority interest for the remaining 40%. The option can be exercised starting from May 2027 and by April 2028. Minority interests are not recognised in the consolidated income statement in light of the Put and Call option in place.

## BASIS OF CONSOLIDATION

The main criteria used to prepare the interim consolidated financial statements are as follows:

- the financial statements of subsidiaries have been appropriately aligned and reclassified to bring them into line with the Group's accounting standards and valuation criteria, as per the provisions of the international IFRS accounting standards currently in force
- subsidiaries are fully consolidated from the date of acquisition, or from the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside of the Group
- control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee. Specifically, the Group has control only when it has power over the investee (or holds valid rights that enable it to manage the relevant activities of the investee), it is exposed or has rights to variable returns from its involvement with the investee, and it has the ability to use its power over the investee to affect the amount of the investor's returns. Generally, it is presumed that ownership of the majority of voting rights grants control, even if the Group considers all relevant facts and circumstances to determine its control of an investee, including contractual arrangements with other holders of voting rights, rights deriving from contractual agreements and voting rights and potential voting rights of the Group
- the book value of investments in subsidiaries is offset against the related net equity based on the assumption that the assets and liabilities of subsidiaries are consolidated on a line-by-line basis
- intercompany payables, receivables, income and expense are eliminated; profits and losses from intra-group transactions, including unrealised profit and losses, as well as all dividends paid/payable to Group entities, are eliminated
- non-controlling interests are recorded separately under shareholders' equity; net income from non-controlling interests is reported separately in the consolidated income statement and in the consolidated comprehensive income statement

## CONVERSION OF FINANCIAL STATEMENTS IN FOREIGN CURRENCY

On the reporting date, the assets and liabilities of foreign subsidiaries have been converted into Somec Group's reporting currency (Euro) at the exchange rate on the same date, and their income statements have been converted using the average exchange rate for the period, which is deemed as representative of the exchange rates at which the related transactions were carried out.

Exchange rates applied to determine the Euro-denominated value of the items of the subsidiaries 3.0 Partners USA Inc., Atelier de Façades Montréal Inc., Bluesteel Group UK Ltd, Bluesteel Group USA Inc., Budri London Ltd, Budri Switzerland SA, Fabbrica LLC, Mestieri USA Inc., Navaltech LLC, Pizza Group USA LLC, Somec Shanghai Co. Ltd and Total Solution Interiors LLC are as follows:

Currency	30 June 2024		31 December 2023		30 June 2023	
	Average	Final	Average	Final	Average	Final
Canadian Dollar	1.4685	1.4670	1.4595	1.4642	1.4565	1.4415
US Dollar	1.0813	1.0705	1.0813	1.1050	1.0807	1.0866
Swiss Franc	0.9615	0.9634	0.9718	0.9260	0.9856	0.9788
Chinese Renminbi	7.8011	7.7748	7.6600	7.8509	7.4894	7.8983
Pound Sterling	0.8546	0.8464	0.8698	0.8691	0.8764	0.8583

## NEW ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting standards applied for the preparation of the consolidated financial statements as at and for the year ended 31 December 2023 were also used to prepare the Interim Consolidated Financial Statements, in addition to the new standards and amendments in force as of 1 January 2024. The Group has not adopted in advance any new standard, interpretation or amendment that has been issued but is not yet in force.

Several amendments and interpretations were effective for the first time in 2024, but did not impact the Group's interim consolidated financial statements.

### SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

### AMENDMENTS TO IFRS 16: LEASE LIABILITY IN A SALE AND LEASEBACK

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

### AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements, the Group was already giving information.



## **DISCRETIONARY MEASUREMENTS AND SIGNIFICANT ACCOUNTING ESTIMATES**

When preparing the financial statements, Directors are required to make discretionary assessments, estimates and assumptions that influence the reported amounts of revenue, costs, assets and liabilities and related information, as well as contingent liabilities. Estimation uncertainty risks causing outcomes that require material adjustments to the carrying amounts of assets and/or liabilities in future years.

As for the Group's business sectors, below are the categories of items most affected by the use of estimates and discretionary judgements and for which changes in the conditions underlying the assumptions used may have a significant impact on financial results.

### **REVENUES FROM CONTRACTS WITH CUSTOMERS, CONTRACT ASSETS/LIABILITIES FOR WORK IN PROGRESS**

With reference to revenues from contracts with customers for contract work and assets and liabilities for contract work in progress, the application of the cost-to-cost method requires that a prior estimate of the total cost of the individual projects is made and updated on each reporting date, based on the use of assumptions by the Directors.

The profit margins for the entire project upon completion are recognised in the income statements for each year based on the stage of completion; accordingly, correct recognition of work in progress and margins on contracts that have not yet been completed requires management to make a careful estimate of the final costs and expected increases as well as delays, extra costs and penalties that could reduce the expected margin. The Company has adopted contract management and risk analysis methods designed to identify, monitor and quantify the risks associated with performance of such contracts. The amounts shown in the financial statements represent management's best estimates at the reporting date. These facts and circumstances make it difficult to estimate the cost of completing projects and, consequently, to estimate the value of the contract assets or liabilities for contract work in progress at the reporting date.

**49**

### **DEFERRED TAX ASSETS (PREPAID TAXES)**

Deferred tax assets are recognised based on the assumption that the company will generate taxable income in future years. Projections of future taxable income for the purposes of deferred tax asset recognition depend on factors that may vary over time and have a significant impact on the recoverability of deferred tax assets. The book value of deferred tax assets is shown in note 7 Deferred tax assets and liabilities.

### **PROVISIONS FOR LIABILITIES AND CHARGES**

The Directors make estimates to measure liabilities and charges. More specifically, the Directors use estimates and assumptions to determine the probability that an actual liability will arise, and, if the risk is deemed probable, to determine the amount of provisions required to offset this risk.

### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

The Group's tangible and intangible assets are subject to impairment tests at least once per year if they have an indefinite useful life, or more frequently if there is any indication that their carrying amount is not recoverable. Directors may use accounting discretion to determine the amount of asset impairment to be recognised in the financial statements. Directors estimate the potential impairment of fixed assets and equity investments in relation to the future cash flows attributable to the assets.



The recoverable amount is heavily influenced by the discount rate used in the discounted cash flow model. Identification of Cash Generating Units (CGU) is also affected by management's judgement, which can affect the recoverability of the carrying amounts. Further details on Goodwill are shown in note 2 and note 3 Impairment test.

### **PUT AND CALL OPTION LIABILITIES**

At the end of each reporting period, the Group measures the present value of the strike price of options written over non-controlling interest. It estimates the discount rate and assesses the terms of the Put and Call options envisaged with minority shareholders. The effect of remeasurement of the NCI put/call liability is recognised in profit or loss. For more details, please see note 16 on Other financial liabilities.

### **LEASES - ESTIMATING THE INCREMENTAL BORROWING RATE**

The Group cannot readily determine the interest rate implicit in the lease and therefore applies the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. When no data exists or interest rates must be adjusted to reflect the terms and conditions of the lease, the Group must estimate its incremental borrowing rate.

The Group estimates the incremental borrowing rate based on observable data (such as market interest rates) where available, as well as making specific considerations regarding its credit profile.

## **50**

### **SIGNIFICANT JUDGEMENTS REQUIRED TO DETERMINE THE LEASE TERM OF CONTRACTS THAT CONTAIN AN EXTENSION OPTION**

The Group estimates the lease term of its contracts which include a renewal option.

The Group's assessment of the existence or otherwise of reasonable certainty that it will exercise the option affects the estimate of the lease term, significantly impacting the amount of the lease liability and the recognised right-of-use assets.

The Group analysed all its lease agreements and defined the lease term for each one, provided by the "non-cancellable" period and the effects of any extension or early termination clauses which it determined it was reasonably certain to exercise. More specifically, assessments of property leases considered the specific circumstances of each asset. As for other categories of assets, mainly company cars and equipment, the Group generally determined that it was not likely to exercise any extension or early termination options, in line with normal Group policy. Please see note 4 Right-of-use-assets for more details.

### **DETERMINATION OF USEFUL LIFE OF ASSETS**

The Group determines the useful life of the items Property, plant and equipment, intangible assets with a finite useful life, as well as right-of-use assets. To estimate useful life, including that of assets arising from business combinations (order book, customer list, know-how and trademarks), management applies widely used valuation methods, based on experience and knowledge of the sector. Useful life is reviewed at the end of each reporting period.

## **EMPLOYEE BENEFIT PLANS**

The carrying amount of defined benefit plans is determined using actuarial assumptions based on estimated discount rates, expected interest rates, future salary increases, mortality rates and future pension increases. The Group considers the discount rate for the actuarial valuation on the reporting date to be fair, but future significant changes in rates may have substantial effects on the liability recognised in the financial statements. Please see note 18 Net defined-benefit obligations for more details.

## **SHARE-BASED PAYMENTS - MEDIUM/LONG-TERM INCENTIVE PLAN**

The fair value of the shares that can be assigned through the incentive plan and the measurement of rights accrued are subject to estimates linked to expectations of the Group's results and achievement of the targets that potential beneficiaries are set.

The Group estimates the likelihood of achieving these results based on forecasts contained in the business plan adopted by the Board of Directors.

## **CORRECTION OF AN ERROR (IAS 8)**

Following a review of contractual relationships with one of Somec Group's major customers, conducted in the first half of 2024, it emerged that a specific contractual provision had not been applied and accounted for, which would have resulted in the recognition of certain rebates for the 2019-2022 financial years. This error, considered material as a whole under IAS 8, resulted in the retroactive restatement of the financial position opening balances of the comparative year.

As a result of such change in the opening balances, the statement of financial position for the year ended 31 December 2023 showed an increase in trade payables (+1.5 million Euro), a rise in deferred tax assets (+0.2 million Euro), and a corresponding decrease in retained earnings and losses carried forward (-1.3 million Euro). The comparative income statement for financial year 2023 was not restated.

## OPERATING SEGMENT REPORTING

For the purposes of application of IFRS 8, the Group defines three Business Units (BUs), consistent with the management and control model used to date, as shown below:

- **Horizons: engineered systems for naval architecture and building façades**  
Complete construction projects of naval enclosures and glazing and architectural solutions for large cruise ships, complete construction projects of curtain walls and glazed enclosures for civil engineering
- **Talenta: professional kitchen systems and products**  
Professional kitchen systems integrated with on-board facilities of cruise ships, large customised professional kitchen systems for catering and hospitality, monoblocs and customised cooking suites, professional products for vertical cooking and the cold chain
- **Mestieri: design and production of bespoke interiors**  
Design and production of interiors for a whole range of sectors, including hospitality, catering, luxury retail, high-end residential property, cruise ships and superyachts

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**52**

The aforementioned segments were identified on the basis of the following considerations:

- they represent revenue- and cost-generating activities whose operating results are reviewed on a regular basis at the highest operational decision-making level, in order to assess the performance of each segment and allocate the relevant resources
- they are subject to internal reporting disclosure
- separate financial disclosures are available
- the BUs are entirely independent of each other

Segment result is identified by net profit/(loss) before taxes and other financial gains and losses and represents one of the main indicators used by the Chief Operating Decision Maker (CODM) as defined by IFRS 8 - Operating Segments.

The following tables show the revenues and result of the Group's operating segments for the periods ended 30 June 2024 and 30 June 2023.

## RESULTS BY OPERATING SEGMENT AS AT 30 JUNE 2024

	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total segments	Adjustments and eliminations	Consolidated
Revenues from contracts with customers	120,330	26,632	38,496	185,458	(1,544)	183,914
Other revenues and income	1,536	301	891	2,728	(1,078)	1,650
Intra-segment revenues	11,607	2,359	6,291	20,257	(20,257)	-
<b>Revenues</b>	<b>133,473</b>	<b>29,292</b>	<b>45,678</b>	<b>208,443</b>	<b>(22,879)</b>	<b>185,564</b>
Raw materials and consumables	(53,281)	(13,400)	(12,853)	(79,534)	461	(79,073)
Employee benefit expense	(20,153)	(6,314)	(7,473)	(33,940)	30	(33,910)
Depreciation, amortisation and other write-downs	(6,344)	(1,151)	(2,785)	(10,280)	-	(10,280)
Other operating costs	(37,519)	(5,573)	(18,869)	(61,961)	2,131	(59,830)
Income from associates	48	-	-	48	-	48
Adjustments and eliminations	(11,607)	(2,359)	(6,291)	(20,257)	-	-
<b>Segment net result</b>	<b>4,617</b>	<b>495</b>	<b>(2,593)</b>	<b>2,519</b>	<b>(2,060)</b>	<b>459</b>

Amounts in €/000

**RESULTS BY OPERATING SEGMENT AS AT 30 JUNE 2023**

	Horizons: engineered systems for naval architecture and building façades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total segments	Adjustments and eliminations	Consolidated
Revenues from contracts with customers	110,028	33,508	47,366	190,902	(756)	190,146
Other revenues and income	1,301	411	679	2,391	(949)	1,442
Intra-segment revenues	7,296	1,798	2,686	11,780	(11,780)	-
<b>Revenues</b>	<b>118,625</b>	<b>35,717</b>	<b>50,731</b>	<b>205,073</b>	<b>(13,485)</b>	<b>191,588</b>
Raw materials and consumables	(52,629)	(17,744)	(21,622)	(91,995)	458	(91,537)
Employee benefit expense	(18,894)	(6,479)	(6,177)	(31,550)	7	(31,543)
Depreciation, amortisation and other write-downs	(4,512)	(1,251)	(2,844)	(8,607)	-	(8,607)
Other operating costs	(32,856)	(8,160)	(18,943)	(59,959)	1,239	(58,720)
Income from associates	46	-	-	46	-	46
Adjustments and eliminations	(7,296)	(1,798)	(2,686)	(11,780)	-	-
<b>Segment net result</b>	<b>2,484</b>	<b>285</b>	<b>(1,541)</b>	<b>1,228</b>	<b>(2,368)</b>	<b>(1,140)</b>

Amounts in €/000

## ADJUSTMENTS AND ELIMINATIONS

It should be noted that financial income and expenses, other revenues and gains and losses arising from the fair value measurements of some financial assets and liabilities are not allocated to an individual sector, since the underlying instruments are managed at Group level. These items are included in adjustments and eliminations for the purpose of segment reporting.

RECONCILIATION OF RESULT		
	Half-year as at 30 June 2024	Half-year as at 30 June 2023
<b>Segment net result</b>	<b>2,519</b>	<b>1,228</b>
Financial expenses	(3,439)	(3,141)
Financial income	1,082	1,645
Other income (and expenses)	297	(871)
Net effect of eliminations between segments	-	(1)
<b>Profit/(loss) before tax</b>	<b>459</b>	<b>(1,140)</b>

Amounts in €/000

## ASSETS AND LIABILITIES BY OPERATING SEGMENT AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

The following table shows the Group's assets and liabilities by operating segment as at 30 June 2024 and 31 December 2023 (figures restated).

ASSETS AND LIABILITIES BY OPERATING SEGMENT AS AT 30 JUNE 2024 AND 31 DECEMBER 2023						
	Horizons: engineered systems for naval architecture and building facades	Talenta: professional kitchen systems and products	Mestieri: design and production of bespoke interiors	Total segments	Adjustments and eliminations	Consolidated
<b>Segment assets</b>						
as at 30/06/2024	162,998	57,551	86,952	307,501	12,951	320,452
as at 31/12/2023	167,826	56,088	93,289	317,203	11,886	329,089
<b>Segment liabilities</b>						
as at 30/06/2024	(192,274)	(30,957)	(68,099)	(291,330)	(11,364)	(302,694)
as at 31/12/2023	(196,067)	(30,866)	(73,144)	(300,077)	(9,354)	(309,431)

Amounts in €/000

The following table shows revenues by geographical area as at 30 June 2024 and 30 June 2023:

<b>REVENUES BY GEOGRAPHICAL AREA</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Italy	43,115	56,769
UE	41,118	48,441
Non-UE	101,331	86,378
<b>Total</b>	<b>185,564</b>	<b>191,588</b>

Amounts in €/000

The following table shows clients whose revenues (turnover and change in contract work in progress) account for over 10% of Group revenues and income on the reporting dates:

		<b>Half-year as at 30 June 2024</b>	
<b>Total Revenues</b>	<b>Operating segment</b>	<b>185,564</b>	<b>100.0%</b>
Client 1	Horizons: engineered systems for naval architecture and building façades	33,835	18.2%
	Talenta: professional kitchen systems and products		
	Mestieri: design and production of bespoke interiors		
Client 2	Horizons: engineered systems for naval architecture and building façades	31,413	16.9%
Client 3	Horizons: engineered systems for naval architecture and building façades	24,837	13.4%
	Mestieri: design and production of bespoke interiors		

Amounts in €/000

		<b>Half-year as at 30 June 2023</b>	
<b>Total Revenues</b>	<b>Operating segment</b>	<b>191,588</b>	<b>100.0%</b>
Client 1	Horizons: engineered systems for naval architecture and building façades	45,715	23.9%
	Talenta: professional kitchen systems and products		
	Mestieri: design and production of bespoke interiors		

Amounts in €/000



## **OPERATING SEGMENT SEASONALITY**

The operating sector Horizons: engineered systems for naval architecture and building facades deals with construction projects complete with naval glazings and architectural solutions for large cruise ships, and construction projects complete with curtain walls and glazings for civil engineering works.

This sector includes revenues from refitting services, namely services for the conversion, modernization, replacement and repair of glazings and public areas of cruise ships already in service. The demand for refitting activities is subject to seasonal fluctuations, with a fall in demand in the summer period.

The operating sector Talenta: professional kitchen systems and products deals with the design and production of professional kitchen systems integrated with the onboard systems of cruise ships, large professional kitchen systems tailored for catering and hospitality, bespoke monoblock and cooking suites, professional products for vertical cooking and the cold chain. This sector does not appear to suffer from seasonal fluctuations, considering that turnover depends solely on the development of the existing orders portfolio.

The operating sector Mestieri: design and creation of custom interiors deals with the design and construction of interiors for hospitality, catering, luxury retail, high-end residential, cruise ships and finally superyachts. Here too there do not appear to be seasonal fluctuations, considering that turnover depends solely on the development of the existing orders portfolio.

This disclosure provides a better understanding of the results, however management has concluded that the Group's operating segments do not represent "highly seasonal businesses", as required by IAS 34.

# FINANCIAL HIGHLIGHTS

## NOTE 1: PROPERTY, PLANT AND EQUIPMENT

The following table provides a detailed breakdown of the item and the changes in tangible assets as a result of acquisitions, sales/disposals, depreciation for the semester, any write-downs or write-backs, and any effects arising from extraordinary transactions.

PROPERTY, PLANT AND EQUIPMENT							
	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Unscheduled maintenance of leased assets	Assets under construction and advances	Total
Historical cost	13,136	20,733	5,873	7,033	5,172	7	51,953
Accumulated depreciation	(2,858)	(14,557)	(5,022)	(5,282)	(3,341)	-	(31,060)
<b>Net Book Value as at 01/01/2023</b>	<b>10,278</b>	<b>6,175</b>	<b>851</b>	<b>1,751</b>	<b>1,831</b>	<b>7</b>	<b>20,893</b>
<b>Changes in 2023</b>							
Business combinations	-	130	19	26	-	-	175
Investments	71	934	373	658	186	27	2,249
Net disposals	(7)	(1)	(1)	(42)	-	-	(51)
Other changes / reclassifications	-	73	-	(1)	(39)	26	59
Amortisation	(445)	(1,886)	(436)	(622)	(708)	-	(4,097)
Exchange differences	(5)	(62)	-	(11)	(41)	-	(119)
<b>Closing Net Book Value</b>	<b>9,892</b>	<b>5,363</b>	<b>806</b>	<b>1,759</b>	<b>1,229</b>	<b>60</b>	<b>19,109</b>
Historical cost	13,181	21,821	6,429	7,666	5,139	60	54,296
Accumulated depreciation	(3,289)	(16,458)	(5,623)	(5,907)	(3,910)	-	(35,187)
<b>Net Book Value as at 31/12/2023</b>	<b>9,892</b>	<b>5,363</b>	<b>806</b>	<b>1,759</b>	<b>1,229</b>	<b>60</b>	<b>19,109</b>
<b>Changes in 2024</b>							
Investments	229	383	152	257	42	-	1,063
Net disposals	-	(39)	-	(24)	-	-	(63)
Other changes / reclassifications	-	290	2	2	-	(36)	258
Amortisation	(223)	(916)	(180)	(277)	(366)	-	(1,962)
Exchange differences	5	51	-	9	26	-	91
<b>Closing Net Book Value</b>	<b>9,903</b>	<b>5,132</b>	<b>780</b>	<b>1,726</b>	<b>931</b>	<b>24</b>	<b>18,496</b>
Historical cost	13,416	22,518	6,571	7,716	5,324	24	55,569
Accumulated depreciation	(3,513)	(17,386)	(5,791)	(5,990)	(4,393)	-	(37,073)
<b>Net Book Value as at 30/06/2024</b>	<b>9,903</b>	<b>5,132</b>	<b>780</b>	<b>1,726</b>	<b>931</b>	<b>24</b>	<b>18,496</b>

Amounts in €/000

The investments made in the period are geared towards maintaining the efficiency and production capacity of the Group's plants. It should be noted that at 30 June 2024, there were no impairment indicators for Property, Plant and Equipment.

## NOTE 2: INTANGIBLE ASSETS

The following table provides detailed information on the breakdown of the item and the changes in intangible assets due to acquisitions, amortisation for the period, any write-downs or write-backs, and any effects deriving from extraordinary transactions.

INTANGIBLE ASSETS							
	Goodwill	Development costs	Patents and know how	Concessions, licences, trademarks and similar rights	Other intangible assets	Intangible assets in progress and advances	Total
Historical cost	39,507	1,708	27,911	2,148	22,765	986	95,024
Accumulated depreciation	(2,808)	(1,087)	(17,210)	(598)	(13,804)	-	(35,507)
<b>Net Book Value as at 01/01/2023</b>	<b>36,699</b>	<b>621</b>	<b>10,700</b>	<b>1,550</b>	<b>8,961</b>	<b>986</b>	<b>59,517</b>
<b>Changes in 2023</b>							
Business combinations	1,368	-	1,829	-	-	-	3,197
Investments	-	84	138	21	288	55	586
Depreciation	(424)	-	-	-	-	-	(424)
Other changes / reclassifications	-	(9)	-	-	-	(616)	(625)
Amortisation	-	(291)	(4,270)	(224)	(1,909)	-	(6,694)
Exchange differences	(220)	-	(23)	-	(172)	-	(415)
<b>Closing Net Book Value</b>	<b>37,423</b>	<b>405</b>	<b>8,374</b>	<b>1,347</b>	<b>7,168</b>	<b>425</b>	<b>55,143</b>
Historical cost	37,423	1,455	29,800	2,169	22,823	425	94,096
Accumulated depreciation	-	(1,050)	(21,426)	(822)	(15,655)	-	(38,953)
<b>Net Book Value as at 31/12/2023</b>	<b>37,423</b>	<b>405</b>	<b>8,374</b>	<b>1,347</b>	<b>7,168</b>	<b>425</b>	<b>55,143</b>
<b>Changes in 2024</b>							
Investments	-	-	18	11	-	7	36
Depreciation	(2,000)	-	-	-	-	-	(2,000)
Amortisation	-	(87)	(1,838)	(111)	(939)	-	(2,975)
Exchange differences	197	1	11	-	141	-	348
<b>Closing Net Book Value</b>	<b>35,620</b>	<b>319</b>	<b>6,565</b>	<b>1,247</b>	<b>6,370</b>	<b>432</b>	<b>50,552</b>
Historical cost	35,620	1,455	29,847	2,180	23,002	432	92,536
Accumulated depreciation	-	(1,136)	(23,282)	(933)	(16,632)	-	(41,984)
<b>Net Book Value as at 30/06/2024</b>	<b>35,620</b>	<b>319</b>	<b>6,565</b>	<b>1,247</b>	<b>6,370</b>	<b>432</b>	<b>50,552</b>

Amounts in €/000

**Goodwill**

Goodwill acquired through business combinations carried out by Somec Group in previous years amounted to a total of 35,620 thousand Euro as at 30 June 2024 (37,423 thousand Euro as at 31 December 2023).

In order to determine the recoverable value, this goodwill has been allocated to the related cash generating units (CGUs) of the individual Group companies, with the exception of goodwill for the Professional Cooking Equipment CGUs (Inoxtrend S.r.l., Primax S.r.l., Pizza Group S.r.l., Pizza Group USA LLC and GICO S.p.A.) and Mestieri (CGU Budri S.r.l., CGU Gino Ceolin S.r.l., CGU Lamp Arredo S.r.l., CGU Mestieri S.p.A., CGU Skillmax S.r.l. e CGU Total Solution Interiors S.r.l.), for which the Directors evaluate whether their performance benefits from the synergies generated by the business combination and consequently test the goodwill on the group of CGUs.

The breakdown of goodwill of the CGUs in the two periods is as follows:

	Mestieri CGU Group	CGU Fabbrica	CGU Professional Cooking Equipment	CGU Oxin	CGU Bluesteel	Total Goodwill
<b>30 June 2024</b>	18,149	6,297	4,141	5,685	1,348	<b>35,620</b>
<b>31 December 2023</b>	18,149	6,100	6,141	5,685	1,348	<b>37,423</b>

Amounts in €/000

The details of CGU goodwill in the Mestieri CGU Group at 30 June 2024 and 31 December 2023 are shown below.

**60**

	CGU TSI	CGU Budri	CGU Skillmax	CGU Lamp Arredo	CGU Gino Ceolin	Total Goodwill
<b>30 June 2024</b>	6,379	5,603	2,837	1,962	1,368	<b>18,149</b>
<b>31 December 2023</b>	6,379	5,603	2,837	1,962	1,368	<b>18,149</b>

Amounts in €/000

The change during the period is mainly due to:

- the write-down of the goodwill of the Professional Cooking Equipment CGU following impairment test
- exchange effects on the goodwill in the functional currency of Fabbrica LLC

An overview of the change in the period relating to goodwill is provided in the following table:

<b>GOODWILL</b>	
<b>Net Book Value as at 31/12/2023</b>	<b>37,423</b>
Goodwill write-down of the Professional Cooking Equipment CGU	(2,000)
Exchange differences	197
<b>Net Book Value as at 30/06/2024</b>	<b>35,620</b>

Amounts in €/000

For applicability of impairment indicators and to gain an insight into the results of the tests carried out, reference should be made to note 3 below.

### **Development costs**

Development costs amounted to 319 thousand Euro at 30 June 2024 (405 thousand Euro at 31 December 2023), referring to projects for the development of new products in the sector “Talenta: professional kitchen systems and products”. Capitalization was based on a careful reporting and analysis of expenses incurred, taking into account estimated future usefulness.

### **Patents and know-how**

“Patents and know-how”, totalling 6,565 thousand Euro at 30 June 2024 (8,374 thousand Euro at 31 December 2023), include know-how under intangible assets, i.e. the ability to perform in the sector in which they operate, recognised at the time of allocation of the price paid for the acquisition of: i) Fabbrica LLC and Primax S.r.l., which took place in 2018; ii) Total Solution Interiors S.r.l. in 2019; iii) Skillmax S.r.l., which took place in 2020; iv) Bluesteel S.r.l., Budri S.r.l. and Lamp Arredo S.r.l. which took place during 2022; v) Gino Ceolin S.r.l., which took place in 2023.

The net book value of the know-how at 30 June 2024 amounted to a total of 6,079 thousand Euro (7,771 thousand Euro at 31 December 2023).

The change in know-how is summarised in the following table:

<b>KNOW HOW</b>	
<b>Net Book Value as at 31/12/2023</b>	<b>7,771</b>
Amortisation	(1,692)
<b>Net Book Value as at 30/06/2024</b>	<b>6,079</b>

Amounts in €/000

In order to identify the value of unpatented technology (know-how) from the business combinations of Bluesteel S.r.l., Budri S.r.l., Gino Ceolin S.r.l., Lamp Arredo S.r.l., Fabbrica LLC, Total Solution Interiors S.r.l., Primax S.r.l. and Skillmax S.r.l., the Directors applied a method that computes the discounted present value of royalties to be paid to license holders for specific technology (“relief from royalty method”). This method is based on the assumption that the value of the asset lies in the hypothetical royalty payments that would be saved by owning the asset rather than licensing it. Using the aforementioned approach, a royalty rate was identified to measure the value of know-how, determined by taking into account information obtained from the management of the companies, as well as by analysing the results of a panel of license agreements for similar technologies. The royalty rate was applied to the estimated revenue included in the business plan, considering an appropriate maintenance cost. The amounts obtained were discounted to the net present value using an appropriate discount rate, while also taking into account the theoretical tax benefit attributable to the amortisation of the asset (TAB). A 5-year time frame was considered to calculate the net present value of royalties (ten years for Primax and seven years for Gino Ceolin S.r.l.), in line with the useful life attributed by the Directors to the value of know-how. On the reporting date, the Directors have identified no indication of impairment of know-how.

### Concessions, licences, trademarks and similar rights

The item “Concessions, licences, trademarks and similar rights”, amounting to 1,247 thousand Euro as at 30 June 2024 (1,347 thousand Euro as at 31 December 2023) includes the fair value of the GICO brand (Professional Cooking Equipment CGU), recognised as a tangible asset with a finite useful life attributed in the purchase price allocation for the acquisition of the company. The Directors have attributed a time horizon of five years to the value of the brand. At the balance sheet date, the Directors have not identified impairment indicators for the brand.

An overview of changes in this item during the period is shown in the table below:

<b>CONCESSIONS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS</b>	
<b>Net Book Value as at 31/12/2023</b>	<b>1,347</b>
Investments	11
Amortisation	(111)
<b>Net Book Value as at 30/06/2024</b>	<b>1,247</b>

Amounts in €/000

### Other intangible assets

The item “Other intangible assets”, amounting to 6,370 thousand Euro as at 30 June 2024 (7,168 thousand Euro as at 31 December 2023), refers to the amount recognised as customer relationships following the acquisitions of Fabbrica LLC, Total Solution Interiors S.r.l. and Pizza Group S.r.l., which occurred in previous years.

On overview of changes in Customer Relationships is shown in the table below:

<b>CUSTOMER RELATIONSHIPS</b>	
<b>Net Book Value as at 31/12/2023</b>	<b>6,952</b>
Amortisation	(825)
Exchange differences	136
<b>Net Book Value as at 30/06/2024</b>	<b>6,263</b>

Amounts in €/000

To calculate the value of relationships with customers from the Fabbrica LLC, Total Solution Interiors S.r.l. and Pizza Group S.r.l. business combinations, realised in previous years, the Directors applied a method that computes the net present value of the excess earnings attributable to the specific intangible asset (so-called multi period excess earnings method - MEEM). This method is based on the assumption that the value of an asset is equal to the present value of the incremental net income attributable only to the asset, or net of the return on all other assets required to use the said asset. The other assets considered (contributory assets) were know-how, described in the previous note, net working capital, investments in fixed assets (other than know-how) and assembled workforce (AWF). As for relationships with customers, considering the ten-year useful life (the useful life of this intangible asset in Pizza Group S.r.l. was set at five years) awarded by the Directors to this intangible asset, the excess earnings that can be deduced from the business plans were discounted to NPV, using estimates obtained starting from the last year of explicit cashflow, assuming a perpetual growth rate of 1% per year. On the reporting date, the Directors have identified no impairment indicators for relationships with customers.

“Other intangible assets” include costs capitalised during the year to the amount of 91 thousand Euro, pertaining to the contract cost assets of subsidiary Fabbrica LLC., amortised based on the project's progress status.

Finally, this item includes intangible assets in progress and advances (432 thousand Euro) mainly related to research and development projects underway in some companies of the Talenta: Professional Kitchens Systems and Products division.

### **NOTE 3: IMPAIRMENT TEST**

It should be noted that no impairment indicators were recognised in the first half of 2024 for Fabbrica, Mestieri and Oxin CGUs. Indeed, the CGUs to which the goodwill was allocated reported results in line with the forecasts used for the impairment tests conducted at 31 December 2023. Therefore, the considerations set out in the consolidated financial statements as at 31 December 2023 in regard to the recoverability of the value of intangible assets of an indefinite useful life (including goodwill) are confirmed. With regard to Bluesteel and Cooking Professional Equipment CGUs, however, it should be noted that the results achieved in the first half of 2024 were not fully in line with plan expectations. Therefore, it was deemed necessary to carry out impairment tests for both CGUs at the reporting date of these financial statements.

A summary is provided below for each CGU regarding the assumptions underlying the impairment tests conducted at 30 June 2024 and the conclusions reached by the Directors.

It should be noted that the results of such impairment tests for the purposes of the condensed consolidated interim financial statements were based on the enterprise value figures of the CGUs, compared with the corresponding figures of net invested capital, including goodwill and other assets recognised in connection with the business combinations. With regard to the forward-looking income statement data, reliance was made on the data from the 2025-2027 plans of Group companies. In discounting the cash flows from the plans, the Directors identified a WACC (Weighted Average Cost of Capital) discount rate for each of the CGUs, considering their specific characteristics. The normalised cash flow of last year's projections was considered for the estimation of the terminal value, for the quantification of which the Directors considered a “g” growth rate of 1%, which rate was deemed to reflect on average the expected growth for the Group in the CGUs/sectors in which it operates.

#### **Impairment test CGU Bluesteel**

The Bluesteel CGU is linked to Bluesteel S.r.l., a European player in engineered façade and window systems. To measure the return on the capital invested in the CGU, the expected future cash flows in the 2025-2027 plan drawn up by management were discounted using a weighted average cost of capital (WACC - Weighted Average Cost of Capital) of 10.82%.

Cash flows beyond the plan period were determined using NOPAT (Net Operating Profit Less Adjusted Taxes) in the last year of the plan as the reference cash flow and applying a growth rate (g) of 1%. The analyses performed showed that the recoverable amount was above the carrying amount of the Bluesteel CGU, including the allocated goodwill.

A sensitivity analysis was carried out by establishing the increase in the discount rate (WACC) and the percentage reduction in EBITDA (over the entire course of the plan, including the terminal value) beyond which an impairment loss arises. The WACC, or the discount rate at which headroom is reduced to zero is 39.17%. Headroom is reduced to zero with a 66.29% reduction in EBITDA compared to forecasts.

#### **Impairment test CGU Professional Cooking Equipment**

The Professional Cooking Equipment CGU includes the companies GICO S.p.A., Inoxtrend S.r.l., Primax S.r.l., Pizza Group S.r.l. and Pizza Group USA LLC, which operate in the professional cooking equipment sector.

To measure the return on the capital invested in the CGU, the expected future cash flows in the 2025-2027 plan drawn up by management, determined by aggregating the 3-year plans of the five companies in the CGU, were discounted using a weighted average cost of capital (WACC - Weighted Average Cost of Capital) of 11.54%.

Cash flows beyond the plan period were determined using NOPAT (Net Operating Profit Less Adjusted Taxes) in the last year of the plan as the reference cash flow and applying a growth rate (g) of 1%.

The tests carried out showed a permanent impairment loss of capital invested in the CGU Professional Cooking Equipment of 2,000 thousand Euro, entirely allocated to goodwill.

The total value of goodwill referring to the CGU in question at 30 June 2024 therefore amounted to 4,141 thousand Euro (6,141 thousand Euro at 31 December 2023).



## NOTE 4: RIGHT-OF-USE ASSETS

The following shows the book values of right-of use assets and changes in the item during the period:

RIGHT-OF-USE ASSETS					
	Land and buildings	Plant and machinery	Company cars	Other assets	Total
Historical cost	31,836	3,330	2,527	485	38,179
Accumulated depreciation	(8,385)	(1,027)	(1,102)	(278)	(10,792)
<b>Net Book Value as at 01/01/2023</b>	<b>23,452</b>	<b>2,303</b>	<b>1,425</b>	<b>207</b>	<b>27,387</b>
<b>Changes in 2023</b>					
Business combinations	685	-	-	-	685
Increase	2,386	867	986	89	4,328
Other changes / reclassifications	(2,638)	(75)	(26)	-	(2,739)
Amortisation	(4,033)	(717)	(696)	(118)	(5,564)
Exchange differences	(159)	-	-	(2)	(161)
<b>Closing Net Book Value</b>	<b>19,693</b>	<b>2,378</b>	<b>1,689</b>	<b>176</b>	<b>23,936</b>
Historical cost	30,694	4,042	3,161	431	38,328
Accumulated depreciation	(11,001)	(1,664)	(1,472)	(255)	(14,392)
<b>Net Book Value as at 31/12/2023</b>	<b>19,693</b>	<b>2,378</b>	<b>1,689</b>	<b>176</b>	<b>23,936</b>
<b>Changes in 2024</b>					
Increase	645	-	429	104	1,178
Other changes / reclassifications	65	(290)	(23)	(1)	(249)
Amortisation	(2,001)	(347)	(380)	(53)	(2,782)
Exchange differences	126	(1)	1	1	127
<b>Closing Net Book Value</b>	<b>18,528</b>	<b>1,740</b>	<b>1,716</b>	<b>227</b>	<b>22,210</b>
Historical cost	31,371	3,287	3,142	502	38,302
Accumulated depreciation	(12,843)	(1,547)	(1,426)	(275)	(16,091)
<b>Net Book Value as at 30/06/2024</b>	<b>18,528</b>	<b>1,740</b>	<b>1,716</b>	<b>227</b>	<b>22,210</b>

Amounts in €/000

The lease and rental agreements currently in place do not allow for variable payments that are index linked. On the reporting date, the Group has no agreements in place with guarantees on the residual value or commitments for contracts not yet in place. The Group has no sublet agreements in place. The Group did not carry out any sale and leaseback transactions during the period.

The following table shows the amounts recognised in the statement of consolidated income:

	30/06/2024	30/06/2023
Depreciation of right-of-use assets	2,782	2,696
Interest payable on leases	348	394
Expenses - short term leases	1,273	1,273
<b>Total recognised in the income statement</b>	<b>4,403</b>	<b>4,363</b>

Amounts in €/000

Total cash flows used for leases recognised in compliance with IFRS 16 amounted to 3,166 thousand Euro as at 30 June 2024 (6,352 thousand Euro as at 31 December 2023).

#### NOTE 5: INVESTMENTS IN ASSOCIATES

The following table shows the changes in the first half of 2024 of the item Investments in associates, referring to the company Squadra S.r.l., valued using equity method.

INVESTMENTS IN ASSOCIATES	
<b>Net book value as at 31/12/2023</b>	<b>339</b>
Write-ups/(write downs)	48
Dividends from equity method investments	(52)
<b>Net book value as at 30/06/2024</b>	<b>335</b>

Amounts in €/000

#### NOTE 6: NON-CURRENT FINANCIAL ASSETS

The item is composed as follows:

NON-CURRENT FINANCIAL ASSETS		
	30/06/2024	31/12/2023
Securities and investment funds	253	253
Derivative instrument assets	781	631
Other	4	4
<b>Total Non-current financial assets</b>	<b>1,038</b>	<b>888</b>

Amounts in €/000

Derivative assets reflect the non-current portion of the fair value at the reporting date of IRS derivatives hedging the interest rate risk of loans.

## NOTE 7: DEFERRED TAX ASSETS AND LIABILITIES

The following table shows changes in deferred tax assets, the nature of the items and the timing differences.

DEFERRED TAX ASSETS				
	30/06/2024		31/12/2023	
	Timing differences	Tax effect	Timing differences	Tax effect
Bad debt provision	2,989	716	2,968	711
Maintenance	40	10	35	8
Unpaid Directors' compensation	30	7	30	7
Inventory write-offs	1,864	460	1,804	445
Warranty provisions	705	170	355	86
Trademark amortisation	768	214	726	203
Derivative financial instruments	186	45	264	63
Tax losses	21,996	5,279	18,273	4,385
Provisions for liabilities and charges	20	5	20	5
Adjustment of unrealised intragroup margins	387	108	-	-
Ancillary cost adjustments for equity investments	486	135	486	135
Start-up and expansion costs	38	11	44	12
Adjustment of software costs	889	248	988	276
Right-of-use assets	1,195	291	1,124	272
Employee benefits	2,044	491	1,614	387
Exchange losses	353	85	207	50
Interest payable	961	231	505	121
Other	2,378	569	2,524	607
<b>Total Deferred tax assets</b>	<b>9,075</b>		<b>7,773</b>	

Amounts in €/000

To determine deferred tax assets (prepaid taxes), we applied the tax rates in force in the various countries of Group operations. Deferred taxes calculated on tax losses that can be carried forward, amounting to 5,279 thousand Euro at 30 June 2024, refer mainly to tax losses generated in the first half 2024 and previous years by some subsidiaries. Taking into account the multiannual plans prepared by the Group, this will be recovered in future years. Given that the tax loss carry forwards are mainly attributable to Italian companies, there are no issues with carrying forward of tax losses over time. The tax benefit was accounted for as the Directors believe that future tax income is likely, against which these losses can be offset. The Group recognises deferred tax assets up to the amount for which it considers it likely that they will be recovered in future periods and over a time horizon consistent with the time horizon outlined in the estimates of management.

As at 30 June 2024 the Group has additional tax loss carry-forwards amounting to 8,399 thousand Euro, equal to the amount of the previous year, for which no deferred tax assets have been allocated.

Derivatives that are defined as cash flow hedges and measured at fair value directly in equity imply that the related taxes are charged directly to equity and not to the income statement. Deferred tax assets recognised to equity amounted to 376 thousand Euro.

The table below shows deferred tax liabilities, the nature of the items and temporary timing differences.

DEFERRED TAX LIABILITIES				
	30/06/2024		31/12/2023	
	Timing differences	Tax effect	Timing differences	Tax effect
Unrealised exchange gains	357	86	-	-
Depreciation and amortisation	6	1	6	1
Derivative financial instruments	1,752	421	1,732	416
USA retained earnings	2,215	598	2,856	698
Right-of-use assets	425	114	321	87
Employee benefits	2,281	548	1,803	433
Increase in value allocated to contract assets (interim)	2,830	790	1,395	379
Increase in value allocated to land and buildings	4,241	1,183	4,333	1,209
Increase in value allocated to plant and machinery	285	79	311	87
Increase in value allocated to know-how	6,079	1,696	7,711	2,168
Increase in value allocated to customer relationships	6,263	1,712	6,953	1,900
Increase in value allocated to trademarks	119	33	178	50
Adjustment of unrealised intragroup margins	999	279	-	-
Other	3,158	869	551	134
<b>Total Deferred tax liabilities</b>	<b>8,409</b>		<b>7,562</b>	

Amounts in €/000

## NOTE 8: INVENTORY AND CONTRACT ASSETS

The item is composed as follows:

INVENTORY AND CONTRACT ASSETS		
	30/06/2024	31/12/2023
Raw materials and consumables	15,182	14,683
Work in process and semi-finished goods	2,510	2,441
Contract work in progress	35,646	36,200
Finished goods and goods for resale	4,184	4,807
Advances and payments on account to suppliers	3,355	1,768
<b>Total Inventory and contract assets</b>	<b>60,877</b>	<b>59,899</b>

Amounts in €/000

Raw materials and consumables are mainly composed of profiles, steel sheets, and glass used during the manufacturing process and are recognised at the weighted average purchase cost.

Contract work in progress refers to orders normally lasting more than one year, in progress at the end of the reporting date. The item includes work in progress, the value of which is higher than the amount billed to the client. Work in progress is determined by the costs incurred plus recognised margins, net of any expected losses.

The net amount of contract assets and liabilities relating to orders are shown in the statement of financial position, i.e. the amount owed by clients for contract work in progress is recognised as an asset, under the item Inventory and Contract assets (when it exceeds the related advances received), whereas advances received on contract work in progress are recorded as liabilities under the item Liabilities for contract work in progress and customer advances (when they exceed the associated amount owed by clients).

The item Finished goods includes the 987 thousand Euro net book value of an industrial building located in Moriago della Battaglia (TV) belonging to the subsidiary Hysea S.r.l. that is destined for sale. The book value of the property, amounting to 3,166 thousand Euro, is adjusted by a bad debt provision of 2,179 thousand Euro in order to align its value with the realisable value.

It should be noted that in July 2024, following the exercise of the purchase option, the property complex was sold. The item Advances and payments on account to suppliers amounting to 3,355 thousand Euro, refers to advance payments to suppliers for the purchase of raw materials and supplies that have yet to be delivered.

Inventory is shown net of the related provision amounting to 3,911 thousand Euro.

#### NOTE 9: TRADE RECEIVABLES

Trade receivables amounting to 78,255 thousand Euro as at 30 June 2024 (73,511 thousand Euro as at 31 December 2023) originate from the billing of completed orders and the status of those still in progress on the reporting date, as well as normal sales transactions.

The breakdown of gross accounts receivable by expiry date as at 30 June 2024 is as follows:

TRADER RECEIVABLE BY EXPIRY DATE					
	Not yet expired	Expired 0 - 90 days	Expired 90 - 180 days	Expired by more than 180 days	Total
Gross book value of trade receivables as at 30 June 2024	65,386	10,442	547	4,759	<b>81,134</b>
Gross book value of trade receivables as at 31 December 2023	57,689	11,955	988	5,928	<b>76,560</b>

Amounts in €/000

Trade receivables are recognised net of the related bad debt provision, which represents the estimated reduction in the value of doubtful debts, such as those subject to legal disputes, and judicial and extra-judicial proceedings due to insolvency of debtors.

The amount of the allowance and the changes in the first half 2024 are shown below:

<b>BAD DEBT PROVISION</b>	
<b>Balance as at 31/12/2022</b>	<b>3,892</b>
Business combinations	16
Provisions	865
Allocations	(929)
Releases	(795)
<b>Balance as at 31/12/2023</b>	<b>3,049</b>
Provisions	212
Allocations	(379)
Releases	(3)
<b>Balance as at 30/06/2024</b>	<b>2,879</b>

Amounts in €/000

Doubtful receivables refer to specific accounts, the collection of which is deemed uncertain. Provisions for doubtful receivables were carried on the basis of best estimates made by management based on the analysis of the schedule of payments and in relation to the solvency status of customers having a longer outstanding debt record or who are subject to enforced recovery proceedings.

## 70

### NOTE 10: OTHER RECEIVABLES

Other receivables include the following:

<b>OTHER RECEIVABLES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Indirect tax receivables	9,713	9,083
Other receivables	786	1,258
Advance payments to suppliers	2,545	2,062
Prepaid expenses	1,759	1,044
Down-payments	586	469
Employee advances	21	23
Labour insurance and social security receivables	276	76
Other tax receivables	123	1,268
<b>Total Other receivables</b>	<b>15,809</b>	<b>15,283</b>

Amounts in €/000

The item Indirect tax receivables amounting to 9,713 thousand Euro (9,083 thousand Euro as at 31 December 2023) mainly refers to a VAT credit. The sizeable amount of the credit is due to the fact that some Group companies are unable to charge VAT on sales, which prevents them from fully reclaiming VAT paid on purchases.

## NOTE 11: TAX RECEIVABLES

The item includes the following:

<b>TAX RECEIVABLES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Corporation tax receivable (IRES)	635	943
Regional business tax receivable (IRAP)	183	188
Foreign tax credit	2,617	2,649
Other income tax receivables	442	578
<b>Total Tax receivables</b>	<b>3,877</b>	<b>4,358</b>

Amounts in €/000

The item Foreign tax credit refers mainly to credit on taxes paid abroad, referring in particular to foreign branches through which Somec operates at international shipyards.

## NOTE 12: OTHER CURRENT FINANCIAL ASSETS

The following table shows the breakdown of the item:

<b>OTHER CURRENT FINANCIAL ASSETS</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Current financial assets	11,309	20,287
Derivative instrument assets	1,027	1,173
Securities	202	190
Prepaid interest and other financial items	237	238
<b>Total Other current financial assets</b>	<b>12,775</b>	<b>21,888</b>

Amounts in €/000

Current financial receivables include amounts due from factoring companies for claims assigned without recourse and not yet collected at 30 June 2024.

Derivative assets reflect the current portion of the fair value at the reporting date of IRS derivatives hedging the interest rate risk of loans.

**NOTE 13: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are broken down as follows:

<b>CASH AND CASH EQUIVALENTS</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Current bank accounts and post office deposits	47,092	46,916
Cash-in-hand	61	46
<b>Total Cash and cash equivalents</b>	<b>47,153</b>	<b>46,962</b>

Amounts in €/000

Cash and cash equivalents at the end of the period refer to the balance of current accounts held with various banks on which there are no restrictions or constraints.

**NOTE 14: SHAREHOLDERS' EQUITY**

Details of consolidated shareholders' equity are shown in the following table:

<b>SHAREHOLDERS' EQUITY</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Share capital	6,900	6,900
Share premium reserve	18,173	18,173
Legal reserve	1,380	1,380
Other reserves and retained earnings	(11,544)	(9,543)
<b>Group net equity</b>	<b>14,909</b>	<b>16,910</b>
Minority interest capital and reserves	1,931	1,475
Income from minorities	918	1,273
<b>Minority interest</b>	<b>2,849</b>	<b>2,748</b>
<b>Total net equity</b>	<b>17,758</b>	<b>19,658</b>

Amounts in €/000

The share capital (fully paid-in) amounts to 6,900 thousand Euro as at 30 June 2024, and is composed of 6,900,000 shares of no par value, inclusive of 968 treasury shares.

The share premium reserve is recognised following the share capital increase that took place at the time the stock was listed on the Euronext Growth Milan (EGM) market in April 2018.



Below are the main components making up the item Other reserves and retained earnings:

- extraordinary reserve, amounting to 5,066 thousand Euro, to which are allocated the profits in excess of the shares attributed to the legal reserve and distributable to shareholders in the form of dividends
- cash flow hedge reserve, which receives the variation in the effective hedging component of derivative instruments at the fair value, which at 30 June 2024 had a balance of 1,236 thousand Euro (1,184 thousand Euro at 31 December 2023)
- IFRS first-time adoption reserve established on the date of transition of the consolidated financial statements to the international accounting standards (1 January 2018), with the convergence of all changes introduced compared to Italian accounting standards (negative balance of 133 thousand Euro)
- share-based payment reserve, resulting from the accounting procedure adopted for the Incentive Plan, such reserve being written off during the period under review, following the grant of the last tranche of restricted shares related to the 2021-2025 incentive plan
- treasury shares purchase reserve, which was established as part of the Parent Company's share purchase programmes and used in the current year following the allocation of restricted shares linked to the approval of the 2023 financial statements. It amounted to 968 treasury shares, accounting for 0.01% of the share capital, totalling 31 thousand Euro
- conversion reserve of 1,306 thousand Euro, relating to exchange rate differences from conversions into Euro of the balance sheets of Group companies operating in non-Euro areas
- result attributable to the Parent Company, which at 30 June 2024 amounted to -2,141 thousand Euro, compared to a result of -11,647 thousand Euro at 31 December 2023

Shareholders' equity pertaining to minority shareholders almost entirely pertained to minority shareholders of Fabbrica LLC and changed mainly due to: the normal trend of the translation reserve (148 thousand Euro), the distribution of dividends to minority shareholders of Fabbrica LLC (966 thousand Euro), and the attribution of the result for the period (918 thousand Euro).

Net gains/(losses) included in the other components of the statement of comprehensive income are shown below:

OTHER COMPREHENSIVE INCOME COMPONENTS		
	30/06/2024	30/06/2023
Exchange differences on translation of foreign operations	165	(64)
Effective portion of gains/(losses) on cash flow hedge instruments	53	(222)
Gains/(losses) on remeasurement of defined benefit plans	23	(104)
<b>Total Other components of net comprehensive income</b>	<b>241</b>	<b>(390)</b>

Amounts in €/000

**NOTE 15: LOANS AND FINANCING**

The item is composed as follows:

<b>LOANS AND FINANCING</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Non-current repayments on medium/long-term loans	44,048	12,842
<b>Total Non-current loans and financing</b>	<b>44,048</b>	<b>12,842</b>
Instalments of medium/long term loans falling due within one year	19,435	62,432
Advance payments on invoices and contracts	31,707	27,529
Other loans payable	4,614	6,714
Overdrafts	843	622
Interest and charges on bank loans and overdrafts	380	491
<b>Total Current loans and financing</b>	<b>56,979</b>	<b>97,788</b>
<b>Total Loans and financing</b>	<b>101,027</b>	<b>110,630</b>

Amounts in €/000

During the 2022 fiscal year the Parent Company signed a medium to long-term syndicated loan agreement with three leading banking institutions. This loan requires compliance with economic/financial parameters, or covenants, to be calculated annually based on the results of the consolidated financial statements (specifically: net financial debt/EBITDA and net financial debt/equity).

At 31 December 2023, the financial parameters were not met, consequently, the entire amount of the loan was fully reclassified under the current part of Loans and Financing in the 2023 Consolidated Financial Statements.

Prior to the approval of the 2023 consolidated financial statements by the Board of Directors, the Company obtained a waiver on the calculation of the parameters as at 31 December 2023. Based on such waiver, the Company stated, in this interim financial report, debt according to contractual maturity, thus under the current and non-current part as shown in the table above.

During the first half of 2024, discussions got underway with all institutions of the banking pool to agree on a revision of the economic/financial parameters (covenants).

As part of this discussion, a revision of the Group's 2024-2026 business plan was conducted, with the help of independent experts, with the aim of confirming the assumptions underlying the plan and redefining the economic/financial parameters used to secure the bank debt in a consistent and sustainable manner.

It should be noted that in the first half of 2024, loans in the amount of 11.9 million Euro were repaid, of which 9.8 million Euro related to the pool loan. Other loans payable refer to non-recourse factoring agreements with the factoring company Ifitalia.

## NOTE 16: OTHER FINANCIAL LIABILITIES

The item includes the following:

<b>OTHER FINANCIAL LIABILITIES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Non-current lease liabilities	17,866	18,991
Strike price of options on purchase of non-controlling interest	13,155	14,112
Earn out payment for non-controlling interest	722	186
Derivative liabilities	102	214
<b>Total Other non-current financial liabilities</b>	<b>31,845</b>	<b>33,503</b>
Current lease liabilities	4,827	5,188
Strike price of options on purchase of non-controlling interest	529	-
Earn out payment for non-controlling interest	2,675	4,355
Derivative liabilities	96	54
Other financial liabilities	58	58
<b>Total Other current financial liabilities</b>	<b>8,185</b>	<b>9,655</b>
<b>Total Other financial liabilities</b>	<b>40,030</b>	<b>43,158</b>

Amounts in €/000

### Lease liabilities

Lease liabilities refer to the present value of lease payments due, in accordance with the provisions of IFRS 16.

### Options on purchase of non-controlling interest

This item refers to the fair value of options to minority shareholders:

- Skillmax S.r.l. (2,419 thousand Euro), to be exercised as from 1 May 2027 until 30 April 2028, as per the agreement amending the shareholders' agreement, signed with minority shareholders in January 2024
- Budri S.r.l. (8,557 thousand Euro), becoming exercisable - in relation to 15% of the share capital - from the approval of the company's financial statements for the year ending 31 December 2025, and in relation to the remaining 20%, from the approval of the financial statements for the year ending 31 December 2027
- Lamp Arredo S.r.l. (1,431 thousand Euro), becoming exercisable - in relation to 20% of the share capital - from the approval of the financial statements for the year ending 31 December 2024, and in relation to the remaining 20%, from the approval of the financial statements for the year ending 31 December 2026
- Gino Ceolin S.r.l. (1,277 thousand Euro), becoming exercisable - in relation to 40% of the share capital - from the approval of the financial statements for the year ending 31 December 2026

Financial liabilities depend on the respective contractual terms, normally referring to the development of EBITDA multipliers for future periods approaching the option exercise date, less the net financial position expected for the investment, also estimated around the exercise date. The amounts, appropriately discounted in consideration of the estimated exercise dates, have been updated as at 30 June 2024 on the basis of the most recent financial forecasts prepared by the management for each of the indicated investments, recognising the adjustment of each liability in the income statement as financial income or expense. Re-measurement of the fair value of options for minority shareholders led to the recognition as of 30 June 2024 of a financial income totalling 829 thousand Euro.

#### **Earnout recognised on the purchase of minority interests**

This item also includes the discounted liability for the payment of earnout amounts due to the minority shareholders of Budri S.r.l. (3,206 thousand Euro). This liability was linked to EBITDA and net financial position figures relating to each individual financial year between 2023 and 2025.

This item also includes the discounted liability for the payment of the earnout amount due to the minority shareholders of Gino Ceolin S.r.l. (191 thousand Euro). This liability was linked to EBITDA and net financial position figures relating to the financial year 2024.

It should be noted that during the first half of 2024, the minority shareholders of Fabbrica LLC were paid an earnout amounting to 1,263 Euro, calculated based on the EBIT value of financial year 2023 and the cumulative EBIT of financial years 2022-2023.

#### **Derivative liabilities**

Derivative financial liabilities to the amount of 199 thousand Euro as at 30 June 2024 (268 thousand Euro as at 31 December 2023) reflect the fair value measurement of derivative instruments outstanding on the reporting date.

The Group has entered into Interest Rate Swap and Interest Rate Cap contracts aimed at hedging against interest rate risk stemming from some of its medium/long-term loans.

# 76

#### **NOTE 17: PROVISIONS FOR LIABILITIES AND CHARGES**

Provisions for liabilities and charges, amounting to 1,458 thousand Euro as at 30 June 2024 (1,086 thousand Euro at 31 December 2023), increased by 19 thousand Euro due to exchange differences and by 350 thousand Euro for additional provisions for the period.

Changes in the item during the period were as follows:

<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Provision for cost-operating contract costs	966	947
Product warranty provision	375	25
Other provisions for liabilities and charges	117	114
<b>Total provisions for liabilities and charges</b>	<b>1,458</b>	<b>1,086</b>

Amounts in €/000

The movements of the period were as follows:

<b>CHANGES IN PROVISIONS FOR LIABILITIES AND CHARGES</b>				
	<b>Provision for cost-operating contract costs</b>	<b>Product warranty provision</b>	<b>Other provisions for liabilities and charges</b>	<b>Total provisions for liabilities and charges</b>
<b>Balance as at 31/12/2022</b>	<b>1,187</b>	<b>25</b>	<b>110</b>	<b>1,322</b>
Provisions	-	-	4	4
Allocations	(207)	-	-	(207)
Exchange differences	(24)	-	-	(24)
Others	(9)	-	-	(9)
<b>Balance as at 31/12/2023</b>	<b>947</b>	<b>25</b>	<b>114</b>	<b>1,086</b>
Provisions	-	350	-	350
Exchange differences	19	-	-	19
Others	-	-	3	3
<b>Balance as at 30/06/2024</b>	<b>966</b>	<b>375</b>	<b>117</b>	<b>1,458</b>

Amounts in €/000

#### **NOTE 18: NET DEFINED-BENEFIT OBLIGATIONS**

This item refers to the employee severance indemnity fund, and showed the following changes during the periods being compared:

<b>NET DEFINED-BENEFIT OBLIGATIONS</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
<b>Balance at the beginning of the year</b>	<b>5,841</b>	<b>5,130</b>
Business combinations	-	429
Provisions	1,208	2,328
Interest	72	111
Other changes	(113)	(264)
Actuarial (gains)/losses	(30)	160
Uses for indemnities settled and advance payments made	(1,171)	(2,053)
<b>Balance at the end of the period</b>	<b>5,807</b>	<b>5,841</b>

Amounts in €/000

As at 30 June 2024, there are no other types of pension plans that qualify as defined benefit plans in place. The amount stated in the accounts is subject to actuarial calculations using the projected unit credit method, at an interest rate that reflects the market yield of securities with maturity dates in line with the expected maturity of the debt.

More specifically, the assumptions were as follows:

<b>ASSUMPTIONS</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
<b>Economic assumptions</b>		
Increase in living costs	2.00%	2.00%
Discount rate	3.61%	3.17%
Severance indemnity growth rate	3.00%	3.00%
Real wage growth rate	1.00%	1.00%
<b>Demographic assumptions</b>		
Probability of death	Disability and Death Probability Tables published by Italian General Accounting Office	Disability and Death Probability Tables published by Italian General Accounting Office
Probability of disability	National Social Security Institute (INPS) tables by age and gender	National Social Security Institute (INPS) tables by age and gender
Probability of resignation	5.00%	5.00%
Probability of advance on severance indemnity	2.00%	2.00%

# 78

Below is a sensitivity analysis for each relevant actuarial assumption at the reporting date, showing the effects that would have occurred as a result of changes in the reasonably likely actuarial assumption at that date, in absolute terms.

<b>SENSITIVITY ANALYSIS</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Turnover rate +1%	4,691	4,733
Turnover rate -1%	4,651	4,709
Inflation rate +0.25%	4,749	4,802
Inflation rate -0.25%	4,597	4,644
Discount rate +0.25%	4,577	4,623
Discount rate -0.25%	4,771	4,825

Amounts in €/000

Below are the estimated future payments for the coming years from the severance indemnity reserve.

<b>EXPECTED PAYMENTS</b>	
Within 1 year	443
Between 1 and 2 years	428
Between 2 and 3 years	461
Between 3 and 4 years	550
Between 4 and 5 years	610
<b>Total</b>	<b>2,492</b>

Amounts in €/000

#### **NOTE 19: TRADE PAYABLES**

Trade payables totalled 79,378 thousand Euro at 30 June 2024, compared to 74,904 thousand Euro at 31 December 2023. Trade payables are due within 12 months, do not bear interest and are normally settled within between 30 and 120 days.

At 30 June 2024, the Group reflected trade payables to factoring companies. The Group relied on indicators to establish whether these payables continued to qualify as trade payables or were to be held as loans. It should be noted that at 30 June 2024 these payables met the criteria whereby they could be held as trade payables.

#### **NOTE 20: OTHER CURRENT LIABILITIES**

The item is composed as follows:

<b>OTHER CURRENT LIABILITIES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
Social security and pension fund liabilities	3,192	3,048
Deferred employee compensation liabilities	7,718	5,210
Payables to directors and statutory auditors	339	271
Indirect tax and withholding tax liabilities	2,664	3,626
Other liabilities	2,033	1,761
Accrued expenses and deferred income	543	731
<b>Total Other current liabilities</b>	<b>16,489</b>	<b>14,647</b>

Amounts in €/000

Social security and pension fund liabilities mainly include amounts payable by Group companies and employees to the National Social Security Institute, or other entities, in relation to salaries for the month of June 2024 and contributions based on assessments at the end of the period.

The item Deferred employee compensation liabilities reflects the effects of provisions for unused holiday leave, deferred compensation, Performance bonuses and Management By Objectives (MBO) as at 30 June 2024.

**NOTE 21: CONTRACT WORK IN PROGRESS AND CUSTOMER ADVANCES**

This item, amounting to 46,466 thousand Euro as at 30 June 2024 (49,052 thousand Euro as at 31 December 2023) includes work in progress of a lower value than the amount billed to the client. Work in progress is determined by the costs incurred plus recognised margins, net of any expected losses. The item Customer advances refers to orders not in progress on the reporting date.

**NOTE 22: INCOME TAX LIABILITIES**

The item is composed as follows:

<b>INCOME TAX LIABILITIES</b>		
	<b>30/06/2024</b>	<b>31/12/2023</b>
IRES Corporation tax payable	1,841	838
IRAP Regional business tax payable	359	209
Foreign taxes payable	756	745
<b>Other income tax payable</b>	<b>2,956</b>	<b>1,792</b>

Amounts in €/000

Taxation consists of current tax liabilities, net of advance tax payments and residual tax liabilities from the previous year.



# KEY INCOME STATEMENT ITEMS

## NOTE 23: REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues from contracts with customers amount to 183,914 thousand Euro as at 30 June 2024 (190,146 thousand Euro as at 30 June 2023), broken down as follows by operating segment:

REVENUES FROM CONTRACTS WITH CUSTOMERS					
	Half-year as at 30 June 2024		Half-year as at 30 June 2023		
	Revenues from contracts with customers	Change in contract in work in progress	Revenues from contracts with customers	Change in contract in work in progress	
Horizons: engineered systems for naval architecture and building façades	117,218	2,029	93,816	15,570	
Talenta: professional kitchen systems and products	23,395	3,212	31,150	2,303	
Mestieri: design and production of bespoke interiors	39,495	(1,435)	33,374	13,933	
<b>Total Revenues from contracts with customers</b>	<b>180,108</b>	<b>3,806</b>	<b>158,340</b>	<b>31,806</b>	

Amounts in €/000

Typically, “variable considerations” do not have a significant impact on the Group. The breakdown of revenues (at 183.9 million Euro) by geographical area is as follows:

BREAKDOWN BY GEOGRAPHIC AREA				
	Italy	EU	Non-EU	Total
Revenues from contracts with customers 1H2024	41,619	41,117	101,178	<b>183,914</b>
Revenues from contracts with customers 1H2023	55,459	48,441	86,246	<b>190,146</b>

Amounts in €/000

Below are broken down Revenues “over time” that are recognised on the basis of the temporary transfer of control of goods and/or services to the customer and Revenues “at a point in time” at the final delivery of the goods or services.

REVENUES FROM CONTRACTS OVER TIME AND AT A POINT IN TIME			
	Revenues over time	Revenues at a point in time	Total revenues from contracts with customers
Revenues from contracts with customers 1H2024	170,026	13,888	<b>183,914</b>
Revenues from contracts with customers 1H2023	176,327	13,819	<b>190,146</b>

Amounts in €/000

**NOTE 24: OTHER REVENUES AND INCOME**

Other revenues and income are broken down as follows:

<b>OTHER REVENUES AND INCOME</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Grants	43	51
Insurance claim settlements	21	67
Other income	816	1,057
Contingent assets	770	267
<b>Total Other revenues and income</b>	<b>1,650</b>	<b>1,442</b>

Amounts in €/000

**NOTE 25: EMPLOYEE BENEFIT EXPENSES**

Employee benefit expense is broken down as follows:

<b>EMPLOYEE BENEFIT EXPENSES</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Wages and salaries	26,477	24,278
Social security costs	6,093	5,730
Defined benefit obligations	1,118	1,091
Other personnel expenses	222	444
<b>Total Employee benefit expenses</b>	<b>33,910</b>	<b>31,543</b>

Amounts in €/000

Personnel expenses represent total costs incurred for employees, including wages and salaries, social security and pension contributions and severance indemnity reserve.

The average number of employees per category as at 30 June 2024 and 30 June 2023 is shown in the following table:

<b>AVERAGE NUMBER OF EMPLOYEES PER CATEGORY</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Directors	21	20
Managers	43	41
Office staff	464	446
Operational workers	519	470
<b>Total</b>	<b>1,046</b>	<b>977</b>

## NOTE 26: DEPRECIATION, AMORTISATION AND OTHER WRITE-DOWNS

Depreciation, amortisation and other write-downs are as follows:

<b>DEPRECIATION, AMORTISATION AND OTHER WRITE-DOWNS</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Depreciation of property, plant and equipment	1,961	2,024
Amortisation of intangible assets	2,975	3,564
Depreciation of right-of-use assets	2,782	2,696
Write-down of goodwill	2,000	-
Provision for bad debt	212	323
Other provisions for liabilities and charges	350	-
<b>Total Depreciation, amortisation and other write-downs</b>	<b>10,280</b>	<b>8,607</b>

Amounts in €/000

The provision for bad debt includes an allowance to align trade receivables with their expected realisable value.

## NOTE 27: OTHER OPERATING COSTS

Other operating costs are composed as follows:

<b>OTHER OPERATING COSTS</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Outsourced manufacturing	15,457	15,106
Installation	15,669	16,939
Transport	3,423	4,123
Director and auditor remuneration	1,452	1,444
Audit fees	405	304
Other overheads	7,361	6,717
Fees and short-term rentals	1,273	1,273
Other expenses	14,790	12,814
<b>Total Other operating costs</b>	<b>59,830</b>	<b>58,720</b>

Amounts in €/000

It should be noted that Other costs mainly refers to service costs, general expenses, commercial charges and miscellaneous operating expenses.

It should be noted that, at the end of an outstanding dispute for work to be carried out under a civil contract, a settlement agreement was reached for a payment in full and final settlement in the amount of 675 thousand Euro, which was held under Other costs in the financial statements for the year ended 30 June 2024. According to Art. 149-duodecies of the Issuers' Regulation, it should be noted that the fees for the audit services performed during the first half of 2024 by EY S.p.A. amounted to 344 thousand Euro and 61 thousand Euro for related services and mandatory auditing activities, included in the item "Other costs". For further details, please refer to note 33 Fees paid to the auditing firm.

**NOTE 28: FINANCIAL INCOME AND EXPENSES**

The item includes the following:

<b>FINANCIAL INCOME AND EXPENSES</b>		
	<b>Half-year as at 30 June 2024</b>	<b>Half-year as at 30 June 2023</b>
Interest payable on bank loans and borrowings	(2,056)	(2,127)
Interest payable on lease liabilities	(348)	(394)
Interest payable on defined benefit plans	(71)	(62)
Interest payable to third parties	(490)	(181)
Interest paid for factoring services	(219)	(126)
Other financial charges	(176)	(207)
Remeasurement of financial liabilities (put option)	(45)	(7)
Write-down of financial assets	(34)	(37)
<b>Total Financial expenses</b>	<b>(3,439)</b>	<b>(3,141)</b>
Other financial income	34	32
Other interest	145	153
Fair value measurement gains of derivative financial instruments	-	486
Revaluation of financial assets	29	28
Remeasurement of financial liabilities (put option)	874	946
<b>Total Financial income</b>	<b>1,082</b>	<b>1,645</b>
<b>Total Financial income and expenses</b>	<b>(2,357)</b>	<b>(1,496)</b>

Amounts in €/000

The item Financial income and expenses as at 30 June 2024 had a negative balance of 2,357 thousand Euro (1,496 thousand Euro at 30 June 2023).

The item includes the remeasurement of the fair value of options to minority shareholders, amounting to a net 829 thousand Euro at the closing date of the financial year (net income of 939 thousand Euro at 30 June 2023).

**NOTE 29: OTHER INCOME (AND EXPENSES)**

The item Other income and expenses is composed of the balance of positive and negative exchange rate differences, amounting to a negative 297 thousand Euro as at 30 June 2024 (negative balance of 871 thousand Euro as at 30 June 2023).

**NOTE 30: INCOME FROM ASSOCIATES**

The item, amounting to 48 thousand Euro as at 30 June 2024, includes the effect of using the equity method of accounting for the associated company Squadra S.r.l.

### NOTE 31: INCOME TAXES

Income taxes recognised in the income statement are as follows:

INCOME TAXES		
	Half-year as at 30 June 2024	Half-year as at 30 June 2023
Current tax:		
- IRES Corporation tax	1,100	951
- IRAP Regional business tax	208	253
- Other current tax for foreign subsidiaries	843	1,021
Income tax prior years	70	274
Deferred tax liabilities	897	(177)
Deferred tax assets	(1,436)	(1,623)
<b>Total Income taxes</b>	<b>1,682</b>	<b>699</b>

Amounts in €/000

### NOTE 32: EARNINGS/(LOSS) PER SHARE

The item Earnings/(loss) per share is calculated by dividing the net profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding, excluding treasury shares.

The item Diluted earnings/(loss) per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares, and taking into account the effects of all potential ordinary shares having a dilutive effect.

Below are the results and number of ordinary shares used to calculate basic and diluted earnings/(loss) per share, determined in accordance with the methodology laid down in IAS 33.

EARNINGS/(LOSS) PER SHARE AND NUMBER OF SHARES		
	Half-year as at 30 June 2024	Half-year as at 30 June 2023
Earnings/(Loss) per share (Euro)	(0.31)	(0.34)
Diluted earnings/(Loss) per share (Euro)	(0.31)	(0.34)
Weighted average number of outstanding shares:		
- basic	6,891,216	6,879,232
- diluted	6,891,216	6,879,232

**NOTE 33: FEES PAID TO THE AUDITING FIRM**

The following table shows the fees relating to the first half of 2024 for audit, certification and other services provided by EY S.p.A. and other auditors to the Parent Company and its subsidiaries.

<b>FEES PAID TO THE AUDITING FIRM</b>			
<b>Type of services</b>	<b>Service provider</b>	<b>Recipient</b>	<b>Fees pertaining to in the first half of 2024</b>
Auditing	EY S.p.A.	Parent Company Somec S.p.A.	<b>155,966</b>
	EY S.p.A.	Subsidiaries	<b>188,384</b>
	Other auditors	Subsidiaries	<b>61,111</b>
Other services	EY S.p.A.	Parent Company Somec S.p.A.	<b>60,560</b>
	Other auditors	Subsidiaries	<b>92,677</b>

Information pursuant to Article 149-duodecies of CONSOB Issuers' Regulations. / In Euro

# OTHER INFORMATIONS

## FINANCIAL RISK MANAGEMENT: OBJECTIVES AND CRITERIA

The Board of Directors reviewed and agreed on the policies to manage the key financial risks described below.

### CREDIT RISK

Credit risk is the possibility of a financial loss resulting from the failure of a customer or one of the financial instrument counterparties to repay a loan or meet contractual obligations. In relation to these consolidated financial statements, this risk mainly derives from trade receivables.

The Group is not particularly exposed to the risk that its customers may delay or default on their payment obligations according to the agreed terms and methods, partly thanks to the fact that it operates with shipbuilders and shipowners of the highest standing and unquestionable solvency. Furthermore, for business purposes, the Group has adopted policies and procedures to guarantee the creditworthiness and solvency of its customers and limit exposure to credit risk by assessing and monitoring its clients. Finally, all receivables are regularly analysed for each customer. Receivables are written down/off when a potential impairment is detected.

The book value of financial assets represents the Group's exposure to credit risk:

	30/06/2024	31/12/2023
Non-current financial assets	1,038	888
Trade receivables	78,255	73,511
Other receivables	15,809	15,283
Current financial assets	12,775	21,888
Cash and cash equivalents	47,153	46,962
<b>Total</b>	<b>155,030</b>	<b>158,532</b>

Amounts in €/000

Please see Note 9 Trade receivables for the exposure to credit risk at the end of the period deriving from trade receivables by geographic area and changes in the related allowance for doubtful accounts.

### MARKET RISK

Market risk refers to fluctuations in the value of assets and liabilities due to changes in market prices (mainly exchange rates and interest rates) which, in addition to modifying the expected cash flows, can generate an unexpected increase in costs and financial expenses.

**EXCHANGE RATE RISK**

The Group is exposed to exchange rate risk mainly on the portion of the Group's assets and liabilities denominated in a currency other than the Euro.

More specifically, the Group is exposed to currency translation-related risk. Although the Group prepares its consolidated financial statements using the Euro as the currency of account, it controls companies with financial statements denominated in currencies other than the Euro (i.e. US dollar). Therefore, the Group is exposed to the risk that any exchange rate fluctuations when converting the non-Euro denominated financial statements of the controlled company into its own functional currency could have a significant impact on the consolidated financial statements.

The Group is also exposed to exchange "settlement" risk as it also conducts its business in countries outside the Eurozone and, therefore, the revenues, costs and equity components of some of the Group's assets are denominated in currencies other than the Euro, particularly the US dollar (USD). The table below shows sensitivity analysis to a reasonably possible change in the US dollar exchange rate for the main American subsidiaries of the Group, Fabbrica LLC and Navaltech LLC, with all other variables kept constant, showing the overall effect on the operating result as at 30 June 2024.

Changes in the USD exchange rate		Effect on operating result as at 30 June 2024	
(+)	(-)	(+)	(-)
+5%	-5%	(482)	533
+10%	-10%	(921)	1,126

Amounts in €/000

Transactions carried out in other currencies, other than the US dollar, are not significant at the closing date of these financial statements.

**88**

**INTEREST RATE RISK**

The risk of interest rate fluctuations essentially arises from medium-long term floating-rate loans. Any interest rate fluctuations may therefore have a negative impact on Group results. So far, interest rate risk management has essentially been aimed at reducing cost of funding and stabilising cash flows. The Group has also converted most of its floating-rate loans into fixed-rate loans by means of derivative financial instruments for cash flow hedging purposes.

For this reason, at the closing date of these financial statements, the potential effect on the income statement of the increase and decrease in interest rates (sensitivity analysis) is not significant.

**LIQUIDITY RISK**

Liquidity risk is when the Group is unable to meet its debt obligations. As things stand, the Group believes that its healthy cash flow generation levels, readily available funds, and prudent debt management strategy offer it enough stability to guarantee business continuity.

Liquidity risk management is mainly based on the strategy of reducing debt, self-funding and maintaining financial stability.

The following table analyses the breakdown and maturities of commercial, financial and other liabilities as at 30 June 2024 in comparison with same items as at 31 December 2023.



## LIABILITIES MATURITY

	30/06/2024	On demand	Within 1 year	Between 1 and 5 years	Over 5 years
Loans and financing	44,048	-	-	43,816	232
Other non-current financial liabilities	31,845	-	-	26,466	5,379
Other non-current liabilities	674	-	-	674	-
<b>Total non-current liabilities</b>	<b>76,567</b>	<b>-</b>	<b>-</b>	<b>70,956</b>	<b>5,611</b>
Trade payables	79,378	-	79,378	-	-
Other current liabilities	16,489	-	16,489	-	-
Loans and financing	56,979	37,544	19,435	-	-
Other current financial liabilities	8,185	-	8,185	-	-
Income tax liabilities	2,956	-	2,956	-	-
<b>Total current liabilities</b>	<b>163,987</b>	<b>37,544</b>	<b>126,443</b>	<b>-</b>	<b>-</b>

Amounts in €/000

	31/12/2023	On demand	Within 1 year	Between 1 and 5 years	Over 5 years
Loans and financing	12,842	-	-	12,515	327
Other non-current financial liabilities	33,503	-	-	27,018	6,485
Other non-current liabilities	759	-	-	759	-
<b>Total non-current liabilities</b>	<b>47,104</b>	<b>-</b>	<b>-</b>	<b>40,292</b>	<b>6,812</b>
Trade payables	74,904	-	74,904	-	-
Other current liabilities	14,647	-	14,647	-	-
Loans and financing	97,788	35,356	62,432	-	-
Other current financial liabilities	9,655	-	9,655	-	-
Income tax liabilities	1,792	-	1,792	-	-
<b>Total current liabilities</b>	<b>198,786</b>	<b>35,356</b>	<b>163,430</b>	<b>-</b>	<b>-</b>

Amounts in €/000

Finally, some active medium to long-term loan agreements require compliance with economic/financial parameters (covenants) to be calculated annually based on the results reported in the consolidated financial statements (i.e. net debt/EBITDA and net debt/equity). For more details on compliance with these parameters, please refer to Note 15, "Loans and funding".

## RISKS RELATING TO THE WORLDWIDE GEOPOLITICAL SITUATION

Over the past few years, the macroeconomic backdrop has been filled with uncertainty. Geopolitical instability, with special reference to the conflict in the Middle East and the continuation of hostilities between Russia and Ukraine, has led to an extremely complex and unpredictable outlook, characterised by inflationary phenomena, highly speculative patterns and effects on international logistics and demand. Notably, these trends have had an impact on energy and commodity prices, as well as on reliability of supplies and, more generally, a sharp increase in inflation on a global scale, resulting in a tightening of central banks' monetary policies.

For the first time, resource availability was at risk, making any planning and optimisation of the production chain difficult. This in turn had an impact on costs and efficiency. Although the Group has no direct or indirect business interests in the areas affected by the conflict, and its business model is neither energy-intensive nor particularly exposed to inflationary phenomena regarding raw materials or the higher costs of international transactions, the continuation of this situation might lead to difficulties in the normal management of operations or to pressures on margins.

The impact of these risks is however mitigated by a streamlined organisational structure and abundant order backlog, which proves undoubtedly beneficial in terms of potential planning. In any case, the Group constantly monitors the evolution of the macroeconomic environment and its impact on business.

## **RISKS RELATED TO CLIMATE CHANGE**

The Group is committed to ensuring a transition to business management with a lower environmental impact, trying to reduce the generation of greenhouse gas emissions. An integral part of this path is the determination of the transition risks and physical risks that could have an impact on company processes, in particular production processes.

Group assets might also be affected by natural events (floods, droughts, fires and so on) generated by the effects of climate change.

The Group's industrial strategy is oriented towards continuously raising the efficiency of production processes and the product sold to reduce energy consumption and air emissions. Its market positioning makes it a partner of excellence for leading US players in the sphere of research, development and implementation of innovative solutions that have a low environmental impact and actively combat climate change.

The Group has taken out specific insurance coverage to guard against possible consequences deriving from disastrous climatic and natural events.

In order to mitigate these risks, the Group is committed to integrating sustainability issues in its business plan and incentive tools, monitoring relevant elements through "what-if" analyses.

## FAIR VALUE MEASUREMENT AND HIERARCHY

The following table shows a comparison by individual class between the book value and the fair value of the financial instruments held by the Group, excluding those whose book value is roughly in line with the fair value:

FAIR VALUE MEASUREMENT				
	30/06/2024		31/12/2023	
	Book value	Fair value	Book value	Fair value
Interest Rate Swap:				
- Assets	1,809	1,809	1,804	1,804
- Liabilities	(199)	(199)	(268)	(268)
Call options on acquisition of non-controlling interest	(13,684)	(13,684)	(14,112)	(14,112)
Earn out payment for non-controlling interest	(3,397)	(3,397)	(4,541)	(4,541)
<b>Total</b>	<b>(15,471)</b>	<b>(15,471)</b>	<b>(17,117)</b>	<b>(17,117)</b>

Amounts in €/000

The Directors established that the fair values of cash and cash equivalents, trade receivables and payables, current financial assets and liabilities and other current liabilities are approximately in line with their book values given the short-term maturity of these instruments.

As for financial instruments recognised at fair value, according to IFRS 7 these amounts are classified on the basis of a hierarchy that reflects the materiality of the inputs used to determine the fair value. The following levels can be seen:

- Level 1 - quoted prices for identical assets or liabilities in an active market
- Level 2 - inputs other than the quoted prices referred to in the previous point, which are observable directly (prices) or indirectly (derived from prices) on the market
- Level 3 - inputs that are not based on observable market data

It is worth noting that all assets and liabilities measured at fair value as at 30 June 2024 can be classified as level 2, with the exception of the options for the purchase of non-controlling minority interests and earn out payment for non-controlling interest, which can be classified as level 3 assets.

Moreover, during first semester 2024 no assets were transferred between Levels 1, 2 and 3.

## RELATED-PARTY TRANSACTIONS

Pursuant to IAS 24, the Group's related parties are defined as follows: associated undertakings, members of the Board of Directors, Statutory Auditors, key management personnel of the Parent Company and their family members, as well as some members of the Board of Directors and Executives vested with strategic responsibility of other Group companies and their family members. The Group conducts business with the Parent Company Venezia S.p.A., affiliated companies and other related parties. The transactions are carried out on an arm's length basis, taking into account the characteristics of the goods and services provided. It should be noted that all transactions with related parties are concluded in the interests of the Company and the Group. Financial and economic relations with related parties during the first half of 2024, in comparison with the previous period, are summarized in the balance sheet and income statement below.

### STATEMENT OF FINANCIAL POSITION

	Trade receivables	Account payables	Other non-current liabilities	Other current liabilities	Other non-current financial liabilities	Other current financial liabilities
<b>30 June 2024</b>						
2.O Partners LLC	-	-	-	-	-	(8)
Fondaco S.r.l.	183	-	-	-	-	-
GMB S.r.l.	-	-	(300)	-	(9,088)	(2,675)
Squadra S.r.l.	-	(373)	-	-	-	-
Venezia S.p.A.	4	(19)	-	-	-	-
Vis S.r.l.	3	(480)	-	-	(6,561)	(971)
<b>Totale</b>	<b>190</b>	<b>(872)</b>	<b>(300)</b>	<b>-</b>	<b>(15,649)</b>	<b>(3,654)</b>

It should be noted that Other financial liabilities to Vis S.r.l. refers to financial payables for leasing contracts of properties owned by the related company, in respect of which rentals totalling 580 thousand Euro were paid in the first half of 2024 (1,167 thousand Euro at 31 December 2023). Other financial liabilities to GMB S.r.l. refer to the liability for options and earn out for the purchase of minority interests.

	Trade receivables	Account payables	Other non-current liabilities	Other current liabilities	Other non-current financial liabilities	Other current financial liabilities
<b>31 December 2023</b>						
2.O Partners LLC	-	-	-	-	-	(8)
Fondaco S.r.l.	285	-	-	(5)	-	-
GMB S.r.l.	-	-	(300)	-	(8,329)	(3,199)
Made by TSI	-	(22)	-	-	-	-
Marmo Elite S.r.l.	54	(151)	-	-	-	-
Squadra S.r.l.	7	(488)	-	-	-	-
Venezia S.p.A.	3	(19)	-	-	-	-
Vis S.r.l.	3	(401)	-	-	(6,806)	(950)
<b>Totale</b>	<b>352</b>	<b>(1,081)</b>	<b>(300)</b>	<b>(5)</b>	<b>(15,135)</b>	<b>(4,157)</b>

Amounts in €/000

## INCOME STATEMENT

	Revenues	Raw materials and consumables	Other operating costs	Financial expenses
<b>30 June 2024</b>				
2.0 Partners LLC	-	-	-	(16)
Fondaco S.r.l.	518	-	-	-
GMB S.r.l.	-	-	(6)	-
Marmo Elite S.r.l.	13	(115)	-	-
Squadra S.r.l.	-	(1,027)	(49)	-
Vis S.r.l.	-	-	(5)	-
<b>Total</b>	<b>531</b>	<b>(1,142)</b>	<b>(60)</b>	<b>(16)</b>
<b>30 June 2023</b>				
2.0 Partners LLC	-	-	-	(16)
Fondaco S.r.l.	288	-	-	-
GMB S.r.l.	-	-	(5)	-
Marmo Elite S.r.l.	31	(202)	-	-
Squadra S.r.l.	-	(1,120)	(148)	-
<b>Total</b>	<b>319</b>	<b>(1,322)</b>	<b>(153)</b>	<b>(16)</b>

Amounts in €/000

No other transactions with related parties materially affected the company's financial situation or results during the period, nor did any changes or further developments to transactions with related parties as described in the last annual report have a material effect on the company's financial situation or results.

## COMPENSATION OF DIRECTORS, STATUTORY AUDITORS AND EXECUTIVE OFFICERS

Below is the remuneration paid to members of the governing and control bodies and to managers with strategic responsibilities in the first half of 2024.

	Compensation	Non-cash compensation	Bonuses and other incentives	Other compensation
Board of Directors	743	11	134	12
Board of Statutory Auditors	43	-	-	-
Key management personnel	234	9	85	265
<b>Total</b>	<b>1,020</b>	<b>20</b>	<b>219</b>	<b>277</b>

Amounts in €/000

## LONG-TERM VARIABLE INCENTIVE PLAN 2021-2025

The Long-term Variable Incentive Plan 2021-2025, approved by the Shareholders' Meeting of 29 April 2021, is based on financial instruments, and entails individual bonuses for the company's "Strategic" Executives, with a view to further incentivising the pursuit of the Group's medium/long-term strategic objectives.

The Plan is of a mixed type, consisting chiefly of Performance shares (70%) and to a lesser extent Restricted shares (30%), with a view to incentivising management to achieve financial objectives and, indirectly, sustainability objectives, as expressed in the Group's 2021-2023 Business Plan.

As for Restricted Shares, one third of the total will be disbursed when the Financial Statements are approved (for the financial years 2021, 2022 and 2023), if the person in question is still working in the company at the close of the reporting period or if the conditions of "Good Leaver" are met.

The accrual of Performance Shares is dependent on the achievement of:

- a company performance condition placed as a "gate" to entering the incentive system (Entry Gate condition)
- two Performance Objectives (so-called "KPIs"), which determine the bonus to be awarded, decided by the Board of Directors further to a proposal from the Remuneration Committee in accordance with the Consolidated Business Plan 2021-2023

The disbursement of Performance Shares is planned up-front (29% of the total) at the end of the three performance years and, deferred for the remaining part, at the end of the fifth year, further to the meeting of an additional performance condition.

Cash settlements are not envisaged.

For the entire duration of the Plan's vesting period, the beneficiary must:

- be the holder of an open-ended employment relationship that is not suspended due to leave
- not have tendered his/her resignation
- in the event of termination of the employment relationship, not have a so-called "Bad leaver" status

The assumptions and methodology used in Plan assessments, the effects of which (on the balance sheet) are reported in note 14, are consistent with those set out in IFRS 2. The following factors have been taken into account when estimating the number of accrued rights at the balance sheet date:

- with regard to the exit of beneficiaries, an annual probability of exiting of 0% has been assumed
- with regard to the achievement of the objectives, target goals have been set according to a mix of scenarios taking into account the Multiannual plan adopted by the Group

## VALUATION OF THE FAIR VALUE

Assigned options have been measured taking into account the financial market conditions in place at the time of assignment.

The methodology adopted to estimate the fair value follows the risk neutral approach, the valuation reflecting “no arbitrage” and “risk neutral framework” traits common to essential option pricing models. The expected dividend rate of the underlying option was considered, assumed for the different years of the plan, namely: 0.90% in 2022, 1.20% in 2023, 1.70% in 2024, 1.90% in 2025 and 2.00% in 2026. The price of the share at the time of assignment was 30.70 Euro, a binomial valuation model being used.

Below are details of the options assigned on 15 October 2021 and the corresponding fair value of options considered to be accrued based on the above-listed assumptions.

Vesting	Assigned options			Accrued options			Fair Value
	Restricted share	Performance share	Total	Restricted share	Performance share	Total	
Approval of 2021 financial statements	10,966	-	10,966	10,966	-	10,966	333,636
Approval of 2022 financial statements	10,966	-	10,966	10,966	-	10,966	329,633
Approval of 2023 financial statements	10,966	21,148	32,115	10,966	-	10,966	324,029
Approval of 2025 financial statements	-	51,777	51,777	-	-	-	-
<b>Total</b>	<b>32,899</b>	<b>72,925</b>	<b>105,824</b>	<b>32,899</b>	<b>-</b>	<b>32,899</b>	<b>987,297</b>

During the first half of 2024, restricted shares were paid out following the approval of the 2023 financial statements. Finally, it should be noted that at 31 December 2023, based on the achievement of performance targets, the portion relating to performance shares was written off.



## **SHARE-BASED PAYMENTS - “2024-2026 PERFORMANCE SHARE PLAN”**

The share-based incentive plan of Somec S.p.A., known as the “2024-2026 Performance Share Plan”, approved by the Shareholders’ Meeting held on 29 April 2024, consists of a plan based on financial instruments and includes the assignment of an individual bonus to Somec’s Executive Directors and key Executives of Somec and Group companies.

The object of this plan is the assignment, and ensuing delivery to the beneficiaries, of a number of shares up to 3.5% of Somec S.p.A.’s share capital, based on the achievement of preset performance objectives and following the vesting periods specified.

This plan sets out to incentivise and retain individuals in key roles, the goal being to keep performance strong while contributing to the sustainable growth and success of Somec and the Somec Group. Moreover, the plan is one of the tools relied upon by the Group to supplement the fixed component of the remuneration package of key profiles, through variable components based on the financial and non-financial results achieved by the Company over a long-term horizon, in accordance with best market practices and the Code of Corporate Governance.

Each of the beneficiaries is allocated a total number of rights equal to 100% of their respective fixed emoluments. The allocation of the shares subject to the rights assigned to each beneficiary will be divided into two tranches subject to a different vesting period, as set forth below:

- the first tranche, involving the allocation of 60% of the shares subject to the assigned rights, is subject to a vesting period that will end with the approval of the consolidated financial statements for the year ending 31 December 2026
- the second tranche, involving the allocation of the remaining 40% of the shares subject to the assigned rights, is subject to a vesting period that will end with the approval of the consolidated financial statements for the year ending 31 December 2028

The performance targets identified are calculated, for both tranches, for the financial year ending 31 December 2026, with reference being made to financial and non-financial performance indicators.

The plan also includes an entry gate that, in the event of non-achievement or achievement of less than or equal to 90% of the target, will prevent the plan from being activated altogether. The entry gate is determined by reference to the 2024-2026 cumulative consolidated EBITDA as set out in the 2024-2026 Business Plan.

The allocation of the shares due in respect of each tranche and the delivery thereof is therefore conditional on:

- the achievement of performance targets for the year ending 31 December 2026
- each tranche having reached maturity
- the relationship with the beneficiary existing at the respective vesting date of each tranche

At the reporting date, the rights assigned to the beneficiaries were not disclosed and the performance targets on which the assignment of shares is conditional. Therefore, these condensed interim consolidated financial statements do not show any effect arising from the adoption of the 2024-2026 Performance Share Plan.

## TAX DISPUTES

It should be noted that subsidiary Total Solution Interiors S.r.l. was audited for the years 2016, 2017 and 2018 concerning VAT, IRES (corporate income tax) and withholding taxes on earnings.

With regard to 2016 and 2017, assessment notices were served, while for 2018 the Inland Revenue will be entitled to serve the tax assessment notices within the assessment period for the relevant year. The expected value of the amounts under dispute as per notices of assessment concerning 2016 and 2017 and as per tax audit report notified to the company for 2018 is estimated at 9.2 million Euro (including higher taxes, penalties and interest).

The risk of adverse outcome has been estimated as non probable. It should be noted that the conduct reassessed for taxation by the Inland Revenue concerns tax years in which Total Solution Interiors S.r.l. was not yet under the control of the Somec Group and for which, moreover, seller warranties are available.

Any amount to be paid by the company in the event of an adverse outcome in respect of the aforesaid notices of assessment will be held as liabilities, which - together with interest accrued thereon and penalties charged as well as legal costs incurred - the sellers shall be required to indemnify as a result of breach of the representations and guaranties provided by them.

## FINANCIAL DEBT

The following shows financial debt as defined by the new ESMA Guidelines dated 4 March 2021 (see Consob Notice No. 5/21 of 29 April 2021).

FINANCIAL DEBT		
	30/06/2024	31/12/2023
A. Cash	47,153	46,962
B. Cash equivalents	-	-
C. Other current financial assets	11,747	20,715
<b>D. Total liquidity (A+B+C)</b>	<b>58,900</b>	<b>67,677</b>
E. Current financial liabilities (including debt instruments, excluding the current portion of non-current financial liabilities)	(45,729)	(45,011)
F. Current portion of long term debt	(19,435)	(62,432)
<b>G. Current financial debt (E+F)</b>	<b>(65,164)</b>	<b>(107,443)</b>
<b>H. Current net financial debt (G+D)</b>	<b>(6,264)</b>	<b>(39,766)</b>
I. Non-current financial liabilities (excluding current portion and debt instruments)	(75,893)	(46,345)
J. Debt instruments	-	-
K. Trade payables and other non-current liabilities	-	-
<b>L. Non-current financial debt (I+J+K)</b>	<b>(75,893)</b>	<b>(46,345)</b>
<b>M. Total financial debt (H+L)</b>	<b>(82,157)</b>	<b>(86,111)</b>

Amounts in €/000

Current debt and non-current financial position include financial liabilities on rental agreements. It should be noted that by adding the fair value of current and non-current derivative assets, equal to 1,809 thousand Euro, to the financial debt shown above, the net financial position at 30 June 2024 amounts to 80,348 thousand Euro.

## COMMITMENTS AND GUARANTEES

Commitments and guarantees not reported on the statement of financial position are shown in the following table:

COMMITMENTS AND GUARANTEES		
	30/06/2024	31/12/2023
Contract sureties	215,318	241,428
Other guarantees	741	1,599
<b>Total</b>	<b>216,059</b>	<b>243,028</b>

Amounts in €/000

Contract sureties are issued by banks to third parties on behalf of some Group companies as a guarantee of performance of contractual obligations relating to orders. The amount also includes guarantees on orders signed by the Horizons: Engineered systems for naval architecture and building façades division for the North American market, the related amount decreases according to the work in progress and the backlog revision.

## SIGNIFICANT EVENTS AFTER 30 JUNE 2024

### **Strengthening Somec Group's Management**

On July 16, 2024, as part of the reorganization and strengthening of the Group's management structure, a new organizational structure for the Administration, Finance, and Control area was adopted. Alessandro Zanchetta was appointed Chief Corporate Officer, and Daniel Bicciato as Group Chief Financial Officer.

San Vendemiano (TV), 23 September 2024

The Chairman of the Board of Directors  
Oscar Marchetto

# 103

## **MANAGEMENT REPRESENTATION AND REVIEW REPORT**

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## MANAGEMENT REPRESENTATION

### Management representation on the Consolidated Financial Statements

#### Management representation on the condensed consolidated half-year financial statements pursuant to art. 81-ter of Consob regulation 11971 dated 14 May 1999 and subsequent amendments and additions

1. The undersigned Oscar Marchetto, in his capacity as Executive Officer, and Federico Puppini, as Manager Responsible for Preparing Financial Reports of Somec S.p.A. ("Somec"), with reference to the requirements of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated 24 February 1998, hereby represent:

- the suitability in relation to the business's organization and,
- the effective application of the administrative and accounting processes for the preparation of the condensed consolidated half-year financial statements at 30 June 2024, during the first half of 2024.

2. In this regard, there are no significant aspects to report.

3. The undersigned also represent that:

3.1 the condensed consolidated half-year financial statements at 30 June 2024:

- a. have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union under Regulation (EC) 1606/2002 of the European Parliament and Council dated 19 July 2002;
- b. correspond to the underlying accounting records and books of account;
- c. are able to give a true and fair view of the assets, liabilities, financial position and results of operations of the issuer and the group of companies included in the consolidation.

3.2 the report on operating performance includes a fair review of the important events taking place in the first six months of the year and their impact on the condensed consolidated half-year financial statements, together with a description of the principal risks and uncertainties to which the Group is exposed.

23 settembre 2024

Oscar Marchetto  
*Executive Officer*

Federico Puppini  
*Manager Responsible for  
Preparing Financial Reports*



**REVIEW REPORT  
OF INDEPENDENT AUDITING FIRM**



**Somec S.p.A.**

Review report on the interim condensed consolidated  
financial statements as at and for the six months ended  
June 30, 2024

(Translation from the original Italian text)



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## Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of  
Somec S.p.A.

### Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows and the related explanatory notes of Somec S.p.A. and its subsidiaries (the "Somec Group") as of June 30, 2024. The Directors of Somec S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Somec Group as of June 30, 2024 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Treviso, September 27, 2024

EY S.p.A.  
Signed by: Stefano Marchesin, Statutory Auditor

*This report has been translated into the English language solely for the convenience of international readers.*

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Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza (Brienza Lodi)  
Codice fiscale e numero di iscrizione 00434000554 - numero R.E.A. di Milano 806158 - P.IVA 00891231003  
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Seppi. 13 - IV Serie Speciale del 17/2/1998

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For further information about the contents  
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