

**PRESS RELEASE****REWAY GROUP: SIGNED DEAL TO ACQUIRE 100% OF GEMA**

- The signature concerns the early exercise of the Call Option on the remaining 30% of the shares
  - Price Adjustment reduced by 50% of the initially due 48.6 million euros
- The deal will further boost the growth and consolidation of Reway Group in the railway sector

**Licciana Nardi (MS), March 19, 2024** –Reway Group S.p.A. (the “Company” or “Reway Group”) (EGM: RWY), Italy’s largest operator specialized in rehabilitation and maintenance of road and highway infrastructures, as well as the only organization in Italy capable of handling all the activities related to the restoration of bridges, tunnels and viaducts, following the communication of last October 13, 2023, announces the signature of the agreement for the exercise of the Call option on the remaining 30% of **Gema S.p.A. ("Gema")** - among the main operators in the maintenance of infrastructure and civil works in the railway sector.

The call option - for a value of 26.2 million euros – will be executed by May 30, 2024 at the latest, well in advance of the possible date indicated in the Investment Agreement that was communicated on October 13, 2023 (which set it at the approval of Gema's financial statements as of December 31, 2025).

Paolo Luccini, chairman and CEO of Reway Group, commented: *“The completion of the acquisition of 100% of Gema, well ahead of the initial agreements, allows acceleration of Reway Group's growth process in the railway sector, a sector that presents significant development opportunities as evidenced by the recent contracts we have acquired for a total value of approximately 84 million euros. The early completion of the acquisition will allow Reway Group to become even more prominent in the field of ordinary and extraordinary maintenance of infrastructure and civil works in the railway sector, also linked to PNRR projects.”*

**Reasons and purposes of the operation**

The decision by Reway Group's Top Management to further consolidate its stake in the controlled company Gema, reaching 100% of the company's share capital, was made in light of Gema's good business performance and the previous ownership's desire to end their cycle within the company.

These circumstances have allowed for a rapid agreement and, on one hand, to bring forward the purchase of the remaining 30%, while on the other hand, to renegotiate the overall structure of the Price Adjustment (as defined in the press release of October 13, 2023), obtaining for Reway Group a significant economic advantage, equivalent to a 50% reduction compared to the initially expected 48.6 million euros, equivalent to the actual Net Working Capital (NWC) recorded by Gema at the Closing date, which occurred last November 21, 2023 (it is recalled that, as communicated on October 13, 2023, the estimated NWC at the Closing Date was equal to 47 million euros).

**Operation structure, terms, and conditions**

In accordance with this agreement, the overall consideration of the Gema acquisition operation amounts to 113.5 million euros (instead of the initially expected 138 million euros), as follows:

- Enterprise Value of the target equal to 89.2 million euros (63 million euros for 70% and 26.2 million euros for the remaining 30%);
- Price Adjustment, amounting to 24.3 million euros (instead of the initially due 48.6 million euros and calculated precisely on the actual NWC value of Gema recorded on November 21, 2023). It is also noted that the 26.2 million euros to be paid as the price for the remaining 30% of Gema, by May 30, 2024, will be financed entirely through medium to long-term bank borrowing. The approval of the financing contract by the competent bodies of the credit institutions constitutes a suspensive condition for the execution of the Call option.

The Price Adjustment of 24.3 million euros will instead be paid to the sellers in line with the collection of certain commercial receivables inscribed in Gema's NWC and will be self-financed over the next 48 months, as originally specified in the Investment Agreement communicated on October 13, 2023.

## **Positive impacts of the operation**

The positive impacts of the operation are mainly of an industrial and economic-financial nature. Firstly, 100% control of Gema strengthens Reway Group's competitive advantage as the leading operator in Italy with road and railway network restoration as part of its core business.

At an economic-financial level, the early exercise of the call option under the conditions outlined above will result, in addition to reducing the overall purchase price and the consequent effect on the consolidated NFP, in further benefits from the accounting of the company's future profits, which will be attributable to Reway Group 100%, with further positive impacts expected for subsequent financial years resulting from the growth of the market in which Gema operates.

Gema is indeed a financially sound company, which closed the fiscal year ended December 31, 2022, with revenues of over 50 million euros and an EBITDA of 14.6 million euros (equal to an operating margin of 27.3%), while as of June 30, 2023, it recorded a production value of 27.7 million euros and an EBITDA of 7.0 million euros. The company is also debt-free and has always supported the development of its business with its own resources; consequently, the net financial debt as of December 31, 2022, and June 30, 2023, is cash positive and amounts to 18.3 million euros and 14.9 million euros respectively.

## **Complete revision of governance and identification of a new management team**

The exercise of the Call option will involve a complete revision of governance: all members of the administrative and control bodies will be appointed by Reway Group, and qualified majorities will no longer be required for the adoption of resolutions on relevant matters in the board and/or assembly, as instead provided in the Investment Agreement communicated on October 13, 2023, and in the bylaws. The new governance will therefore entail greater flexibility and speed in the execution of corporate strategies, with consequent benefits for the entire Group.

The full consolidation of Gema will also involve the identification of a new management team for it, which will represent further value creation for the target through a process of alignment and strategic coordination of all Reway Group companies.

## **Advisors of the Operation**

In the exercise of the Call option, Reway Group S.p.A. was assisted by Integrale SIM S.p.A., as Euronext Growth Advisor, LS Lexjus Sinacta for legal issues, and in particular by the corporate and capital market team led by partner Gianluigi Serafini, with lawyer Silvia Frattesi.

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This press release is available on the Company's website <https://www.rewaygroup.com/> under Investor Relations - Press Releases and at [www.1info.it](http://www.1info.it).

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**Reway Group** — the Parent Company of the Group of the same name — is Italy's largest operator specialised in rehabilitation and maintenance of road and highway infrastructures, as well as the only organisation in Italy capable of handling all the activities related to the chain of restoration of bridges, tunnels and viaducts, and to also have in its core business the maintenance of the railway network.

Reway Group was formed in December 2021 via the assignment of the shares held by **M.G.A. S.r.l., Soteco S.r.l. and TLS S.r.l.** — companies operating in Italy in the road and highway infrastructure maintenance and rehabilitation sector, which are currently operational and 100% controlled by Reway Group. The Group was created to provide its subsidiaries with a unified corporate and managerial structure, in order to best address the evolution of a sector that is markedly expanding and growing, both in Italy and abroad. The Group's subsidiaries also include **Gema**, a leading player in the maintenance of infrastructure and civil works in the railway sector. To this end, the Company provides services to its subsidiaries, including planning and financial strategy, procurement of

Reway Group has a workforce of 500 overall and has a modern fleet with over 300 operating vehicles.



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