



VIMI FASTENERS: BINDING AGREEMENT FOR THE ACQUISITION OF 100% OF THE QUOTA CAPITAL OF FILOSTAMP SRL AND SUBSCRIPTION TO THE SHAREHOLDER LOAN

Press release prepared pursuant to Article 12 of the Euronext Growth Milan Issuers' Regulation

Novellara, 20 March 2023

The Board of Directors of VIMI Fasteners S.p.A. ("**Vimi**" or the "**Company**"), a leading company in the design and manufacturing of highly engineered fasteners for the industrial, automotive, oil & gas, aerospace and other sectors, and listed on the multilateral trading system Euronext Growth Milan organised and managed by Borsa Italiana S.p.A., met today and resolved to sign the preliminary sale and purchase agreement (the "**Agreement**") for 100% of the quota capital of Filostamp S.r.l. ("**Filostamp**" and the "**Transaction**", respectively), a company that has been active for more than 40 years in the production of screws, bolts and specialising in the manufacture of fasteners according to customer specifications.

The Transaction

The Transaction provides a growth opportunity for Vimi and its parent group (the "**Group**"), since it will enable the implementation of synergies in terms of sales and products. The Transaction is consistent with the Company's manufacturing targets while also taking account that (i) Filostamp will enable investments to be optimised, with its production assets, by using machinery that is already in its property, to support the Group's growth; (ii) it will enable the creation of synergies (a) in terms of production, even in the form of lower outsourced work; and (b) in terms of sales, resulting from the possibility of using Vimi's sales network, especially abroad, to offer customers a wider range of products.

With regard to the results achieved by Filostamp in 2021, it should be noted that revenues from sales amounted to approximately Euro 7.285 million, with EBITDA of Euro 0.974 million (accounting for 13.4% of total revenues). If Filostamp's financial statements had been prepared according to IAS/IFRS, in line with Vimi Group companies, the company would have achieved Adjusted EBITDA of Euro 1.769 million, net of the recognition of lease and rental costs incurred in 2021.

Cash and cash equivalents amounted to Euro 1.244 million at the end of the 2021 financial year. Filostamp also has rental and lease agreements in place which, if accounted for under IFRS16, in line with the accounting standards adopted by the Group, would show a remaining liability for

future lease payments of Euro 2.540 million at 31 December 2021. Therefore, Filostamp's net debt would be Euro 1.296 million. There are no payables to credit institutions.

Filostamp's pre-closing figures for 2022, which have not yet been approved or audited, are in line with those of 2021, with revenues from sales amounting to approximately Euro 8 million.

The Agreement

The Transaction provides for the execution of the Agreement with the present quotaholders of Filostamp (the "**Selling Quotaholders**"), pursuant to which, as anticipated, Vimi undertakes to acquire 100% of Filostamp's quota capital from the Selling Quotaholders, at a total price of Euro 10 million (the "**Purchase Price**"); an amount of Euro 5.1 million (the "**First Tranche**") shall be paid upon the closing of the Transaction (the "**Closing**", which is indicatively expected in April 2023 and in any case subject to Filostamp's approval of the financial statements at 31 December 2022), through the Shareholder Loan (defined below) and available funds, while a remaining amount of Euro 4.9 million shall be paid to the Selling Quotaholders in no. 3 tranches over the next 4 years, and, namely, (i) the second tranche, amounting to Euro 900,000.00, shall be paid, in one lump sum, at the end of the 12th month following the date of the Closing; (ii) the third tranche, equal to Euro 2,000,000.00, shall be paid, in one lump sum, on 30 April 2025; (iii) the fourth tranche, amounting to Euro 2,000,000.00, shall be paid, in one lump sum, on 30 April 2027.

The total amount of the Consideration, which shall be disbursed in three tranches to the Selling Quotaholders as described above, is neither interest-bearing nor subject to discounting: therefore, its nominal amount will not be changed over time.

It should be noted that the total consideration for the acquisition has been set by using as a starting point the main valuation techniques that are most commonly used in practice for transactions of this kind, and then adding the valuation of the synergies expected from the Transaction, as described above.

The Agreement provides, among other things, that, following the Closing, a general quotaholders' meeting of Filostamp shall be held, which, after noting the resignation of the current board of directors, shall appoint the new members of Filostamp's governing body, of which the present chairman and chief executive officer, as well as one of the Selling Quotaholders, Silvio Donato, shall be appointed as a director with delegated powers for ordinary operations.

The Agreement, which is functional to the Transaction, provides for usual terms and conditions for similar transactions, including special indemnity obligations of the Selling Quotaholders and associated guarantees.

Shareholder Loan

The First Tranche is, for the most part, financed by the controlling shareholder Finregg S.p.A. (the "**Shareholder Loan**"), which holds 55.16% of Vimi's share capital.

Below are the most significant contractual clauses of the Shareholder Loan:

- amount equal to Euro 5 million;

- variable interest rate determined on the basis of 3-month EURIBOR and increased by a spread of 2.00%;
- repayment in 24 (twenty-four) deferred quarterly instalments as from the Closing, with the possibility of suspending the payment of some instalments and early repayment;
- financing intended exclusively for the completion of the Transaction.

The Shareholder Loan can be described as a transaction with related parties of greater significance, so it was approved by the Board of Directors' meeting held today, subject to the favourable opinion of the Independent Director, Ivano Accorsi.

For more details on the Shareholder Loan, reference should be made to the related documentation (the information document, to which the opinion of the Independent Director is attached), prepared in accordance with the provisions on related parties issued by Borsa Italiana S.p.A. and the "Procedure for related-party transactions" adopted by the Company, which will be made available, within the time limits prescribed by law, on the Company's website (<https://www.vimifasteners.com/>), in the section of "Governance/Related Party Transactions".

This press release has been prepared in accordance with Article 12 of the Euronext Growth Milan Issuers' Regulation, the Transaction being a significant transaction, pursuant to the aforesaid article, since the significance ratio of the countervalue exceeds the threshold of 25%.

In the implementation of the Transaction and its preliminary phases, the Company was assisted by Scouting Capital Advisor as financial advisor, Studio Bergomi & Associati for tax due diligence, Deloitte & Touche S.p.A. for financial due diligence, and STARCLEX - Studio Legale Associato Guglielmetti for due diligence and legal advice work. The acquired counterparty, Filostamp S.r.l., was supported by Studio Rebuffi for accounting and tax advice, and Studio Associato Fieldfisher of Turin for legal advice.

www.vimifasteners.com

Vimi Fasteners, based in Novellara (Reggio Emilia), operates in the high-precision mechanics sector and is a leading company in the design and production of highly engineered fasteners for the automotive, industrial, oil&gas and aerospace sectors. The Group operates in partnership with its customers (OEMs, Tier1 partners and distributors) and develops customised solutions, which it exports all over the world, using special steel, superalloys and cutting-edge technology in the integrated manufacturing of its products.

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For more information:



Investor Relations Manager

Fabio Storchi | fabio.storchi@vimifasteners.com

Communication and External Relations

Serena Ferrari | ir@vimifasteners.com |

Euronext Growth Advisor contact details

Integrae SIM S.p.A. | info@integraesim.it | +39 02 96846864

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