



MARCEGAGLIA: CLOSED PURCHASE OF SSD, TODAY MARCEGAGLIA BALTICS, A CARBON STEEL SERVICE CENTRE

Gazoldo degli Ippoliti, April 21, 2023 - Marcegaglia Carbon Steel signed the purchase of 100% of Sia Severstal Distribution (SSD), a Latvian company owned in Riga by the Russian steel group Severstal. The company changed its name to Sia Marcegaglia Baltics, a service centre for carbon steel.

Just a few months after the purchase of the stainless steel long products division from Outokumpu, Marcegaglia scores another important deal that allows it to strengthen its commercial structure - in a territory, the Northern Europe and the Baltic countries, in which it was not present until now - relaunching the activity of a European company especially in the Latvian territory and, as a cascade, also in Poland and Ukraine where SSD owned two small trading companies. The closing of the sale agreement was conditional on obtaining all authorisations and clearances from both the Latvian government and the relevant national and European authorities.

The Latvian Council of Ministers, after having thoroughly analysed the dossier, at the end of February, looked favourably on the purchase by Marcegaglia, a company that could ensure SSD prospects of effective revitalisation. The green light to proceed arrived at the beginning of April also from the EU antitrust authorities, which made it possible to close the purchase transaction.

The amount was not paid to the seller, but it will remain 'frozen' in a special escrow account until the sanction's regime put in place by the EU following the invasion of Ukraine continues.

In the transaction, the Marcegaglia Group was followed by PWC, both for due diligence aspects and contractual assistance, as well as for all authorisation aspects.