

3.1 REGEM

Press release

Penta Laser Zhejiang acquired 60% of KBF Laser Tech co. a manufacturer of laser systems for power batteries and closed a share capital increase for 13,4 million of euro

- **Two relevant Chinese funds purchased shares for total 4,82% of the company**
- **The current shareholders of KBF reinvested part of the price received purchasing Penta Zhejiang shares for total 2,44% of the company**

Firenze, December 23, 2022 – El.En. S.p.A., leader on the laser market and listed on the Euronext STAR Milan (“STAR”) segment of Borsa Italiana reports that its subsidiary Penta Laser Zhejiang (“Penta Laser”) acquired the 60% control stake of KBF Laser Tech co. (“KBF”), a Shenzhen based manufacturer of laser systems for power batteries and closed a share capital increase reserved to two prominent Chinese private equity funds, Hangzhou Fu Zhe Dao Zheng Equity Investment LLP and Zhejiang Deep Reform Industry Development LLP and to the individual shareholders selling the 60% control stake of KBF that invested in Penta Laser part of the proceeds of the sale.

Penta Laser Zhejiang is head of the Business Unit under which the group structured its laser cutting systems operations.

Penta Laser Zhejiang purchased a 60% control stake of KBF through acquisition of equity for 52,40 million of Renminbi and a share capital increase paid in cash for of 10 million Renminbi, a total investment of 62,40 million Renminbi (at the current foreign exchange equal to roughly 8,2 million of Euro), corresponding for KBF to a 105 million Renminbi pre-money equity value. KBF generated up to October 31st, 2022 revenue for 52,12 million Renminbi and net profit of 1,31 million, with Net Assets of 2,16 million of Renminbi at the date of acquisition. The goodwill paid is based on KBF’s penetration potential in the rapidly growing market of systems for manufacturing power batteries, in the segment of new power batteries laser cutting industry. Volume, growth rate and market share of the Chinese new energy vehicle industry, supported and encouraged by the Chinese government policies, have ranked among the first in the world. Power batteries are indispensable core components of new energy vehicles. Laser cutting plays a crucial role in the production of power batteries.

KBF’s selling shareholders invested in Penta Laser 33,5 million of Renminbi purchasing 2,44% of its shares.

With the subscription of the share capital increase, the two Chinese private equity funds purchased an overall 4,98% of the shares of the Company upon payment of 66 million of Renminbi (at the current foreign exchange equal to roughly 8,9 million of Euro), corresponding to an implicit 1,3 billion Renminbi valuation of the Company (roughly 176 million of euro), with a P/E ratio equal to around 12 times the normalized 2021 net profit. The same share price was paid by the individuals Qin Xiaoming, Luo Yusen and Huang Tao, KBF’s selling shareholders as well as founders and managers.



Following the share capital increase, the Penta Laser Zhejiang control stake held by El.En. through Ot-las Srl is now equal to 70,42% (from the previous 75,93%).

The transactions are to be framed within the ambitious growth plans of the industrial laser cutting systems business. The widening of the shareholders base to high standing local financial entities falls within the preparatory steps of a possible IPO on a mainland China market. The KBF investment is aimed to diversify in an adjacent market segment, taking advantage of its fast growth potential.

Penta Laser Zhejiang's share capital increase does not affect the guidance released by the group for the current year.

El.En., an Italian company, is the parent of a high-.tech industrial group operating in the optoelectronics sector. Based on proprietary technology and multidisciplinary know-how, the El.En Group manufactures laser sources (gas, semiconductor, solid-state and liquid) and innovative laser systems for medical and industrial applications. The El.En. Group is the laser market leader in Italy and among the top operators in Europe. It designs, manufactures and sells worldwide:

- *Medical laser equipment used in dermatology, cosmetics, physiotherapy, dentistry and gynecology;*
- *Industrial laser systems for applications ranging from cutting, marking and welding metals, wood, plastic and glass to decorating leather and textiles and restoring/conserving artwork;*
- *Laser systems for scientific research*

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Cod. Reuters: ELN.MI
Cod. Bloomberg: ELN IM

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