

Yakkyo SpA

Technology

The Tech Gatekeeper Between Chinese Sourcing and Western Markets

Yakkyo operates as an asset-light transaction-led MarTech platform, bridging the structural gap between Chinese manufacturers and worldwide merchants (mainly digital ones). Operational success is evidenced by ~895k managed orders in FY25 with Value of Production in the €20mn range, ca. 3x the FY23 figure.

Yakkyo at a Glance

By integrating automated API workflows with sourcing, fulfillment, and logistics, Yakkyo enables merchants to scale rapidly without inventory exposure or the complexities of cross-border operations, leaving end-to-end execution (from Chinese factories to the customer's door) to Yakkyo. The combination of advanced AI powered technological features with a local presence in China to take care of any possible problem with suppliers, drives merchant retention and increases life-time value through operational dependency.

Attractive End-Market Dynamics

Yakkyo is poised to rise a huge market opportunity. Indeed, global B2B e-commerce market size is expected to grow at ~22% CAGR_{FY25E-30E}, driven by universal digital connectivity, professionalized cross-border trade, and top tier tech enablers (i.e., Shopify) unlocking automated complex workflows and mitigating inventory risks for asset-light e-commerce operators. Noteworthy, in the latest three years Yakkyo has recorded average growth rates in line with the reference market ones.

Growth Strategies

Given the substantial runway for growth within the reference market, Yakkyo's strategy does not require complex pivots. Instead, the focus is on rigorous execution and strengthening competitiveness to capture market share. We see five pillars ahead: (i) Launch of 1688 API Integration; (ii) Utilization of Low-CAC, Organic Client Acquisition Strategies; (iii) US Geographic Expansion; (iv) Organizational Strengthening; (v) Targeted Wholesale Expansion.

Financial Profile

Yakkyo's financial profile is improving year by year. Indeed: 1) Top-line is set to expand from a 15% historical CAGR to a 27% forecasted CAGR_{24-28E} (€34.5mn Value of Production 2028E); 2) EBITDA is projected to triple by FY28E, supported by a structural EBITDA margin of ~10%; 3) Free Cash Flow should drive the Adjusted Net Cash to €3.7mn by FY28E, providing significant optionality for M&A and organic expansion.

Initiation of Coverage: €2.5 p/s Fair Value

We **initiate coverage on Yakkyo** using a peer-derived rolling multiple framework (5.0x EV/EBITDA, 7.0x EV/EBIT, 12.0x P/E), implying **€2.5 p/s** (FY26E) and €3.2 p/s (FY27E) Fair Value. At FV, YKY would trade at 4.9x–3.8x EV/EBITDA (FY26E–FY27E) and 13.0x–9.7x P/E (FY26E–FY27E).

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FAIR VALUE (€) **2.50**

MARKET PRICE (€) **1.22**

MARKET CAP (€mn) **6.69**

KEY FINANCIALS	FY24	FY25E	FY26E
VALUE OF PRODUCTION	13.4	20.0	24.1
EBITDA	1.2	1.9	2.5
EBIT	0.7	1.3	1.8
NET PROFIT	0.5	0.6	1.1
GROUP NET EQUITY	3.8	4.4	5.5
ADJ. NET DEBT (-) / NET CASH (+)	0.7	1.3	1.7
EPS ADJ.	0.09	0.12	0.19
DPS	0.00	0.00	0.00

Source: Yakkyo (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY24	FY25E	FY26E
EBITDA MARGIN (%)	9%	10%	10%
EBIT MARGIN (%)	5%	6%	7%
ADJ. NET DEBT / EBITDA (x)	nm	nm	nm
ADJ. NET DEBT / NET EQUITY (x)	0%	0%	0%
ROE (%)	13%	15%	19%
EV / SALES (x)	0.4	0.3	0.2
EV / EBITDA (x)	4.0	2.8	2.0
EV / EBIT (x)	7.2	4.3	2.8
P / E ADJ. (x)	11.0	10.3	6.3

Source: Yakkyo (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	1.22
NOSH (mn)	5.5
MARKET CAP (€mn)	6.7
ENTERPRISE VALUE (€mn)	5.4
FREE FLOAT (%)	36.3
AVG L30D VOLUME ('000)	70,000
RIC / BBG	YKY.MI / YKY.IM
52 WK MAX - MIN (€)	0.90 – 1.35

Source: Stock Market Data

Description

Yakkyo is an EGM-listed, technology-enabled and asset-light platform that connects China-based sourcing with global e-commerce merchants. Through its proprietary tech stack, it integrates procurement, fulfilment and logistics into a single end-to-end workflow, allowing merchants to scale internationally without holding inventory or managing cross-border operational complexity.

The business is transaction-driven and anchored in dropshipping, monetizing via product mark-ups and logistics service fees, supported by the Yakkyofy platform. A smaller wholesale activity complements the model but is structurally less scalable and more working-capital intensive, leading management to progressively reduce its contribution.

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
Value of Production	13.4	20.0	24.1	29.2	34.5
YoY (%)	101%	49%	21%	21%	18%
EBITDA	1.2	1.9	2.5	2.9	3.4
EBITDA Margin (as a % of VoP)	9%	10%	10%	10%	10%
EBIT	0.7	1.3	1.8	2.2	2.7
EBIT Margin (as a % of VoP)	5%	6%	7%	8%	8%
Net Profit	0.5	0.6	1.1	1.4	1.8
YoY (%)	25%	30%	63%	33%	26%
Adj. Net Profit	0.5	0.6	1.1	1.4	1.8
YoY (%)	25%	30%	63%	33%	26%
Adj. Net Fin. Position [Net Debt (-) / Cash(+)]	0.7	1.3	1.7	2.5	3.7
Net. Fin. Pos. / EBITDA (x)	nm	nm	nm	nm	nm
Capex	-0.5	-0.7	-0.7	-0.7	-0.7
OpFCF b.t.	-0.2	1.2	1.1	1.7	2.1
OpFCF b.t. / EBITDA (%)	<0	64%	43%	57%	62%

Source: Yakkyo, Value Track Analysis

Investment Case

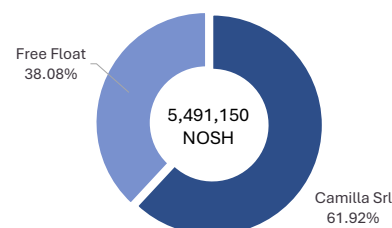
Strengths / Opportunities

- Integrated China-to-merchant operating layer (procurement + fulfilment + MarTech/AI);
- Asset-light scalability leveraged to structural dropshipping growth and global reach;
- Platform optionality from Yakkyofy as automation and data monetisation deepen.

Weaknesses / Risks

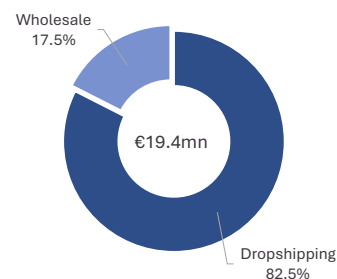
- Logistics and regulatory sensitivity (shipping inflation, EU low-value parcel duties);
- Working-capital friction from supplier prepayments and accelerated settlement cycles;
- Execution and concentration risk in a fragmented market with platform/CAC dependency.

SHAREHOLDERS' STRUCTURE



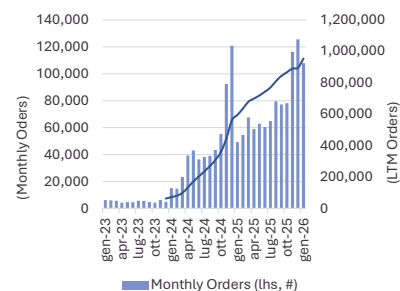
Source: Yakkyo

NET SALES BY SERVICES



Source: Yakkyo, FY25 Preliminary

ORDERS EVOLUTION



Source: Yakkyo

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	0.5	0.4
EV / EBITDA (x)	4.9	3.8
EV / EBIT (x)	6.8	5.1
EV / CAP. EMPLOYED	2.7	2.2
OpFCF Yield (%)	14%	21%
P / E (x)	13.0	9.7
P / BV (x)	2.5	2.0
Dividend Yield (%)	0%	0%

Source: Value Track Analysis

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Executive Summary

Yakkyo @ a Glance

Yakkyo S.p.A. operates a technology-enabled, **asset-light MarTech platform** connecting China-based sourcing with global e-commerce merchants.

Through its proprietary technological infrastructure, the Company integrates procurement, fulfilment and logistics into a single automated workflow, allowing e-merchants to scale without owning inventory or managing cross-border operational complexity.

With **ca. 895k orders managed** and a **Net Sales reaching €19.4mn for FY25 (Preliminary)**, Yakkyo operates a high-growth, asset-light model.

Following its migration from the PRO segment to the **Euronext Growth Milan (EGM)** in February 2026, the Company has achieved a **36.26% free float**, attracting a diversified institutional shareholder base.

We note that the business model is transaction-driven, with **dropshipping** representing the core engine of growth and scalability, and **wholesale** business complementing.

Business Line #1: Dropshipping

The Dropshipping division is Yakkyo's primary growth engine, accounting for **82% of FY25's Net Sales (€16.0mn)**.

- **Performance:** The segment delivered a staggering 373% YoY growth in 2024, driven by the proprietary Yakkyofy platform;
- **Monetization:** Yakkyo acts as a principal, capturing value through a 30%–45% product markup and a 5%–10% logistics service fee;
- **Tech Enablement:** The model is reinforced by the Pandarocket.ai SaaS suite, which uses AI to identify trending products and automate marketing content, serving as both a high-margin revenue stream and a "quality filter" for high-LTV merchants.

Business Line #2: Wholesale

The Wholesale segment (**18% of FY25's Net Sales**) facilitates bulk procurement for structured retailers and affiliate networks.

- **Strategic Pivot:** While offering high average tickets (€158k per client), this line is more working-capital intensive with longer lead times (up to 90 days);
- **Rationalization:** Management has strategically rebalanced the portfolio to favour the scalability of dropshipping, getting to 57 active clients in FY25E.

Value Chain Positioning / Operating Model

Yakkyo occupies a critical "middle-layer" position in the global e-commerce value chain, acting as the **China-to-merchant operating layer**. Its key operational strengths, in our view, are as follows:

- **Asset-Light Infrastructure:** Utilizes a "virtual warehouse" model, leveraging partner-operated storage in China and California to minimize fixed costs;
- **Economic Unit:** On a typical €100 order, Yakkyo generates a 20% Gross Profit Margin, orchestrating end-to-end execution without the risks associated with inventory ownership;
- **Efficiency:** Compresses delivery times to 3–10 days via its "Special Line" network, providing a competitive edge over traditional Chinese marketplaces.

The Market Opportunity

The global dropshipping market is undergoing a structural hyper-expansion, projected to scale at a **22% CAGR to reach \$1.25tn by 2030E**, fueled by near-universal digital connectivity and the normalization of frictionless cross-border payments.

The sector is evolving beyond pure retail demand toward a sophisticated **AI-driven "enabling stack"** that automates high-friction workflows, materially reducing operational costs and financial risks for asset-light entrepreneurs.

This transition toward professionalized, technology-led sourcing creates a permanent role for integrated infrastructure providers such as Yakkyo capable of bridging the gap between Chinese manufacturing efficiency and Western service-level expectations.

We note that in the latest three years Yakkyo average growth was in line with the reference market one.

Competitive Positioning

In a fragmented market, Yakkyo is one of the few integrated players capable of offering a **full-stack solution**. Unlike competitors who specialize only in software (e.g., *AutoDS*) or logistics (e.g., *CJ Dropshipping*), Yakkyo provides: 1) **Direct Sourcing** (Deep integration with 1688.com for factory-direct pricing); 2) **Quality Assurance** (Mandatory in-house visual inspections in China to reduce dispute rates); 3) **Advanced MarTech** (Embedded AI tools that reduce merchant churn and increase "stickiness" within the ecosystem).

Growth Strategies

Yakkyo's trajectory is underpinned by **five strategic pillars** designed to capture further market share:

1. **Organizational Scaling:** Strengthening the executive layer (Chief of Staff, Growth Marketing) to support the projected €20mn+ VoP scale;
2. **1688 API Integration** (March 2026): Yakkyo should be the first platform to offer native automated connectivity to China's largest B2B marketplace, with prices 6–7x lower than AliExpress;
3. **Low-CAC Acquisition:** Utilizing organic referral engines and high-profile industry events (Dubai, Bangkok) to maintain low Customer Acquisition Costs;
4. **US Geographic Expansion:** With over 50% of end-demand originating in the US, Yakkyo is targeting selective M&A of Shopify merchant portfolios and expanding its California-based logistics hub.

Financials

Yakkyo is demonstrating an outstanding financial evolution, characterized by high-double-digit growth, stabilizing profitability margins, and a structural transition toward a self-sustaining, cash-generative status.

In more details, we flag the following:

- **Robust Top-line Momentum:** The company delivered a 15% CAGR (FY21–24) and is forecasted to accelerate to a 27% CAGR (FY24–28E), reaching a projected Value of Production of €34.5mn.
- **Significant EBITDA Expansion:** Operating profitability is projected to triple from FY24 levels, reaching €3.4mn by FY28E, supported by stabilized unit economics and a structural EBITDA margin of ~10%.
- **2025 Cash Flow Inflection Point:** After a period of platform-led investment, FY25E has marked the pivotal shift to positive FCF generation, thanks to WC discipline and positive operating leverage;
- **Strengthening Net Cash Position:** Bolstered by cash flow generation, the Adjusted Net Cash is expected to reach €3.7mn by FY28E, providing significant optionality for organic expansion and M&A.

Valuation

We initiate coverage on Yakkyo using a peer-derived rolling multiple framework, applying fixed reference multiples to forward forecasts: **5.0x EV/EBITDA, 7.0x EV/EBIT and 12.0x P/E**, implying **€2.5 p/s (FY26E)** and **€3.2 p/s (FY27E)** Fair Values respectively. Upside versus current stock market price is definitively high.

As safety check, our **Rolling DCF** implies **€4.0 p/s** ($g=1.0\%$, $TV < 60\%$ of EV), while a **Steady-State DCF** assuming cash flows growing at only inflation rate in perpetuity yields **€2.1 p/s**. An **IRR** analysis over FY26E–FY28E with 3.0x–5.0x EV/EBITDA exit multiples **implies ~22%–46% annual returns**.

At FV, Yakkyo would trade at **4.9x–3.8x EV/EBITDA** and **13.0x–9.7x P/E** (FY26E–FY27E).

Corporate Profile

Yakkyo traces its origins to 2016 in Rome (Italy), founded by Giovanni Conforti and Carol Hsiao with the mission of automating and simplifying cross-border e-commerce logistics through a platform-driven model. Over the past decade, it has progressively built a technology-enabled operating layer integrating sourcing, procurement, fulfilment and logistics, reaching €19.4mn in Net Sales in FY25 (preliminary). In February 2026, following an ABB and increased free float, Yakkyo successfully uplisted from EGM PRO to the EGM segment, enhancing market visibility and institutional accessibility.

Yakkyo @ a Glance

With ca. 895k orders managed, 3.3mn items shipped and €19.4mn Net Sales in FY25 (Preliminary), **Yakkyo S.p.A.** (“Yakkyo” or “the Company”) operates as a **technology-enabled cross-border e-commerce infrastructure provider**. Founded back in 2016, the Company supports online merchants across sourcing, procurement, fulfilment and cross-border logistics through a specialized, platform-driven operating model.

The business combines a **core dropshipping stream** — automating order-on-demand sourcing and fulfilment via its proprietary platform **Yakkyofy** — with a complementary **wholesale procurement** channel for bulk orders, with the operating mix progressively shifting toward the more scalable dropshipping model.

Yakkyo connects a network of more than 4,500 suppliers (primarily China-based and largely accessed via 1688.com, i.e., China’s leading B2B marketplace) with a global base of merchants, integrating sourcing, automation and logistics execution within a single operating layer.

Economically, Yakkyo captures value across the full transaction through product mark-up, logistics and fulfilment services. The model benefits from limited inventory exposure and operating leverage, as incremental volumes scale with modest fixed-cost and working capital expansion, while remaining exposed to supplier and client concentration and execution risks related to upfront shipping payments.

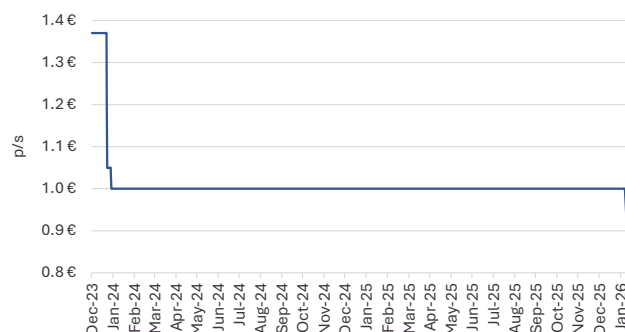
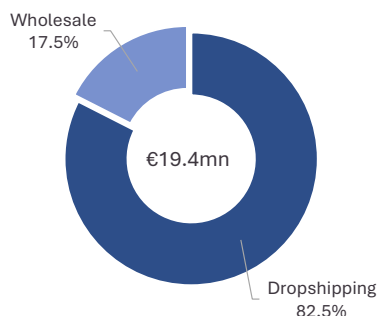
Key operating characteristics include:

- Transaction-driven model with limited inventory exposure;
- Integrated platform with embedded AI / analytics layer;
- Strong positioning in dropshipping, supported by high-volume / low-ticket economics;
- Growing international reach, with increasing exposure to North American demand.

Since December 2023, Yakkyo has been admitted to trading on EGM PRO (ticker “YKY”) through a direct listing (no primary capital raised), at an implied equity valuation of c.€7.5mn (5.49mn shares outstanding; reference price €1.37 p/s).

In February 2026, following the completion of an accelerated bookbuilding, the Company has **migrated from EGM PRO to the EGM segment**, with a higher free float and a more diversified institutional shareholder base.

Yakkyo: FY25’s Net Sales by Services, and Price Evolution on Stock Exchange



Source: Yakkyo, Value Track Analysis

Historical Milestones

Yakkyo traces its origins to **2016** in **Rome** (Italy), founded by **Giovanni Conforti** and **Carol Hsiao** with the mission of automating and simplifying e-commerce logistics. In its early stage, the Company was selected for the Luiss EnLabs accelerator programme, securing an €80k micro-seed investment, which supported the initial development of its proprietary platform. Going more in detail, selected milestones include:

- **2017** – (i) Expansion of the business model with the launch of the Wholesale division, providing European merchants with direct access to Chinese suppliers at competitive prices; (ii) **Capital increase of €500k**, including €260k raised via Mamacrowd, at a €2.3mn pre-money valuation;
- **2018** – Launch of **Yakkyofy**, proprietary automated dropshipping platform integrating e-commerce front-ends with real-time sourcing, procurement and logistics orchestration;
- **2019–2021** – (i) Integration with Shopify and WooCommerce, significantly improving logistics and procurement efficiency; (ii) 2020 equity crowdfunding round raising **€487k via Mamacrowd**, at €8.2mn pre-money valuation;
- **2022** – Introduction of a **SaaS subscription model** with tiered pricing, enabling recurring revenues and enhanced operating leverage;
- **2023** – Admission in December to trading on **Euronext Growth Milan PRO** via direct listing (no capital raised), at an implied €7.5mn valuation (5.49mn shares outstanding; opening price €1.39 p/s); (ii) Launch of **Pandarocket.ai**, AI-driven SaaS suite designed to automate product sourcing, content creation and marketing processes; (iii) Expansion of the product catalogue to > 21mn SKUs;
- **2024** – (i) Launch of **Video Vibe**, AI-powered tool enabling automated video content creation for e-commerce marketing; (ii) Secured **€1.3mn financing from Banco BPM** to support investments in AI development and logistics automation;
- **2026** – In February, following the ABB completed in early February, Zest Investments S.r.l. fully exited its shareholding, facilitating the **Company's transition from EGM PRO to the EGM segment**, with a broadened institutional shareholder base and increased free float.

Worthy to note from a historical growth standpoint, post-2021 the Company delivered **around 15% Turnover CAGR (2021–24)**, albeit along a non-linear trajectory: revenues contracted in 2022 before re-accelerating, with **2024 marking a step-change in operating momentum as VoP more than doubled**.

In parallel, profitability expanded consistently over 2021–23, before a sharp margin compression in 2024 driven by a material increase in shipping costs.

Yakkyo: Key Financials FY21-22-23-24

Profit & Loss (€mn)	FY21	FY22	FY23	FY24
Value of Production	8.82	6.53	6.67	13.41
EBITDA	1.10	0.86	1.14	1.20
EBITDA Margin (as a % of VoP)	12.5%	13.2%	17.0%	9.0%
EBIT	0.55	0.15	0.63	0.67
Net Profit	0.48	0.07	0.40	0.50
Balance Sheet (€mn)	FY21	FY22	FY23	FY24
Total Capital Employed	1.03	1.79	2.82	3.74
Net Equity	2.79	2.85	3.25	3.75
Net Financial Position [Net debt (-) / Cash (+)]	1.76	1.06	0.43	0.01
Adj. NFP [Net debt (-) / Cash (+)]	2.46	1.69	1.11	0.68

Source: Yakkyo, Value Track Analysis

Corporate Governance

Top Management: Structure & Powers

Yakkyo is led by an execution-driven **leadership team** combining strong entrepreneurial vision, international operating experience and solid financial and technological expertise:

- **Giovanni Conforti** – *Co-Founder, CEO & Chairman*. He holds a degree in Economics and Commerce from UNIBA and brings over 20 years of experience in international trading, distribution and eCommerce. With a strong focus on business and customer development, he founded an IT distribution company and acted as a key commercial partner for leading international players, including Telecom Italia (2007), Groupalia Italy (2011), Groupon Europe (2012–2015) and Asiagroup (Singapore, 2015–2016), contributing to the structuring and scaling of cross-border commercial platforms;
- **Virgilio Picca** – *CFO & Director*. Graduate in Economics and Business Management, chartered accountant and statutory auditor, he developed his professional background at KPMG, specialising in the audit of industrial companies, including NYSE-listed issuers. He later served as CFO in the aerospace sector, gaining significant exposure to M&A and corporate finance. Founder of 74 Advisory (fractional CFO services) and co-founder of Orient, he also sits on the boards of The Digital Box and Zakeke and is recognised as an Innovation Manager by the Italian Ministry of Economic Development;
- **Carol Hsiao** – *Co-Founder & COO*. She holds an MBA and brings over 20 years of experience in supply chain and operational management. Her career includes executive roles in leading IT companies listed on the Taipei Stock Exchange. In 2007, she acted as a key supplier to Telecom Italia, followed by the launch of group-deal operations with Groupalia Italy. Between 2012 and 2015, she became one of the main suppliers for Groupon Europe, managing thousands of SKUs across major European markets. From 2015 to 2016, she expanded operations into Asia-Pacific, serving Asiagroup across Singapore, the Philippines, Malaysia, Australia and New Zealand;
- **Domingo Lupo** – *Chief Technology Officer*. A technology expert, he earned a degree in Electrical Engineering from the University of Carabobo (Venezuela) at the age of 22 and later completed an MBA (2011), supported by the Italian Ministry of Foreign Affairs. His career includes roles as ICT Consultant and, in 2014, the co-founding of GrowishPay, an innovative social payment platform based on e-wallet solutions, where he also served as CTO, bringing deep expertise in digital architecture, fintech and platform scalability.

Yakkyo's Board of Directors (chaired by **Giovanni Conforti**) includes: (i) **Virgilio Picca** – Director and CFO; (ii) **Giulio Limongelli** – Director; General Management, Bocconi University; former founder of Citydeal Italia sold to Groupon, ex-MD Italy and VP Southern Europe & Middle East at Groupon; international executive roles at WeWork and DoveVivo; (iii) **Gabriele Menotti Lippolis** – Independent Director; Economics and Business Administration; entrepreneur in tourism, green events and sustainable communication; President of Confindustria Brindisi and Head of Energy at Confindustria Puglia; (iv) **Angelo Coletta** – Director; Business Economics; serial entrepreneur with two completed exits; President of InnovUp and CEO of Zakeke.com, a cloud-based SaaS platform.

Shareholders Structure

Yakkyo has **5,491,150 shares** outstanding. Following the ABB completed in early February 2026, Zest Investments Srl (formerly LVenture Group SpA) fully exited its position, placing 717,500 shares with institutional investors. The transaction was instrumental in enabling the Company's migration from the PRO segment (where the Company had not opened its share capital to third-party investors) to EGM. As a result, **free float-base** increased to **38.08%**, while the **remaining share capital is held by Camilla S.r.l.**, an investment vehicle attributable to Giovanni Conforti, Chairman and Chief Executive Officer of Yakkyo.

Yakkyo: Board of Directors and Ownership Structure



Source: Yakkyo

Yakkyo: Shareholders Structure

Shareholders	Pre-ABB	As of now
Camilla Srl	3,500,000	3,400,000
Zest Investments Srl	717,500	0
Other Minority Shareholders (*)	140,400	140,400
Free Float	1,132,250	1,950,750
Total	5,491,150	5,491,150

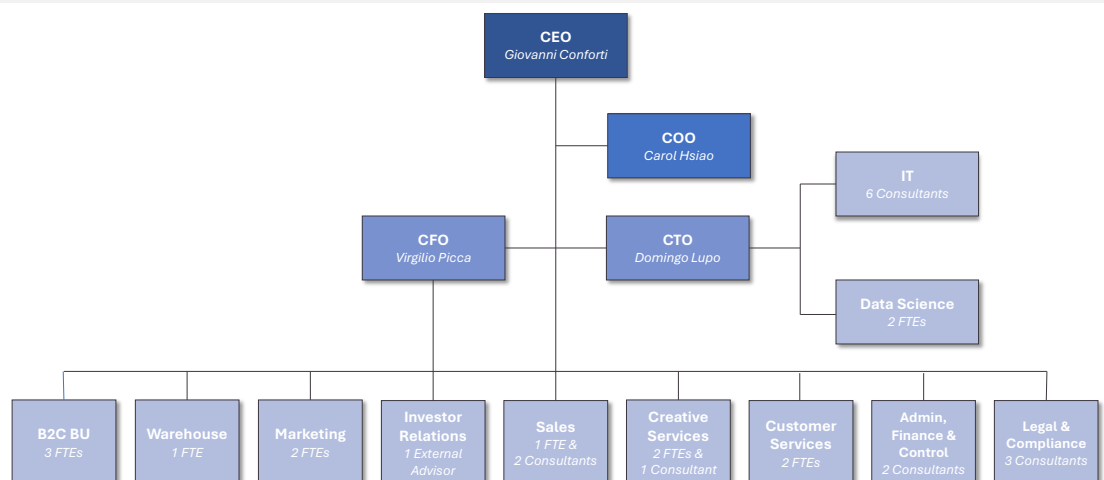
Source: Yakkyo, Value Track Analysis, (*) Non-dematerialised shareholders (<5%), no lock-up

Organizational Structure

The organization remains deliberately lean: **as of February 2026 it counts 13 FTEs**, complemented by consultants and fractional profiles – primarily in legal, finance, investor relations and IT. Internally, staffing is concentrated on execution (B2C and warehouse operations fully covered, alongside customer service, sales/marketing, creative, IT and data science), whereas governance and selected support functions (notably legal, compliance and IR) are largely outsourced, with the main capacity gaps in AFC, marketing and business intelligence.

The Company also leverages an extended footprint in China, with ca. **35 China-based staff** operating a 2,500 sqm warehouse in Dongguan and the Asian team coordinated by the Co-Founder, albeit largely structured through consultancy arrangements.

Yakkyo: Group Structure as of February 2026



Source: Yakkyo

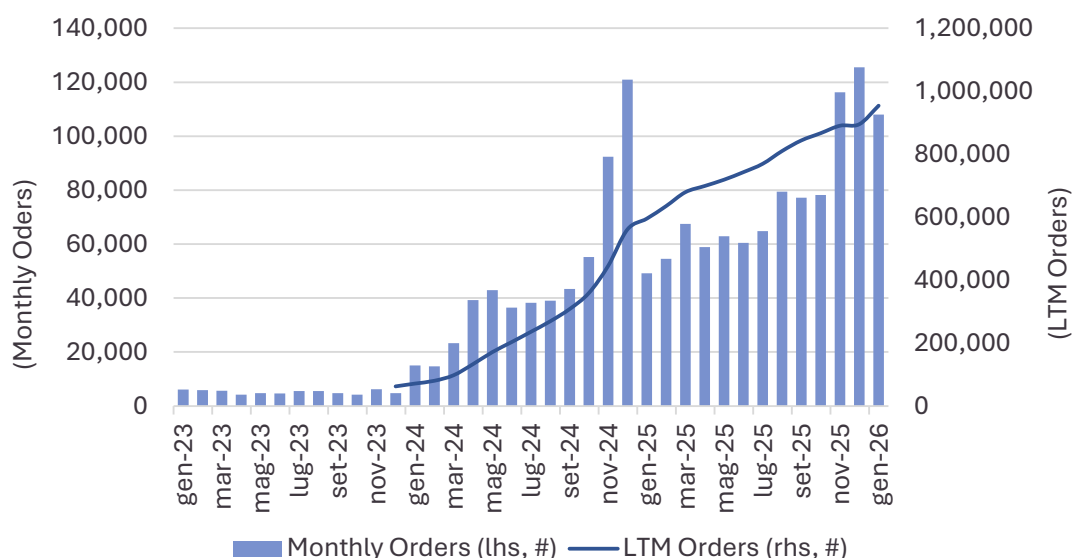
Business Profile

Yakkyo operates an AI-enabled, asset-light “China-to-merchant” operating layer that connects China-based sourcing with global e-commerce merchants. Through its proprietary platform (Yakkyofy) and API-driven integrations (e.g., Shopify/WooCommerce), the Company consolidates procurement, quality control, fulfilment and cross-border logistics into a single automated workflow, enabling merchants to scale internationally without holding inventory or managing operational complexity. The model is predominantly transaction-driven, with value captured across the full order stack (product mark-up, logistics service fees and handling), and with dropshipping as the core growth and scalability engine, complemented by a smaller, more working-capital intensive wholesale activity.

Yakkyo is a **one-stop AI-driven “MarTech operating layer”** designed to simplify cross-border e-commerce by consolidating the entire supply chain into a single platform. Rather than managing 5–7 different vendors, merchants use Yakkyo as a central principal to handle everything from sourcing to final delivery, without owning inventory or handling logistics complexity.

Yakkyo is structurally transaction-driven and monetises across the full order value (product mark-up, logistics and fulfilment); as a result, **order volumes are the clearest proxy for platform scale and momentum**. The chart below highlights the platform’s acceleration, with **monthly orders > 100k** in the most recent months and **LTM volumes approaching ~1mn**, supporting operating leverage through supplier optimisation, improved freight economics and higher monetisation efficiency per order.

Yakkyo: Orders Evolution (Monthly & LTM)

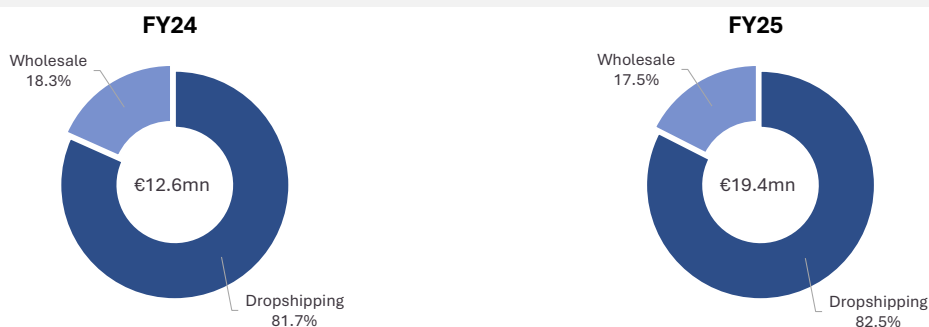


Source: Yakkyo

Particularly, Yakkyo’s business model is structured across two complementary operating segments:

- Dropshipping** (82% of FY25’s Net Sales; €16.0mn) – Through Yakkyo, merchants integrate their e-commerce storefronts (e.g., Shopify, WooCommerce) and access a fully automated workflow covering product sourcing, procurement, quality control and global fulfilment, without holding inventory;
- Wholesale** (18% of FY25’s Net Sales; €3.4mn) – Bulk procurement model enabling clients to source large product volumes directly from Chinese manufacturers at competitive cost. Yakkyo manages supplier sourcing, storage, logistics and customs clearance, providing a streamlined and capital-efficient procurement framework for e-commerce operators and affiliate-driven distribution networks, frequently operating under cash-on-delivery (COD) structures.

Yakkyo: FY24-25's Net Sales by Services



Source: Yakkyo, Value Track Analysis

Key Features & Benefits of Yakkyo support to merchants

- **Integrated Execution:** Acts as a single accountable partner for sourcing, quality control, and end-to-end logistics, removing the need for a dedicated procurement team.
- **Advanced Tech Stack:** Utilizes the Yakkyofy API and Pandarocket.ai to automate workflows and provide market intelligence for identifying "winning" products.
- **Marketing & Branding:** Offers specialized tools for AR product photos, automated video creation, and custom packaging to help merchants scale their brand identity.
- **Operational Efficiency:** Features a "virtual warehouse" model to eliminate storage costs, with rapid order processing (1–5 days) and integrated real-time tracking.

Economic Model

Economically, the model monetises value across the full transaction: Yakkyo revenues reflect the total amount invoiced to the merchant, including

1. product value (supplier cost plus 35–40% markup);
2. shipping (logistics cost plus ca. 5% service fee);
3. fulfilment handling fees.

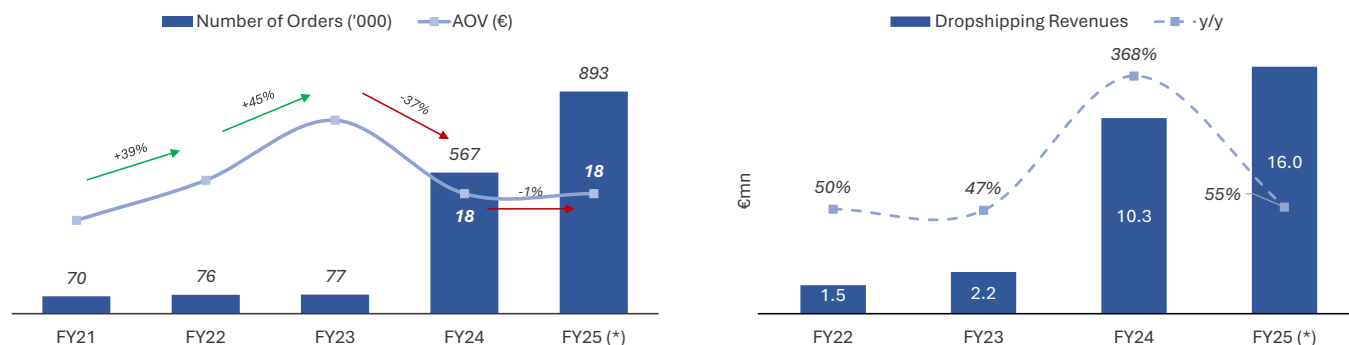
On a €100 order, Yakkyo typically pays ca. €65 to the supplier and ca. €15 in fulfilment costs, generating ca. €20 gross profit (GPM=20%), consistent with a scalable, platform-driven orchestration model.

Overall, Yakkyo's positioning combines sourcing arbitrage, platform automation and logistics orchestration, creating structural switching costs and execution barriers for merchants.

1# Dropshipping (€16.0mn or 82% of FY25's Net Sales)

Dropshipping is Yakkyo's core operating engine, designed to eliminate the complexities of sourcing and cross-border logistics through an automated, API-integrated workflow. By connecting storefronts, merchants can trigger order-on-demand procurement, leaving end-to-end execution—from Chinese factories to the customer's door—to Yakkyo.

Yakkyo: Dropshipping Performance – Volume, AOV and Revenue Growth



Source: Yakkyo, Value Track Analysis; (*) Preliminary

Operating Flow

- **Integration:** Seamless connection with Shopify or WooCommerce;
- **Selection:** Merchants source products directly from the Yakkyofy catalog.
- **Procurement:** Orders are automatically triggered once the merchant captures a sale;
- **Quality Control:** Yakkyo performs visual inspections and quality checks in-house;
- **Fulfillment:** Global shipping includes real-time tracking and logistics management.

Pricing

This segment is the company's primary revenue driver, boasting 373% YoY growth. Yakkyo monetizes through a tiered markup model:

- Large Clients (€10k+ monthly): ~30% markup on product value;
- Smaller Merchants: Up to ~45% markup;
- Shipping: A 5%-10% service fee is applied to logistics costs.

Logistics Infrastructure

Execution centers on the proprietary "Special Line" network, offering Premium (3–10 days) and Standard (6–15 days) delivery. A dedicated California warehouse further compresses US delivery times to 24–48 hours, supporting an expected 800k US-bound orders.

While the merchant base is predominantly European, the model remains highly viable; retail prices typically reflect a 3–4x uplift over product costs to absorb marketing and service overhead.

Subscription (SaaS)

The subscription layer embedded in the platform is best viewed as a strategic monetisation overlay and a demand-quality filter that structurally supports the Group's transaction-led growth engine.

While **subscription revenues remain small**, the SaaS architecture plays a clear role in optimising customer acquisition efficiency: it discourages low-commitment, low-LTV users from entering the ecosystem, while enabling Yakkyo to selectively waive fees for high-volume merchants — where value capture is superior through transactional mark-ups and service revenues — thereby maximising conversion and retention of economically attractive accounts.

Pricing is offered on both monthly and annual billing, with annual plans providing a meaningful discount to incentivise longer-term lock-in. The plan structure is as follows:

- **Free** (\$0): core platform access (incl. unlimited order fulfilment), image-recognition product search, free warehouse space, basic quotations and product media tools;
- **Premium** (\$79/month | \$59/month billed annually): expanded operating toolkit (incl. manual sourcing for dropshipping, higher quotation volumes, warehouse space), plus private labelling/custom packaging, product media, pre-shipment quality checks and priority chat support;
- **Premium+** (\$299/month | \$229/month billed annually): full feature set and highest service level, with materially higher quotation capacity, dedicated account management and logistics tools (e.g., shipping calculator / parcel pick-up reminders), plus high-priority assistance via calls/WhatsApp.

Thus, this structure improves customer acquisition efficiency and supports long-term retention of high-value merchants, while preserving monetization optionality as the platform scales.

Yakkyo: SaaS Pricing Structure (Monthly vs Annual)

Plan	Monthly	Annually	Services
Free	\$0/month		Core platform access; unlimited order fulfilment; image-recognition product search; free warehouse space; basic quotations; sample evaluation; product media tools
Premium	\$79/month	\$59/month billed annually	Manual dropshipping sourcing; bulk quotations; POD & bundle management; private labelling & custom packaging; AR/3D product tools; product media; pre-shipment quality check; Shopify upsell; priority chat support
Premium+	\$299/month	\$229/month billed annually	All Premium features; expanded quotation capacity; dedicated account manager; shipping calculator; parcel pick-up reminders; high-priority assistance via calls/WhatsApp

Source: Yakkyo

2# Wholesale (€3.4mn or 18% of FY25's Net Sales)

Wholesale serves as Yakkyo's bulk-procurement arm, catering to structured retailers and affiliate networks. In this model, Yakkyo acts as a centralized intermediary managing the entire lifecycle—from factory sourcing and production coordination to customs clearance and final delivery.

Operating Flow

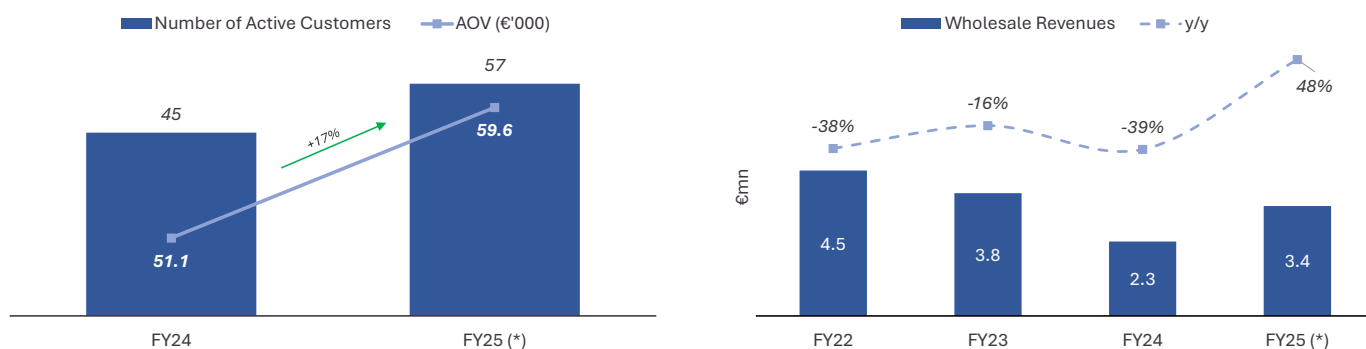
- **Quotation:** Detailed calculation of product costs and shipping (weight/volumetric);
- **Sourcing:** Selection via marketplaces or factory-direct for high-volume orders;
- **Production & Payment:** Coordination starts with a 30–50% client deposit; Yakkyo often advances the balance;
- **Quality Assurance:** Factory-level inspections (UNI ISO 2859) by third-party firms to mitigate compliance risks;
- **Logistics:** International transit (sea/rail) with full settlement required before customs clearance;
- **Delivery:** Final transit to client warehouses or FBA centers, often including private label requirements.

Strategic Shift & Financial Profile

While wholesale offers high ticket sizes — averaging **€158k per client** with **40–50% markups** — it is significantly more working-capital intensive than dropshipping. Lead times often stretch to 90 days (30 days production plus 60 days transit), and margins are susceptible to shipping-cost volatility.

Strategically, Yakkyo has rebalanced its portfolio to favor the scalability of dropshipping. Active wholesale clients stand at 57 in FY25E year end, reflecting a move away from high capital absorption. However, the segment remains a vital recurring channel for established brands requiring repeat, large-scale procurement.

Yakkyo: Wholesale Performance – Active Clients, AOV and Revenue Trend



Source: Yakkyo, Value Track Analysis

The charts illustrate the structural repositioning of the Wholesale segment: while the active client base declined materially vs. historical peaks, FY25 Preliminary indicates a rebound in active clients to 57 (from 45 in FY24), alongside a higher average ticket size. This supports the view that the segment is being refocused toward more structured, higher-quality counterparties, with volumes increasingly driven by repeat procurement rather than broad-based client proliferation. The observed revenue normalization therefore appears primarily driven by portfolio rationalization and capital allocation discipline, rather than underlying demand weakness. As a result, Wholesale is increasingly positioned as a complementary, cash-generative channel supporting recurring sourcing needs, rather than a primary growth lever versus the Company's core dropshipping engine.

Value Chain Positioning / Operating Model

As far as the value chain is concerned, in our view it can be summarized in five consecutive steps / players, with Yakkyo being positioned in the very middle :

1. **Manufacturers** (mainly chinese ones);
2. **Aggregators / Marketplaces**, i.e. Aliexpress or 1688;
3. **MarTech platforms**, i.e. Yakkyo
4. **Merchants**, (e-ratilers / dropshippers);
5. **End Clients** (mainly retail ones).

Yakkyo: Value Chain



Source: Yakkyo

1. Manufacturers

Procurement is supported by a diversified supplier network primarily composed of Chinese manufacturers and wholesalers, leveraging 10–15 strategic partners to access 4,500+ suppliers.

Yakkyo operates through local partners in China that support procurement execution, supplier coordination and logistics handling, while retaining the ability to source directly from factories for larger-volume orders to improve economics and execution control.

The framework is designed to ensure supply continuity, multi-sourcing flexibility and execution reliability, particularly during seasonal demand peaks.

2. Aggregators / Marketplaces

Yakkyo performs its procurement activities mainly via aggregators / marketplaces. Such strategy has several advantages:

- **Cost Dominance:** Sourcing via Chinese marketplaces allows achieving prices that are not available elsewhere;
- **Operational Resilience:** Partners handle local collection; Yakkyo manages direct factory negotiations and quality control to mitigate supplier dependency;

We underline that in March Yakkyo should launch **1688 API access**. 1688.com offers prices 6–7x lower than AliExpress, with Yakkyo providing the essential RMB payment and export layer. Native integration will expand the catalog to 150M SKUs, positioning Yakkyo as a first-mover in automated 1688 connectivity.

MarTech platforms

Yakkyo sits at the intersection of two structurally disconnected worlds: China's vast, price-efficient manufacturing base and Western merchants' need for reliable, repeatable cross-border execution.

As such, we can view Yakkyo as a **technology-driven “China-to-merchant”** operating layer, bridging China's fragmented supplier base with Western e-commerce merchants by integrating procurement, fulfilment/logistics and MarTech enablement into a single platform-led workflow.

Indeed, the Company acts as a strategic intermediary — often as a principal in B2B e-commerce flows — removing language, payment and operational friction upstream, while executing end-to-end downstream through a capital-light infrastructure.

More in details, Yakkyo takes care of Platform orchestration and Fulfilment, Virtual Warehousing & Logistics. On top of that it also offers AI powered demand enablement + product intelligence tools.

Platform Orchestration (API-driven automation)

Yakkyo is the automated backbone for Shopify-driven commerce, replacing 5–7 fragmented vendors.

- **Unified Flow:** Consolidates sourcing, procurement, and fulfillment into one API.
- **Efficiency:** Compresses time-to-market by replacing manual coordination with automation.
- **Autonomy:** Merchants retain control over demand capture and end-customer pricing.
- **Scale:** Seamlessly manages the entire supply chain from a single interface.

Notably, Yakkyo typically does not have visibility on merchants' end-customer pricing, as demand capture happens on the client side across multiple channels;

Fulfilment, Virtual Warehousing & Logistics Execution

Yakkyo executes through a capital-light logistics model, leveraging warehouse and courier partnerships rather than owning a heavy fixed-asset base.

The Company offers virtual warehousing (partner-operated storage) supported by real-time inventory visibility, enabling merchants to scale without storage costs or inventory handling.

Transport modality is optimised by order profile: dropshipping is typically routed via faster lanes (air-enabled), while wholesale leverages sea/rail for bulk cost efficiency and longer lead times.

On risk allocation, the principal operational exposure sits in shipping execution: shipping is paid upfront to couriers, representing the key residual execution risk in the flow, alongside supplier concentration, client concentration and platform dependency (Shopify-driven traffic);

AI powered demand enablement + product intelligence tools

In addition to the core execution workflow, there are a **set of value-added modules** aimed at reducing sourcing friction and improving merchants' commercial performance:

1. an **automated quotation workflow enabling users to obtain B2B quotes** with minimal latency by pasting a marketplace link or uploading an image;
2. **AR / 3D product visualisation and rich media experiences** designed to improve engagement and conversion on product pages; and
3. **custom packaging / private labelling** to support brand-building and differentiation.
4. **Proprietary AI and analytics layer**, to enhance product discovery, trend detection and automated content workflows. As this integration scales (including 1688-driven sourcing intelligence), it should position Yakkyo among the most advanced end-to-end dropshipping enablement platforms in 2026.

Merchants

Yakkyo has built a broad top-of-funnel footprint, with ca. 3,850 registered customers, of which **184 were active in FY25** (placed at least 1 order, of which 127 related to dropshipping and 57 to wholesale), reflecting a deliberate commercial **focus on “quality of demand” rather than sheer account volume**.

The revenue profile is structurally concentrated with 20% of clients accounting for 80% of turnover and are predominantly large-scale dropshipping operators (typically “digital nomads”, predominantly young, internationally mobile entrepreneurs, based in low-tax jurisdictions such as Dubai and Cyprus).

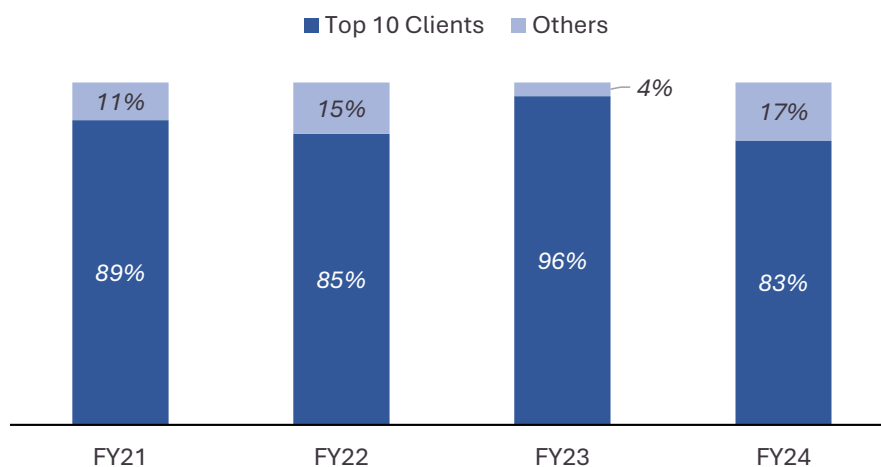
These accounts are managed under a “VIP” logic — defined as customers processing ≥250 orders/day — where Yakkyo monetizes across the full transaction stack (product mark-up, logistics and fulfilment), and has intentionally deprioritized smaller merchants viewed as low-value “background noise”.

In this context, the **SaaS subscription layer acts as a soft entry barrier for small clients**, while client acquisition is bifurcated: small accounts are sourced via paid advertising (e.g., Meta), whereas larger customers are primarily driven by a structured referral engine (including Dubai-based community events), with referral fees linked to the referred client's sell-through performance.

Operationally, management indicates **multi-year client durability** (ca. 2+ years) and low dispute intensity — often resolving defects via refunds given limited incremental shipping costs. Finally, while ca. 50% of underlying sell-out is generated in the US, Yakkyo's dropshipper base remains predominantly non-US,

highlighting both the platform’s cross-border reach and a potential whitespace in direct US merchant penetration.

Yakkyo: Client Concentration by Year



Source: Yakkyo

End Clients

Yakkyo doesn’t directly burden the legal risk of its clients’ possible failures, but for sure is directly correlated to their success. The higher the revenues generated by merchants and the higher the fees earned by Yakkyo. In terms of go-to-market, merchant demand is predominantly acquired through paid performance digital channels (Meta, TikTok Shop, Google and native ads).

Reference Market

Yakkyo operates in a market that is entering a structurally higher-growth phase, underpinned by the continued expansion of global e-commerce, the maturation of cross-border payment and logistics infrastructures, and the rapid adoption of automation and AI-enabled commerce tools. These technologies are progressively reducing execution complexity across sourcing, merchandising, pricing, fulfilment and demand forecasting, enabling merchants to scale transaction volumes more efficiently while reinforcing the role of integrated operating platforms such as Yakkyo within the cross-border e-commerce stack.

Dropshipping Global Market Size and Expected Growth Rate

According to *Grand View Research*, updated back in February 2025, the **global dropshipping market** was valued at **\$365.7bn** in **FY24** and is projected to reach \$1,253.8bn by 2030E, i.e. around **22.0% CAGR_{FY25E-30E}**.

Growth drivers

Such accelerated expected growth of the dropshipping and cross-border e-commerce market is driven not only by a surge of demand but also by a convergence of technological, financial, and structural shifts, out of which we flag the following ones:

- **Technology Enablers (AI & Automation):** The transition from manual coordination to AI-driven "enabling stacks" has lowered entry barriers. AI now automates high-friction tasks such as trend prediction, order routing, and dynamic pricing, allowing small teams to manage enterprise-level volumes. From this point of view, the rise of global Enterprise SaaS platforms such as Shopify is being one of the most important driving force. We'll get back on this point later on;
- **Structural e-commerce Acceleration:** Near-universal internet connectivity (94% in the EU) and high smartphone penetration have permanently shifted consumer habits toward online-first purchasing, creating a massive, borderless demand pool;
- **Financial De-risking (Asset-Light Model):** The move away from inventory ownership and warehousing costs minimizes the financial risk for entrepreneurs. This "pay-as-you-sell" model attracts a continuous influx of new merchants who prioritize capital efficiency;
- **Payment Ecosystem Maturity:** Innovations in digital wallets, alternative payment methods (BNPL), and simplified cross-border currency settlement have reduced checkout friction and increased transaction confidence globally;
- **Logistics & 3PL Evolution:** Significant investments in global fulfillment hubs and "special line" shipping networks have addressed the historical "pain point" of long delivery times, making cross-border sourcing competitive with local retail.

Category Mix & Growth Drivers

Within this expanding market, growth dynamics differ meaningfully across product categories and are primarily driven by product-cycle velocity and demand formation mechanics. The most noteworthy product categories are **Fashion** and **Food & Personal Care**:

- **Fashion** is the clear anchor segment, representing **> 34% of global revenues in FY24**, as the category is structurally exposed to fast trend turnover and social-led discovery (influencer marketing, viral "micro-trends", and short merchandising windows). In this context, dropshipping is an efficient operating model: it allows retailers to test and refresh assortments quickly without committing capital to inventory, limiting markdown risk and reducing the probability of unsold stock while preserving profitability through rapid iteration and tighter cash conversion.
- **Food & Personal Care**, while smaller today, is **expected to be the fastest-growing vertical**, expanding at around **23.6% CAGR** over the forecast period. Growth is driven by two reinforcing forces: first, rising consumer preference for organic, natural, and sustainable everyday products, which often sit in fragmented long-tail supply ecosystems where niche sourcing is a competitive advantage; second, the

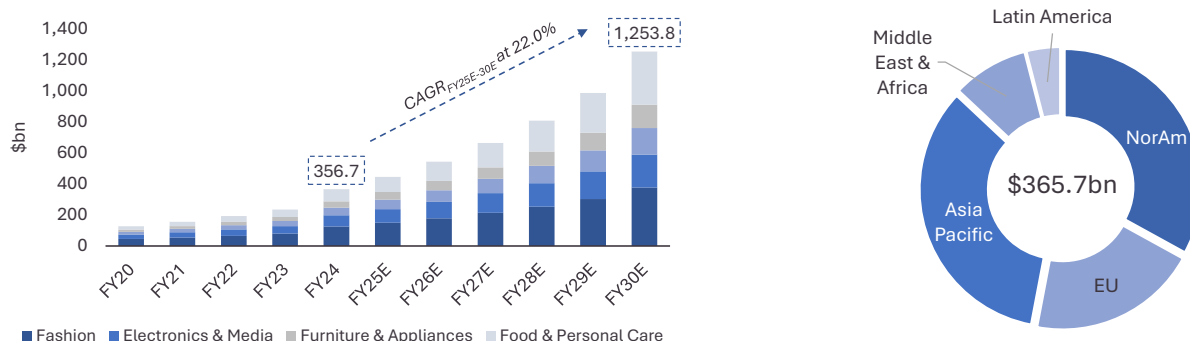
post-COVID normalization of online purchasing for groceries, vitamins, wellness, and personal care, which structurally increased digital penetration and lowered the behavioral barrier to repeat buying.

Regional Market Trends

As far as geography trends are concerned, we flag:

- **United States** – expected to grow significantly at a CAGR_{FY25E–30E} of 20.2%, the market is moving from “generic storefronts” to niche-led positioning (e.g., sustainable fashion, health & wellness, pet accessories, tech gadgets), with competition increasingly won on execution speed and unit economics rather than catalogue breadth; in this context, automation and AI are becoming core infrastructure across the stack (customer service via chatbots, predictive analytics for demand planning, dynamic pricing and promotion optimization, automated inventory/order workflows), enabling merchants to scale while protecting margins and service levels;
- **Europe** – the operating model is shifting toward local/EU-based sourcing to compress delivery times, reduce dependency on long-haul imports, and improve perceived quality, while regulatory constraints structurally increase the “cost of doing things properly”; differentiation is increasingly tied to trust and compliance (transparent pricing, clear return policies, warranties, packaging obligations and GDPR-grade data practices), with sustainability and supply-chain transparency becoming particularly important in the UK and more broadly across Western Europe;
- **Asia-Pacific** – growth is structurally supported by mobile-first consumption and the breadth of digital payment rails, with market winners leveraging regional demand creation engines; China is distinct for the scale of social commerce (platform-native shopping, influencer/KOL-led conversion, livestream formats), whereas Japan is defined by high logistics standards.

Dropshipping Market by Product and Region



Source: Grand View Research, Value Track Analysis

Shopify: The Tier 1 Enterprise SaaS platform unlocking e-commerce operations

Beyond regional dynamics, a critical accelerator of industry growth is the evolution of the global commerce platform ecosystem which increasingly shape merchant volumes, discovery mechanics and transaction flows.

Out of this space, the undisputed market leader is **Shopify**, the global SaaS infrastructure enabling multi-channel commerce and digital storefront management, that in FY25 generated \$11.6bn of revenues, up+30% y/y.

Shopify growth is driven not only by the growth of the reference market but also by AI driven product development helping merchants generate higher sales volumes, creating a structural tailwind for downstream execution players such as Yakkyo.

Some examples of key AI initiatives recently announced include:

- **Sidekick Pulse**, an AI-powered copilot embedded within Shopify that supports merchants in store configuration, data management and real-time performance monitoring;
- **A broader suite of AI-enabled content and media generation tools**;
- The **Universal Commerce Protocol (UCP)** — the most strategically relevant initiative — which standardizes catalog structures and transaction flows, enabling Shopify stores to be accessed directly by AI agents and personalized discovery engines.

As a result, product discovery is progressively shifting toward AI-assisted interfaces, where consumers obtain personalized recommendations and transact seamlessly, with Shopify operating as the underlying transaction infrastructure. This reduces friction across the purchasing journey, supports higher conversion and order frequency, and ultimately drives incremental GMV with lower reliance on paid acquisition channels.

Yakkyo benefits directly from this dynamic, as **incremental transaction volumes generated at the Shopify layer require physical execution downstream**.

With approximately 895k orders processed in 2025, of which ca. 97.8% originated from Shopify-based merchants, Yakkyo operates as a fulfillment-layer enabler, capturing transaction-driven volume growth through sourcing, quality control and cross-border logistics orchestration, without structural overlap with the platform layer.

Industry Risks & Structural Constraints

Notwithstanding these structural tailwinds, the conversion of market growth into sustainable profitability remains dependent on execution discipline and external operating conditions. In particular:

- **Regulatory take-rate on low-value parcels** – the introduction of the EU flat duty of €3 on shipments below €150 from 1 July 2026, alongside potential national handling levies, mechanically increases landed costs and disproportionately affects low-ticket models;
- **Trade-policy volatility** – shifting tariff regimes on China (including standard and punitive US tariffs) may alter sourcing economics, supplier pricing and logistics routing;
- **Logistics and last-mile economics** – shipping costs remain the most volatile P&L driver, with carrier pricing, peak surcharges and capacity constraints directly impacting service levels and gross margins;
- **Supplier terms and working-capital absorption** – the dropshipping model often requires payment at dispatch and/or supplier prepayments, meaning rapid scaling can generate cash absorption if DPO shortens or advances and tax receivables increase;
- **Compliance and product liability** – tightening EU requirements on safety, labeling and traceability (e.g., CE compliance, documentation and customs checks) raise quality-control costs and increase return/claim risk;
- **Platform and customer-acquisition dependency** – a meaningful share of merchant activity relies on third-party ecosystems (notably Shopify and paid-ads channels such as Meta, TikTok and Google), exposing growth to platform policy changes and CAC volatility;
- **Operational reliability at scale** – product quality, defect rates, returns and customer service represent hidden cost drivers that can compress margins if vendor diversification and QC protocols are not continuously strengthened.

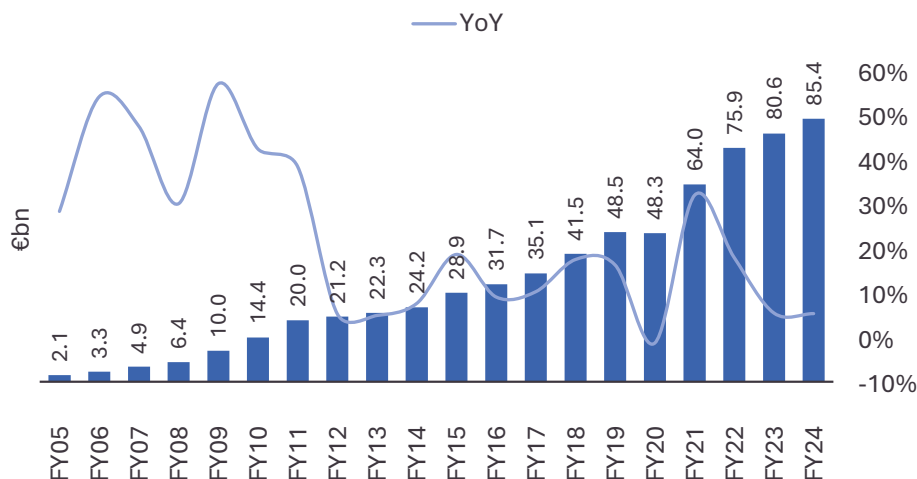
Overall, while demand remains supportive, sustainable profitability depends on logistics optimisation, regulatory adaptation and disciplined working-capital management.

Focus on Italian E-commerce Market and Dropshipping Outlook

Casaleggio Associati (2025) data show that the **Italian e-commerce market** reached **€85.4bn** in **FY24** (+6% YoY), reflecting a structurally expanding digital commerce ecosystem that has grown by **>20% CAGR over the past two decades**.

From a cross-border perspective, Italian e-commerce exports remain primarily oriented toward core European markets. Germany and France each account for approximately 14% of export flows, followed by Spain (12%), while the US represents around 7%, confirming a secondary but structurally relevant extra-European demand corridor.

Italian E-Commerce Evolution



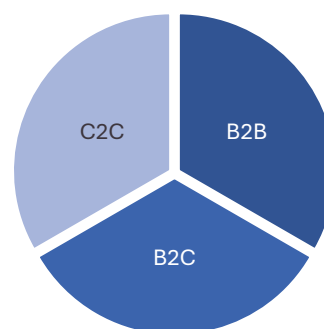
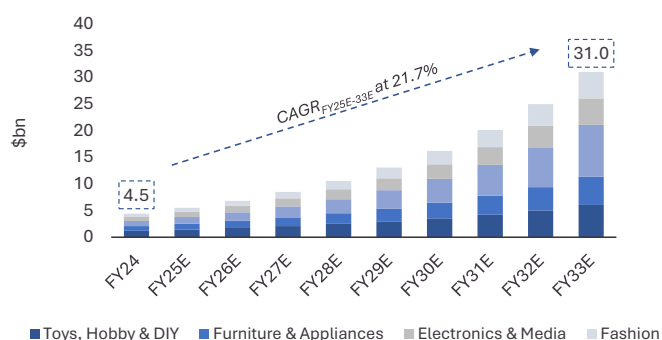
Source: Casaleggio Associati 2025

As far as dropshipping is concerned, Italy's trajectory appears broadly aligned with global dropshipping dynamics, reflecting a structurally similar set of growth enablers. On this basis, **IMARC Group** estimates **Italy's dropshipping market at \$4.47bn in FY24**, expected to reach \$30.97bn by 2033 (**21.7% CAGR_{FY25E-33E}**).

Aspects further characterizing the Italian dropshipping landscape are the following ones:

- IMARC describes the market as **broadly balanced across B2B, B2C and C2C applications**, implying a diversified demand base rather than a purely consumer-driven phenomenon;
- From a category standpoint, the Italian mix is still anchored by “everyday” baskets (Toys/Hobby/DIY and Home/Furniture as the volume base), while Food & Personal Care emerges as the key growth engine. Electronics & Media typically grows more steadily (mature demand, price transparency), while Fashion expands but tends to be less dominant than in global mixes, reflecting a more fragmented merchant landscape and stronger competition on returns/service levels.

Italy: Dropshipping Market



Source: IMARC Group, Value Track Analysis

Competitive Positioning

The dropshipping ecosystem remains structurally fragmented and largely private: **there are no directly comparable listed peers**, and the competitive set is primarily composed of a limited number of scaled platforms — typically a dozen or so operators that have reached a transactional scale in the low single-digit €m GMV / VoP range.

In this context, solutions tend to specialize in discrete “jobs-to-be-done”: **automation layers** (product import, inventory/price synchronization and order routing), **full-service execution** (sourcing, warehousing, labelling and shipping), **curated supplier marketplaces** (US / EU catalogue and faster delivery), or **supplier discovery / directories**. In line with this segmentation, automation-first tools such as *AutoDS*, *DSers* and *Dropified* optimize store operations and supplier-side order forwarding; full-service operators such as *CJ Dropshipping* — one of the largest China-based players by scale — alongside *Zendrop* and *HyperSKU*, extend the proposition toward end-to-end execution, including fulfilment and logistics; curated marketplaces such as *Spocket* and *Modalyst* prioritize US / EU supplier availability and delivery speed; while *SaleHoo* and *Worldwide Brands* remain primarily discovery-oriented. *Doba* sits closer to the “catalogue + integration” bucket, offering centralized assortment management via platform integrations rather than pure directory access.

Within this competitive set, Yakkyofy is positioned as an **integrated “China-to-merchant” operating layer**, combining procurement execution, quality control, fulfilment/logistics orchestration and embedded MarTech /AI (Pandarocket.ai) within a single workflow — reducing the need for merchants to assemble multi-provider stacks and reinforcing execution ownership across the transaction.

Yakkyo: Valuable Competitors

Platform	Region	Description	Avg. Rating (*)	# of reviews
 yakkyofy DROPSHIPPING REDEFINED	Italy	◆ Paid plans from \$79–299/month ◆ Product sourcing + inventory and order management	4.4	~70
 spocket	Canada	◆ Paid plans from \$39.99/month ◆ US/EU dropshipping, fast shipping + branded invoicing	4.5	>10k
 DROPSHIPPING	China	◆ Free & Pay per product + shipping ◆ Global sourcing, local warehouses, custom packaging & POD	na	na
 Dropified	United States	◆ Paid plans from ~\$50/month ◆ Product import, order automation and AI-driven store optimis.	4.1	~50
 Zendrop	United States	◆ Paid plans at \$49–79/month ◆ US/global sourcing, auto-fulfillment + custom branding	4.6	>20k
 HYPERSKU	China	◆ Pay per product + shipping ◆ Sourcing & fulfilment from China/Turkey, custom packaging	4.8	~250
 MODALYST	United States	◆ Paid plans from \$35/month ◆ Curated suppliers, fast shipping, automated imports	2.2	~10
 SALEHOO	New Zealand	◆ Membership plans from \$27/month ◆ Verified supplier directory + market research tools	4.1	~450
 SellTheTrend	United States	◆ Paid plans from \$49.97/month ◆ Product trend analytics + one-click import tools	4.7	>1k
 AUTO-DS	United States	◆ SaaS plans from ~\$9.90/month ◆ Multichannel dropshipping automation + product marketplace	4.8	>25k
 DSers	China	◆ Paid plans from \$19.90/month ◆ AliExpress dropshipping automation with bulk ordering	5.0	>5k
 usadrop	China	◆ Paid plans from \$10–31/month ◆ US warehouses, branded packaging + order automation	4.6	~370
 WORLDWIDE BRANDS	United States	◆ Lifetime access for \$197 ◆ Certified wholesale & dropshipping supplier directory	3.9	~350
 doba	United States	◆ Paid plans from ~\$49.99/month ◆ US-focused dropship marketplace with order & inventory sync	3.5	~100

Source: Value Track Analysis, Companies Information, (*) Trustpilot as of February 2026

Growth Strategies

Given the substantial runway for growth within the reference market, Yakkyo's strategy does not require complex pivots. Instead, the focus is on disciplined execution and strengthening competitiveness to capture market share. The Company's growth trajectory rests on five pillars: i) Launch of 1688 API Integration; ii) Utilisation of Low-CAC, Organic Client Acquisition Strategies; iii) US Geographic Expansion; iv) Organizational Strengthening; v) Targeted Wholesale Expansion.

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1. Launch of 1688 API Integration;
2. Utilisation of Low-CAC, Organic Client Acquisition Strategies;
3. US Geographic Expansion;
4. Organizational Strengthening;
5. Targeted Wholesale Expansion.

1# Launch of 1688 API Integration

A key near-term catalyst is the upcoming direct API integration with 1688.com, expected in March 2026. This initiative aims to automate sourcing, quoting, and order management with the following positive impact:

- **Strategic Advantage:** Yakkyo would be the first dropshipping platform to natively connect with China's largest B2B marketplace thus expanding the addressable catalogue to hundreds of million SKUs;
- **Pricing Power:** 1688 offers materially lower sourcing prices. While 1688 requires RMB payments and lacks international shipping, Yakkyo would provide the necessary service layer to bridge these gaps;
- **Scalability & Risk:** The automation of the quoting process should allow Yakkyo to efficiently serve smaller clients, thereby increasing volumes and diversifying client concentration risk.

2# Utilisation of Low-CAC, Organic Client Acquisition Strategies

We already described how Yakkyo employs a multichannel clients acquisition strategy prioritizing organic growth and technological appeal over traditional, capital-intensive advertising. In a nutshell:

- **Referral-Driven Growth:** Unlike competitors relying on heavy ad spend, Yakkyo leverages a "word-of-mouth" referral program to incentivize existing users to attract new merchants;
- **Trade Fairs:** The Company maintains a strategic presence at key international sector events (e.g., Bangkok, Budapest, Dubai) crowded with high-profile merchants.

Such strategies are due to be maintained in the future and keep Customer Acquisition Cost (CAC) low.

3# US Geographic Expansion

More than one third of total volumes are shipped to the US. It is thus paramount to have efficient shipping operations in the US and a local presence also in terms of merchant clients. As far as the first point is concerned, Yakkyo has already opened a dedicated warehouse in California to significantly reduce lead times for the US market. As far as the local presence in terms of merchant clients, we hint that the Company is evaluating selective M&A opportunities. The primary target is the acquisition of client portfolios—specifically dropshippers using Shopify marketplace apps or competitors platforms.

4# Organizational Strengthening

To support projected volume increases, Yakkyo plans to reinforce its corporate structure with targeted hires (approx. 3-4 FTEs). Key roles identified include Chief of Staff, Growth Marketer, Sales personnel.

5# Targeted Wholesale Expansion

Yakkyo aims to grow its Wholesale business unit through a highly selective approach, focusing only on specific niches where it holds a competitive advantage. We expect news on this point in the next few months.

Financial Profile

Yakkyo's financial profile is improving year after year, increasingly reflecting the scalability of the dropshipping-led mix. First, we forecast VoP to rise from €13.4mn in FY24 to €34.5mn by FY28E (+27% CAGR), driven primarily by sustained order-volume growth. Second, profitability is set to expand as logistics intensity normalizes and operating leverage kicks in: EBITDA is expected to increase from €1.2mn in FY24 to €3.4mn in FY28E (+30% CAGR), with margins stabilizing at ~10%. Third, we see FY25E as the inflection point for cash generation, with improving EBITDA and a more disciplined NWC trajectory supporting a strengthening liquidity profile (Adj. Net Cash projected at ~€3.7mn by FY28E), ultimately creating headroom for platform investments, international expansion and selective M&A.

Historical Financials

The key highlights from Yakkyo's FY21-FY24 financial results are:

- **Value of Production growing at double digit annual rates** (15% CAGR), reaching **€13.4mn** in FY24;
- **EBITDA Margin at 9%** (vs. peak at 17% in FY23) i.e. **€1.2mn** in FY24;
- **Adj. Net Cash Position moved from €2.5mn in FY21 to €680k in FY24.**

FY25 Preliminary (released on 23 February) confirms the continuation of the scaling trajectory: **Net Sales reached ca. €19.4mn** (+55% YoY), with Dropshipping accounting for 82% of the mix (ca. €16.0mn, +48% YoY) and Wholesale for 18% (ca. €3.4mn, +48% YoY). As far as NFP is concerned, the FY25 preliminary indicates a Net Cash position of ~€0.7mn (vs. break-even in FY24), plus an additional ~€0.7mn from wealth management activities, bringing total **Net Cash to ~€1.3–1.4mn**.

Specifically, this performance was shaped by three key structural dynamics:

1. **A shift toward dropshipping**, which expanded from ca.11% of VoP in FY21 to ca.77% in FY24, **ever more replacing wholesale as the core revenue engine**;
2. **Margin reset driven by a higher logistics and service-cost intensity as volumes scaled**, with profitability now stabilizing;
3. **FCF approaching the break-even point.**

Yakkyo: Key Financials FY21-FY24

(IT GAAP, €mn)	FY21	FY22	FY23	FY24	YoY	CAGR _{FY21-24}
Value of Production	8.8	6.5	6.7	13.4	101%	15%
EBITDA	1.1	0.9	1.1	1.2	6%	3%
EBITDA Margin (as a % of VoP)	12%	13%	17%	9%	-807bps	-349bps
Adj. NFP [i.e. Net Debt (-) Cash (+)]	2.5	1.7	1.1	0.7	-0.4	-1.8

Source: Yakkyo, Value Track Analysis

1. A shift toward dropshipping, ever more replacing wholesale as the core revenue engine

Yakkyo delivered a **~15% VoP CAGR_{FY21-FY24}**, reaching **€13.4mn in FY24** (+101% YoY), with Revenues from Sales amounted to €12.6mn, implying a 16% CAGR over the same period (+99% YoY). Growth has been overwhelmingly driven by the scale-up of dropshipping, while wholesale has been deliberately resized as the Group prioritized the structurally more scalable and higher-margin segment. Key operating dynamics are as follows:

- **Dropshipping acceleration:** FY24 dropshipping revenues reached €10.3mn (slightly less than 4x YoY vs €2.2mn in FY23), supported by a step-change in volumes to ca. 567k orders (vs ca. 77k in FY23). This scale-up came with a lower ticket profile, with AOV declining to €18 (vs €28 in FY23, -37% YoY), consistent with a shift toward higher-frequency, lower-ticket order flows. FY25 Preliminary further

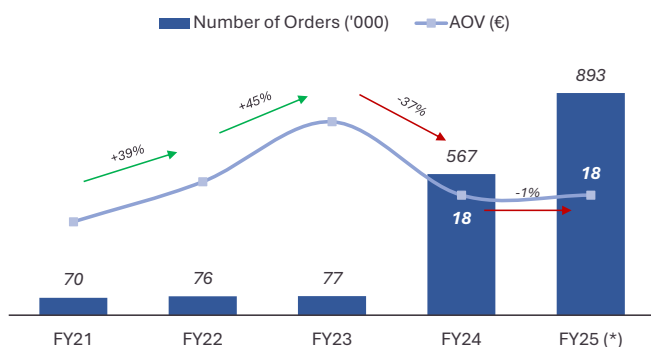
supports this trajectory, with orders increasing to ca. 893k (from 567k in FY24, +58% YoY) and AOV broadly flat YoY;

- **Wholesale contraction** (and quality rebound in FY25): wholesale revenues declined to €2.3mn in FY24 (-39% YoY vs €3.8mn in FY23). FY25 Preliminary indicates a more structured base, with active wholesale clients rising to 57 (vs 45 in FY24) and AOV increasing +17% to ca. €60k (from ca. €51k).

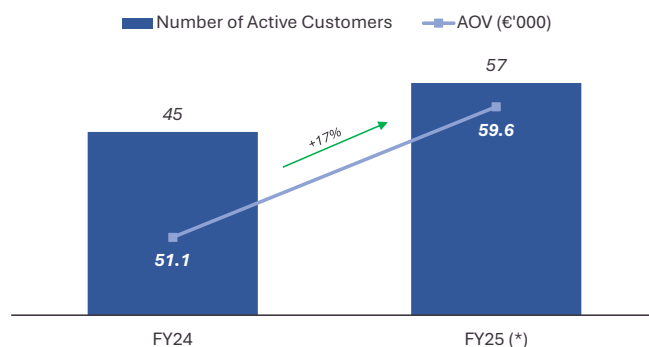
Overall, the mix evolution confirms management's reallocation of resources toward dropshipping, given superior margin profile and scalability versus the more working-capital intensive wholesale channel.

Yakkyo: Dropshipping and Wholesale – KPIs

Dropshipping



Wholesale



Source: Yakkyo, Value Track Analysis; (*) Preliminary

Yakkyo: Revenue from Sales by Service (FY21-FY25)

(IT GAAP, €mn)	FY21	FY22	FY23	FY24	FY25 (*)	CAGR _{FY21-25}
Wholesale	7.2	4.5	3.8	2.3	3.4	-17%
YoY (%)	<i>nm</i>	-38%	-16%	-39%	48%	//
As a % of VoP	82%	69%	57%	17%	//	//
Number of Active Customers	na	na	na	45	57	//
YoY (#)	<i>na</i>	<i>na</i>	<i>na</i>	<i>nm</i>	12	//
AOV per Customer (€'000)	na	na	na	51	60	//
YoY (%)	<i>na</i>	<i>na</i>	<i>na</i>	<i>nm</i>	17%	//
Dropshipping	1.0	1.5	2.2	10.3	16.0	100%
YoY (%)	<i>nm</i>	50%	47%	368%	55%	//
As a % of VoP	11%	23%	33%	77%	//	//
Number of Orders ('000)	70	76	77	567	893	//
YoY (%)	<i>nm</i>	8%	1%	639%	58%	//
AOV (€)	14.3	19.8	28.7	18.2	17.9	//
YoY (%)	<i>nm</i>	39%	45%	-37%	-1%	//
Other Sales / Subscriptions	0.6	0.5	0.7	0.8	//	//
YoY (%)	<i>nm</i>	39%	45%	21%	//	//
As a % of VoP	7%	8%	10%	6%	//	//
Value of Production	8.8	6.5	6.7	13.4	//	//
YoY (%)	<i>nm</i>	-26%	2%	101%	//	//

Source: Yakkyo, Value Track Analysis; (*) Preliminary

As for other FY24 VoP items, these amounted to €823k in FY24 (+2.5x YoY, vs. €328k in FY23). The contribution was driven by €196k from Δ Inventory (finished goods) and €627k of other revenues, mainly: (i) €224k of grants (including €178k IPO-related grants and €46k SIMEST digitalization, vs. €83k in FY23) and (ii) €402k of capital contributions, split approx. around 50% SIMEST and the remainder across R&D incentives, Puglia Title II and Invitalia 4.0 schemes.

Yakkyo: Value of Production b.down (FY21-FY24)

(IT GAAP, €mn)	FY21	FY22	FY23	FY24	CAGR _{FY21-24}
Revenues from Sales	8.1	6.0	6.3	12.6	16%
Other Revenues	0.7	0.5	0.3	0.6	-3%
o/w Grants	//	0.091	0.083	0.224	//
Other	//	0.445	0.245	0.402	//
Value of Production	8.8	6.5	6.7	13.4	15%

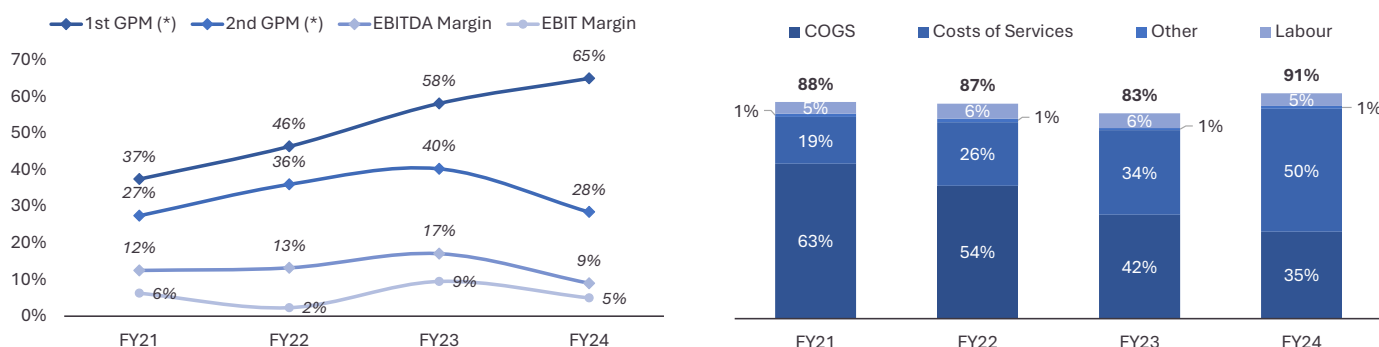
Source: Yakkyo, Value Track Analysis

2. Margin reset driven by a higher logistics and service-cost intensity as volumes scaled

Over FY21–FY24, Yakkyo delivered ca. 1.5x sales growth, albeit with a ca. 350bps contraction in EBITDA margin, driven by a cost stack that expanded more than proportionally vs revenues — most notably shipping costs, service costs (ex-shipping) and, to a lesser extent, labour costs.

In **FY24**, Yakkyo generated ca. **€1.2mn EBITDA**, implying a **low single-digit EBITDA CAGR over FY21–FY24** (ca. +3%) and confirming that profitability has been increasingly shaped by logistics intensity and operating cost inflation rather than pure scale effects.

Yakkyo: Margin Evolution and Cost Structure (FY21-FY24)



Source: Yakkyo, Value Track Analysis; (*) Calculated as VoP – COGS; (**) Calculated as 1st Margin – Shipping Costs

In terms of cost structure, COGS represent the largest cost item, followed by Shipping Costs and Service Costs (net of shipping). More in detail, we note:

- **COGS** sharply declined as a share of VoP, from 63% (FY21) to 35% (FY24), reflecting a material mix rebalancing across the cost base;
- **Shipping Costs** rose materially, from 10% (FY21) to 36% (FY24), emerging as the key swing factor in the P&L and the main driver of volatility in the variable cost stack, amid the post-Covid demand rebound and persistent supply-chain disruptions (capacity constraints, route congestion, and spot-rate inflation);
- **Cost of Services (ex-shipping)** expanded from 9% (FY21) to 13% (FY24), indicating higher reliance on outsourced activities and operating support as the business scaled (i.e., marketing/consulting/IT and other third-party services);
- **Labour Costs** remained structurally low and stable at ca. 5–6% of VoP, consistent with a deliberately lean organizational model (FY24: 14 FTEs, aligned with management’s policy to keep headcount <15);

- **Rent and Other Costs** are immaterial and do not represent a meaningful driver of profitability dynamics.

Below the EBITDA line, we believe worth to highlight:

- **D&A** remained stable YoY at ca. €530k in FY24 (vs. €500k in FY23);
- **Net Financial Charges** decreased to €90k (vs. €138k in FY23);
- **Taxes** to €81k (vs. €95k), implying an effective low-rate in the ~15%-20% range.

As a result of the above, Yakkyo's **EBIT** FY24 increased “only” 6% YoY up to **€669k**, while **Net Profit** registered **€498k** (at €400k in FY23. i.e., +25% YoY).

Yakkyo: P&L FY21-FY24

(IT GAAP, €mn)	FY21	FY22	FY23	FY24	YoY	CAGR _{FY21-24}
Value of Production	8.8	6.5	6.7	13.4	101%	15%
COGS (incl. Δ Inventory)	-5.5	-3.5	-2.8	-4.7	68%	-5%
1st Gross Profit	3.3	3.0	3.9	8.7	125%	38%
<i>1st Gross Margin (as a % of VoP)</i>	<i>37.4%</i>	<i>46.3%</i>	<i>58.1%</i>	<i>64.9%</i>	<i>683bps</i>	<i>2747bps</i>
Shipping Costs	-0.4	-0.7	-1.2	-4.9	<i>nm</i>	<i>nm</i>
2nd Gross Profit	2.9	2.3	2.7	3.8	89%	21%
<i>2nd Gross Margin (as a % of VoP)</i>	<i>32.4%</i>	<i>36.0%</i>	<i>40.2%</i>	<i>28%</i>	<i>-233bps</i>	<i>547bps</i>
Service Costs (excl. Shipping Costs)	-1.2	-1.0	-1.1	-1.8	62%	31%
Use of 3rd Party Assets	0.0	0.0	0.0	-0.1	190%	60%
Other Costs	-0.1	-0.1	0.0	0.0	128%	-20%
Labour Costs	-0.4	-0.4	-0.4	-0.7	72%	17%
EBITDA	1.1	0.9	1.1	1.2	6%	3%
<i>EBITDA Margin (as a % of VoP)</i>	<i>12.5%</i>	<i>13.2%</i>	<i>17.0%</i>	<i>9.0%</i>	<i>-807bps</i>	<i>-349bps</i>
D&A	-0.5	-0.7	-0.5	-0.5	6%	-1%
EBIT	0.6	0.2	0.6	0.7	6%	6%
<i>EBIT Margin (as a % of VoP)</i>	<i>6.3%</i>	<i>2.3%</i>	<i>9.5%</i>	<i>5.0%</i>	<i>-450bps</i>	<i>-129bps</i>
Total Fin Exp.	-0.1	-0.2	-0.1	-0.1	-35%	16%
Pre-Tax Profit	0.5	0.0	0.5	0.6	17%	5%
Taxes	0.0	0.1	-0.1	-0.1	-15%	57%
Net Profit	0.5	0.1	0.4	0.5	25%	2%
<i>Net Margin (as a % of VoP)</i>	<i>5.4%</i>	<i>1.0%</i>	<i>6.0%</i>	<i>3.7%</i>	<i>-229bps</i>	<i>-167bps</i>

Source: Yakkyo, Value Track Analysis

3. FCF approaching the break-even point

Yakkyo's financial profile is structurally capital-light and characterized by a balance sheet that is broadly unlevered, with cash generation and liquidity primarily shaped by working-capital dynamics rather than heavy fixed-asset investments. As of FY24, the Company reported a **break-even Reported Net Cash Position, while Adjusted Net Cash Position** (including financial asset management positions held at BCC Cassano delle Murge e Tolve and treated as cash equivalents) **stood at ca. €680k**.

Key drivers include:

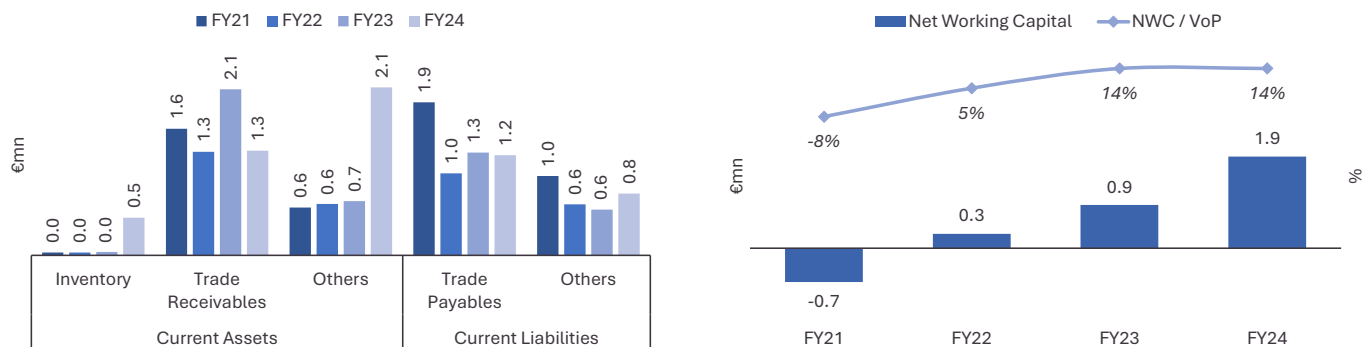
- **Capex** (ca. €550k in FY24): entirely allocated to intangibles, with ca. €410k related to enhancements on the Yakkyofy software stack — specifically the development of the product search system — consistent with a platform-led investment model rather than physical infrastructure expansion;
- **Net Working Capital** (ca. €1.9mn, i.e., 14% of VoP): positive and mildly absorptive, reflecting a higher inventory balance and advances to suppliers. Particularly: (i) Inventories increased to €470k (from near-zero in prior years); (ii) current assets totaled €3.4mn, including €1.3mn trade receivables (down

YoY from €2.1mn) and €940k advances to third-party suppliers; (iii) current liabilities were €2.0mn (vs. €1.8mn in FY23), with trade payables at €1.2mn, broadly flat YoY.

- **Equity base:** Group Net Equity stood at €3.8mn, supporting financial flexibility and a conservative capital structure.

Importantly, FY24 Cash & Deposits amounted to €5.4mn, providing meaningful optionality to fund incremental growth initiatives and potential M&A.

Yakkyo: Net Working Capital Breakdown and Incidence on Net Sales (FY21-FY24)



Source: Yakkyo, Value Track Analysis

Yakkyo: Balance Sheet FY21-FY24

(IT GAAP, €mn)	FY21	FY22	FY23	FY24
Net Working Capital	-0.7	0.3	0.9	1.9
As a % of VoP	-8%	5%	14%	14%
Net Fixed Assets	1.8	1.6	1.9	2.0
Provisions	0.0	0.1	0.1	0.1
Total Capital Employed	1.0	1.8	2.8	3.7
As a % of VoP	12%	27%	42%	28%
Group Net Equity	2.8	2.9	3.3	3.8
NFP [i.e. Net Debt (-) Cash (+)]	1.8	1.1	0.4	0.0
Other Financial Assets	0.7	0.6	0.7	0.7
Adjusted Net Debt (-) / Net Cash (+)	2.5	1.7	1.1	0.7

Source: Yakkyo, Value Track Analysis

Yakkyo: Cash Flow Statement FY22-FY24

(IT GAAP, €mn)	FY22	FY23	FY24
EBITDA	0.9	1.1	1.2
Δ Net Working Capital	-1.0	-0.6	-0.9
Capex	-0.5	-1.0 (*)	-0.5
Δ Provisions	0.0	0.0	0.0
OpFCF b.t.	-0.6	-0.5	-0.2
As a % of EBITDA	-71%	-48%	-20%
Cash Taxes	0.1	-0.1	-0.1
OpFCF a.t.	-0.5	-0.6	-0.3
Others (incl. Fin. Investments, Buyback)	0.0	0.1	0.0
Net Financial Charges	-0.2	-0.1	-0.1
Dividends Paid	0.0	0.0	0.0
Δ Net Financial Position	-0.7	-0.6	-0.4

Source: Yakkyo, Value Track Analysis; (*) ~€300k related to IPO Costs

Yakkyo: Adjusted Cash Flow Statement FY22-FY24

(IT GAAP, €mn)	FY22	FY23	FY24
Revenue from Sales Cash	6.0	6.3	12.8
Opex Cash (adj. For IPO costs)	-6.2	-6.2	-12.5
<i>o/w P&L Costs</i>	-5.7	-5.5	-12.2
<i>IPO costs</i>	0.0	0.3	0.2
<i>Intangible Capex</i>	-0.5	-1.0	-0.5
= EBITDA Cash	-0.2	0.1	0.3
Δ Net Working Capital	-1.0	-0.6	-0.9
Other Capex	0.0	0.0	0.0
Δ Provisions	0.0	0.0	0.0
Adj. OpFCF b.t.	-1.1	-0.6	-0.6
<i>As a % of EBITDA Cash</i>	<0	<0	<0
Cash Taxes	0.1	-0.1	-0.1
Adj. OpFCF a.t.	-1.1	-0.7	-0.7
Capital Injections	0.0	0.0	0.0
Other	0.5	0.0	0.4
<i>o/w Other Revenues (Capitalized Costs + Grants)</i>	0.5	0.3	0.6
<i>o/w IPO costs</i>	0.0	-0.3	-0.2
Others	0.0	-0.1	0.0
Net Financial Charges	-0.2	-0.1	-0.1
Δ Net Financial Position	-0.7	-0.6	-0.4

Source: Yakkyo, Value Track Analysis

1H25 Financial Results

As far as **1H25 results**, Yakkyo delivered:

- **Value of Production** at **€9.5mn**, up +170% YoY (NB: **2H25's Net Sales** delivered **€10.2mn**, confirming sustained scale into year-end);
- **EBITDA** at **€670k**, with EBITDA Margin >7% (+210bps YoY);
- **EBIT** at **€490k**, corresponding to a 5.2% EBIT Margin, improving from a negative margin in 1H24, albeit below €700k recorded in 2H24;
- **Adjusted Net Debt** at **€97k** (vs. Net Cash of €465k in 1H24 and €679k in FY24), reflecting a negative NWC cycle that more than offset EBITDA and resulted in cash absorption, primarily driven by higher tax receivables and lower trade payables.

Yakkyo: Key Financials 1H24-1H25

(IT GAAP, €mn)	1H24	1H25	YoY
Value of Production	3.5	9.5	170%
EBITDA	0.2	0.7	250%
<i>EBITDA Margin (as a % of VoP)</i>	6%	7%	168bps
EBIT	0.0	0.5	nm
<i>EBIT Margin (as a % of VoP)</i>	0%	5%	528bps
Net Profit	-0.1	0.2	nm
Total Capital Employed	3.3	4.7	1.4
Group Net Equity	3.2	4.0	0.8
NFP [i.e. Net Debt (-) Cash (+)]	-0.2	-0.8	-0.6
<i>Other Financial Assets</i>	0.7	0.7	0.0
Adjusted NFP [i.e. Net Debt (-) Cash (+)]	0.5	-0.1	-0.6

Source: Yakkyo, Value Track Analysis

Key takeaways include:

- **Topline driven by continued dropshipping expansion and platform investment.** In 1H25, the Company reported Revenues from Sales of €9.2mn and Value of Production of €9.5mn, which includes €156k Δ Inventory (finished goods) and €67k capital grants (plus minor items). Growth was primarily supported by the scale-up of dropshipping, which contributed €7.6mn (+153% vs. 1H24). In parallel, the Company continued to invest in its proprietary software stack, including €128k related to platform enhancements and digital transition activities under the “Pandarocket” initiative (incl. associated advertising spend);
- **Cost base increasingly shaped by logistics and transaction intensity.** The P&L remains dominated by merchandise for resale and related shipping costs, consistent with the transaction nature of the model. Costs for services reached €4.3mn (vs. €2.0mn at 1H24), with the increase primarily attributable to higher dropshipping transport costs, rising payment processing fees, stepped-up marketing activity and higher legal/administrative/commercial consulting costs associated with funded projects;
- **Working capital turned into a material cash headwind.** The increase in volumes, combined with tighter supplier payment dynamics typical of dropshipping (often requiring payment at departure), resulted in working-capital absorption. Trade payables decreased by €830k, while tax receivables increased by €580k. As of 1H25, annualized DPO was 9 days vs DSO of 29 days, highlighting a structurally short supplier cycle relative to customer cash conversion and explaining the pressure on cash generation.

Yakkyo: P&L 1H24 to 1H25

(IT GAAP, €mn)	1H24	2H24	1H25
Revenue from Sales	3.1	9.5	9.2
Other Revenues	0.4	0.2	0.2
Value of Production	3.5	9.9	9.5
COGS (incl. Δ Inventory)	-1.0	-3.8	-4.0
Costs of Services	-2.0	-4.6	-4.3
Use of 3rd Party Assets	0.0	-0.1	-0.1
Other Costs	0.0	0.0	0.0
Labour Costs	-0.3	-0.4	-0.4
EBITDA	0.2	1.0	0.7
<i>EBITDA Margin (as a % of VoP)</i>	<i>5.2%</i>	<i>10.3%</i>	<i>7.1%</i>
D&A	-0.2	-0.3	-0.2
EBIT	0.0	0.7	0.5
<i>EBIT Margin (as a % of VoP)</i>	<i><0</i>	<i>7.1%</i>	<i>5.2%</i>
Total Fin Exp.	-0.1	0.0	-0.2
Pre-Tax Profit	-0.1	0.7	0.3
Taxes	0.0	-0.1	-0.1
Net Profit	-0.1	0.6	0.2
<i>Net Margin (as a % of VoP)</i>	<i><0</i>	<i>6.1%</i>	<i>2.2%</i>

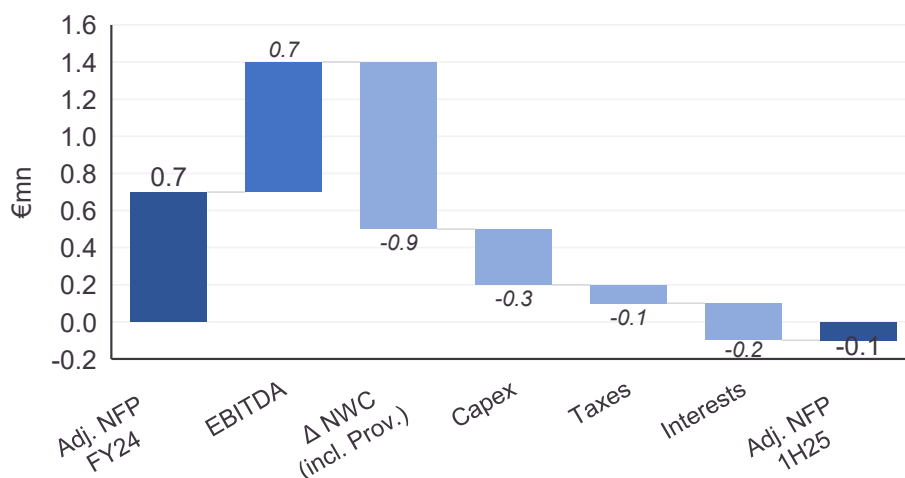
Source: Yakkyo, Value Track Analysis

Yakkyo: Balance Sheet 1H24 to 1H25

(IT GAAP, €mn)	1H24	2H24	1H25
Net Working Capital	1.5	1.9	2.8
Net Fixed Assets	1.8	2.0	2.1
Provisions	0.0	0.1	0.1
Total Capital Employed	3.3	3.7	4.7
Group Net Equity	3.2	3.8	4.0
NFP [i.e. Net Debt (-) Cash (+)]	-0.2	0.0	-0.8
<i>Other Financial Assets</i>	<i>0.7</i>	<i>0.7</i>	<i>0.7</i>
Adj. NFP [i.e. Net Debt (-) Cash (+)]	0.5	0.7	-0.1

Source: Yakkyo, Value Track Analysis

Yakkyo: Cash Flow 1H25



Source: Yakkyo, Value Track Analysis

Forecasts FY25E-28E

Based on **FY25 Preliminary** results released on 23 February, Yakkyo delivered around **€19.4mn Net Sales** on **over 895k orders**, implying +55% YoY growth (vs. 550k in FY24). This trajectory appears supported by early-2026 trading momentum, with Jan-26 orders that we estimate might have reached more than 100k (+120% YoY vs. 49k in Jan-25) with ca. 380k products shipped (2x YoY).

We expect Yakkyo to sustain above-market growth through FY28E as the operating mix remains increasingly skewed toward dropshipping and platform-enabled execution.

By FY28E, we forecast:

- **VoP** reaching **€34.5mn**, implying a CAGR_{FY24–FY28E} of ca. 27%, slightly above the underlying dropshipping market growth rate;
- **EBITDA** expanding to **€3.4mn** (~3x vs FY24), with profitability stabilizing around an approx. 10% EBITDA Margin;
- **Adj. Net Cash** strengthening to **€3.7mn**, supported by improving FCF conversion and a mid-term OpFCF b.t. / EBITDA ratio somewhat above 50%.

Yakkyo: Key Financials FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	CAGR _{FY24–28E}
Value of Production	13.4	20.0	24.1	29.2	34.5	27%
EBITDA	1.2	1.9	2.5	2.9	3.4	30%
EBITDA Margin (as a % of VoP)	9%	10%	10%	10%	10%	94bps
Adj. NFP [i.e. Net Debt (-) Cash (+)]	0.7	1.3	1.7	2.5	3.7	3.0

Source: Yakkyo, Value Track Analysis

We see this financial trajectory supported by:

1. **Supportive market backdrop and a strengthening dropshipping-led positioning;**
2. **More scalable mix and stabilizing EBITDA margins;**
3. **Improving EBITDA-to-Operating Free Cash Flow conversion.**

1# Supportive market backdrop and a strengthening dropshipping-led positioning

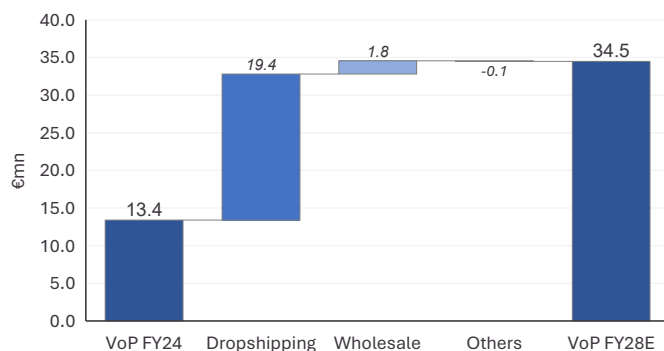
We model Yakkyo's FY25E–28E top-line evolution based on the following assumptions, reflecting the ongoing mix shift toward the more scalable and capital-efficient dropshipping model:

- **Dropshipping** projected to expand at a CAGR_{FY24–FY28E} of ca. 30%, reaching €29.7mn in FY28E, remaining the primary growth engine. Expansion is driven predominantly by volume scaling, supported by the progressive internationalization of merchant activity and increasing platform penetration. Our model assumes order growth of +55% in FY25E (as seen in the Preliminary results) and +20% YoY thereafter, while AOV increases around +2% annually, broadly tracking inflation;
- **Wholesale** expected to grow at a CAGR_{FY24–FY28E} of ca. 15%, supported by recurring bulk procurement relationships and a selective rebuild of the active client base. Starting from 57 active clients in FY25, we assume a broadly flat net client trajectory through FY27E ($\Delta \sim 0$, churn included), followed by a gradual net expansion from FY28E onwards, ultimately bringing the client base to ca. 70 clients in the longer term. AOV per customer is assumed to increase broadly in line with inflation, reflecting stable pricing dynamics and a progressive mix shift toward larger, more structured counterparties. While structurally less scalable and more NWC intensive than dropshipping;
- **Other Sales** broadly flattish in absolute terms, declining in mix to 2% of VoP by FY28E, as growth remains structurally concentrated in dropshipping.

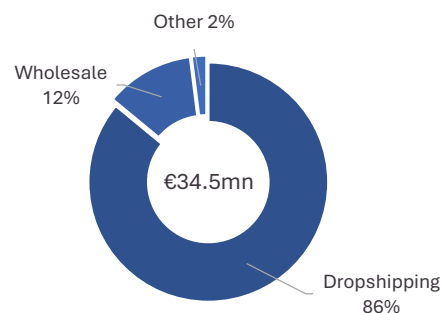
Yakkyo: Revenue from Sales by Service (FY24-FY28E)

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	CAGR _{FY24-28E}
Wholesale	2.3	3.4	3.5	3.6	4.1	15%
YoY (%)	-39%	48%	2%	4%	12%	//
As a % of VoP	17%	17%	14%	12%	12%	//
Number of Active Customers	45	57	57	58	64	//
YoY (#)	na	12	0	1	6	//
AOV per Customer (€'000)	51	60	61	62	63	//
YoY (%)	na	17%	2%	2%	2%	//
Dropshipping	10.3	16.0	19.9	24.9	29.7	30%
YoY (%)	368%	55%	24%	25%	19%	//
As a % of VoP	77%	80%	84%	85%	86%	//
Number of Orders ('000)	567	893	1,053	1,290	1,509	//
YoY (%)	639%	58%	18%	23%	17%	//
AOV (€)	18.2	17.9	18.9	19.3	19.7	//
YoY (%)	-37%	-1%	6%	2%	2%	//
Other Sales / Subscriptions	0.8	0.6	0.7	0.7	0.7	4%
YoY (%)	21%	-28%	27%	-1%	0%	//
As a % of VoP	6%	3%	5%	3%	2%	//
Value of Production	13.4	20.0	24.1	29.2	34.5	27%

Source: Yakkyo, Value Track Analysis

Yakkyo: Value of Production Evolution and Breakdown in FY28E


Source: Yakkyo, Value Track Analysis



2# More scalable mix and stabilizing EBITDA margins

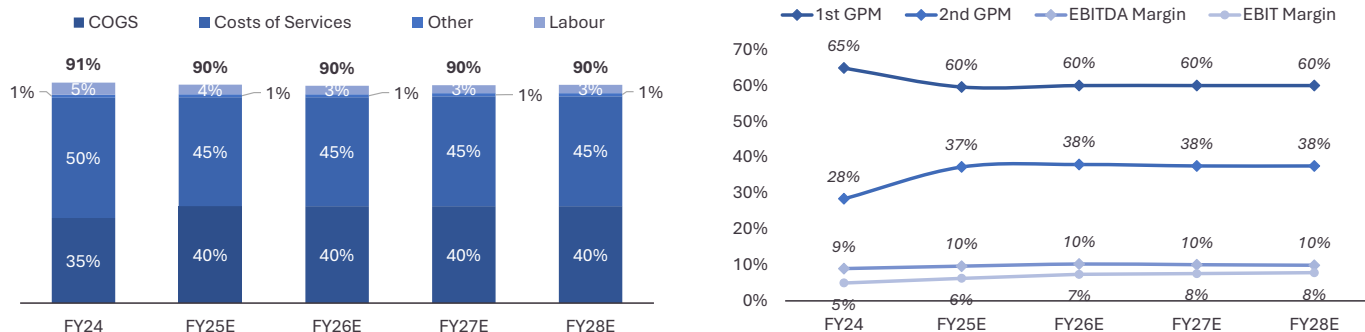
We expect Yakkyo's profitability profile to normalize over the forecast horizon, driven by a combination of stabilizing unit economics, operating leverage and disciplined platform investment. In particular:

- **GPM stabilization through cost-stack rebalancing:** we assume a gradual increase in product costs (COGS) as a share of VoP, partly offset by a decline in shipping-cost intensity as volumes scale and routing/carrier economics improve. On this basis, we expect the second-level gross margin (2nd GPM) to stabilize around 38%, providing a more resilient contribution base for operating leverage;
- **Operating leverage supported by selective organizational reinforcement:** to sustain the projected volume ramp, Yakkyo plans to reinforce the corporate structure with targeted hires (ca. 3–4 FTEs) and to intensify commercial positioning through participation in key international sector events, characterized by high-density merchant attendance. While these initiatives lift the fixed-cost base in

the near term, we expect them to be more than absorbed by topline growth, supporting **EBITDA** expansion to **€3.4mn** by FY28E (implying 30% CAGR) with the EBITDA Margin stabilizing around 10%;

- **Disciplined intangible capex and improving “cash EBITDA”:** we assume continued investment in Yakkyofy’s software stack, with intangible capex and grants moderating the gap between accounting EBITDA and cash profitability. On our definition (cash revenues from sales less cash opEx, adjusted for IPO-related costs and intangible capex), cash EBITDA is expected to ramp more gradually, reaching ca. €1.8mn by FY28E (vs. ca. €300k in FY24), reflecting improving scale and cost absorption while maintaining an innovation runway.

Yakkyo: Cost Structure and Margin Evolution FY24-FY28E



Source: Yakkyo, Value Track Analysis

Below EBITDA, a more gradual increase in D&A and limited financial charges should support a solid expansion in bottom-line profitability. Specifically, we project:

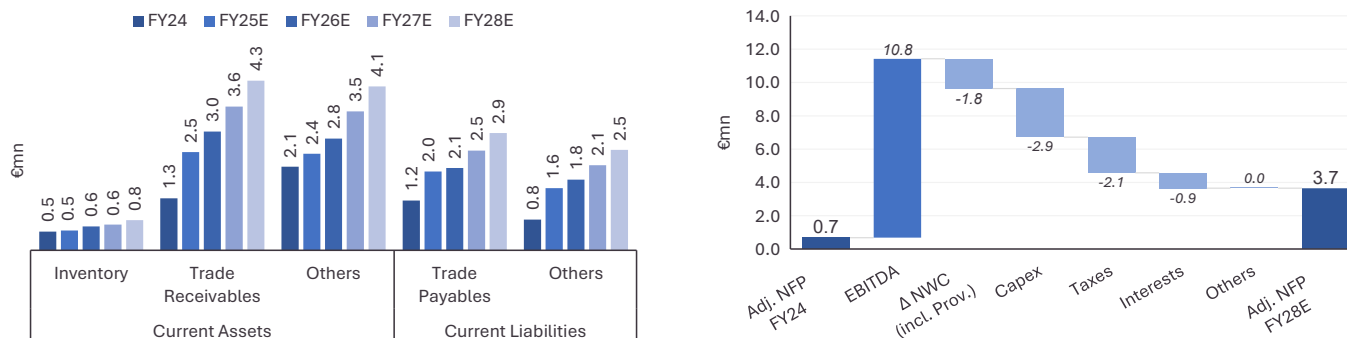
- **EBIT** at **€2.7mn** by FY28E, implying an EBIT Margin around 8% and around 4x FY24 levels;
- **Net Profit** at **€1.8mn** (vs. €500k in FY24), assuming a 30–32% tax rate.

3# Improving EBITDA-to-Operating Free Cash Flow conversion

Over the forecast horizon, we expect a gradual improvement in FCF conversion, with **Adj. Net Cash** projected at **€3.7mn** by FY28E (vs. €680k in FY24). Key drivers of this cash profile include:

- **Capex** discipline: we assume annual capex of €700k (ca. 2–4% of VoP), primarily allocated to the ongoing development and technological enhancement of the proprietary Yakkyofy platform;
- **NWC** efficiency: while NWC has historically been the main driver of cash absorption, we expect its impact to moderate over time. Our model embeds cumulative cash absorption slightly below €2mn over FY25E–FY28E, with NWC stabilizing around 10–11% of VoP, reflecting improved operating discipline and a more balanced scaling of transactional volumes.

Yakkyo: Net Working Capital Breakdown and Aggregate Cash Flow FY24-FY28E



Source: Yakkyo, Value Track Analysis

Financial Statements FY24-FY28E

Yakkyo: P&L FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E	CAGR _{FY24-28E}
Value of Production	13.4	20.0	24.1	29.2	34.5	27%
COGS (incl. Δ Inventory)	-4.7	-8.1	-9.6	-11.7	-13.8	31%
1st Gross Profit	8.7	11.9	14.5	17.5	20.7	24%
<i>1st Gross Margin (as a % of VoP)</i>	65%	60%	60%	60%	60%	-489bps
Shipping Costs	-4.9	-4.5	-5.3	-6.5	-7.7	12%
2nd Gross Profit	3.8	7.5	9.2	11.0	13.0	36%
<i>2nd Gross Margin (as a % of VoP)</i>	28%	37%	38%	38%	38%	917bps
Service Costs (excl. Shipping Costs)	-1.8	-4.5	-5.5	-6.7	-7.9	46%
Use of 3rd Party Assets	-0.1	-0.2	-0.2	-0.3	-0.3	30%
Other Costs	0.0	0.0	-0.1	-0.1	-0.1	20%
Labour Costs	-0.7	-0.8	-0.8	-1.0	-1.2	15%
EBITDA	1.2	1.9	2.5	2.9	3.4	30%
<i>EBITDA Margin (as a % of VoP)</i>	9%	10%	10%	10%	10%	94bps
D&A	-0.5	-0.7	-0.7	-0.7	-0.7	8%
EBIT	0.7	1.3	1.8	2.2	2.7	42%
<i>EBIT Margin (as a % of VoP)</i>	5%	6%	7%	8%	8%	284bps
Total Fin Exp.	-0.1	-0.3	-0.3	-0.2	-0.2	16%
Pre-Tax Profit	0.6	1.0	1.5	2.0	2.5	45%
Taxes	-0.1	-0.3	-0.5	-0.6	-0.8	75%
Net Profit	0.5	0.6	1.1	1.4	1.8	37%
<i>Net Margin (as a % of VoP)</i>	4%	3%	4%	5%	5%	144bps

Source: Yakkyo, Value Track Analysis

Yakkyo: Balance Sheet FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
Net Working Capital	1.9	1.8	2.5	3.1	3.7
<i>As a % of VoP</i>	14%	9%	11%	11%	11%
Net Fixed Assets	2.0	2.0	2.0	2.0	2.1
Provisions	0.1	0.1	0.1	0.1	0.1
Total Capital Employed	3.7	3.8	4.5	5.0	5.6
Group Net Equity	3.8	4.4	5.5	6.9	8.6
NFP [i.e. Net Debt (-) Cash (+)]	0.0	0.6	1.0	1.8	3.0
<i>Other Financial Assets</i>	0.7	0.7	0.7	0.7	0.7
Adjusted Net Debt (-) / Net Cash (+)	0.7	1.3	1.7	2.5	3.7

Source: Yakkyo, Value Track Analysis

Yakkyo: Cash Flow Statement FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
EBITDA	1.2	1.9	2.5	2.9	3.4
Δ Net Working Capital	-0.9	0.0	-0.7	-0.6	-0.6
Capex	-0.5	-0.7	-0.7	-0.7	-0.7
Δ Provisions	0.0	0.0	0.0	0.0	0.0
OpFCF b.t.	-0.2	1.2	1.1	1.7	2.1
<i>As a % of EBITDA</i>	<i>-20%</i>	<i>64%</i>	<i>43%</i>	<i>57%</i>	<i>62%</i>
Cash Taxes	-0.1	-0.3	-0.5	-0.6	-0.8
OpFCF a.t.	-0.3	0.9	0.6	1.1	1.4
Others (incl. Fin. Investments, Buyback)	0.0	0.0	0.0	0.0	0.0
Net Financial Charges	-0.1	-0.3	-0.3	-0.2	-0.2
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Δ Net Financial Position	-0.4	0.6	0.4	0.9	1.2

Source: Yakkyo, Value Track Analysis

Yakkyo: Adjusted Cash Flow Statement FY24-FY28E

(IT GAAP, €mn)	FY24	FY25E	FY26E	FY27E	FY28E
Revenue from Sales Cash	12.8	19.4	23.4	28.4	33.6
Opex Cash (adj. For IPO costs)	-12.5	-18.7	-22.3	-27.0	-31.7
<i>o/w P&L Costs</i>	<i>-12.2</i>	<i>-18.1</i>	<i>-21.6</i>	<i>-26.3</i>	<i>-31.1</i>
<i>IPO costs</i>	<i>0.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Intangible Capex</i>	<i>-0.5</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-0.7</i>	<i>-0.7</i>
= EBITDA Cash	0.3	0.7	1.0	1.4	1.8
Δ Net Working Capital	-0.9	0.0	-0.7	-0.6	-0.6
Other Capex	0.0	0.0	0.0	-0.1	-0.1
Δ Provisions	0.0	0.0	0.0	0.0	0.0
Adj. OpFCF b.t.	-0.6	0.6	0.3	0.8	1.2
<i>As a % of EBITDA Cash</i>	<i><0</i>	<i>97%</i>	<i>31%</i>	<i>58%</i>	<i>66%</i>
Cash Taxes	-0.1	-0.3	-0.5	-0.6	-0.8
Other	0.4	0.6	0.8	0.8	0.9
<i>o/w Other Revenues (Capitalized Costs + Grants)</i>	<i>0.6</i>	<i>0.6</i>	<i>0.8</i>	<i>0.8</i>	<i>0.9</i>
<i>o/w IPO costs</i>	<i>-0.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Net Financial Charges	-0.1	-0.3	-0.3	-0.2	-0.2
Δ Net Financial Position	-0.4	0.6	0.4	0.9	1.2

Source: Yakkyo, Value Track Analysis

Valuation

We initiate coverage on Yakkyo with a €2.5 p/s Fair Equity Value (FY26E reference), based on a peer-derived rolling multiple framework applying fixed benchmarks of 5.0x EV/EBITDA, 7.0x EV/EBIT and 12.0x P/E and taking the simple average of the three outcomes. On the same basis, implied fair value increases to €3.2 p/s on FY27E. Cross-checks support the valuation: i) DCF implies €4.0 p/s; ii) IRR over t+3 (exit Dec' FY28E) implies ~22%~46% under 3.0x–5.0x EV/EBITDA exit multiples. At FV, Yakkyo would trade at 4.9x–3.8x EV/EBITDA (FY26E–FY27E) and 13.0x–9.7x P/E, implying around 100% upside vs current price.

Fair Equity Value at €2.5 p/s

We initiate coverage on Yakkyo with a valuation based on a **peer-derived rolling multiple framework**, which extends traditional peer comparison beyond the next-twelve-month horizon by applying a consistent set of reference trading multiples to forward-year forecasts.

Under this approach, we derive an **implied equity value of €2.5 p/s on FY26E and €3.2 p/s on FY27E**, based on fixed valuation parameters of 5.0x EV/EBITDA, 7.0x EV/EBIT, and 12.0x P/E across both years.

At Fair Value, Yakkyo would trade at 4.9x–3.8x EV/EBITDA (FY26E–FY27E) and 13.0x–9.7x P/E (FY26E–FY27E). Relative to the current market price, our 2026 Fair Value implies upside potential across 100%, reflecting both the Company's discounted starting valuation and the execution-driven earnings normalization embedded in our forward estimates.

Yakkyo: IRR Sensitivity Analysis

Price p/s (€)	EV / EBITDA (x)		EV / EBIT (x)		P / E (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
1.50	2.7	1.9	3.7	2.6	7.8	5.8
2.00	3.8	2.9	5.2	3.8	10.4	7.8
2.50	4.9	3.8	6.8	5.1	13.0	9.7
3.00	6.0	4.7	8.3	6.3	15.6	11.7
3.50	7.1	5.7	9.9	7.5	18.2	13.6

Source: Value Track Analysis

We regard the above mentioned Fair Value levels as execution-sensitive, and therefore subject to reassessment following the 1H results release, as the Company's strategic roadmap translates into tangible operating performance. In particular, we identify the 1688 API Integration as a potential catalyst for both earnings delivery and valuation re-rating.

Last but not least we underline that Yakkyo investment risk profile appears pretty safe. Indeed:

- 1. Steady State Discounted Cash Flow analysis.** If we assume that Yakkyo from now on might not grow any more in excess of 2.0% inflation rate, (despite the incredibly positive push of reference market growth), the resulting ultra conservative Steady-State DCF would result in a €2.1 p/s Fair Equity Value, much higher than the current market price;
- 2. Rolling Discounted Cash Flow analysis.** Assuming our explicit forecasts through 2034E and a 1.0% perpetual growth rate beyond 2034, the resulting Rolling DCF yields an implied Fair Equity Value of €4.0 p/s, , with the discounted Terminal Value accounting for <60% of Enterprise Value.
- 3. Internal Rate of Return (IRR) simulation,** assessing return potential over a three-year horizon (FY26E–FY28E) under exit multiples in the 3.0x–5.0x EV/EBITDA range, implies a prospective IRR between ~22% and ~46%, depending on entry and exit assumptions, even under conservative re-rating scenarios.

Peers Analysis

Peers Selection

Yakkyo operates within the digital commerce enablement ecosystem, combining merchant sourcing, marketplace access, and outsourced e-commerce execution. Notably, **there are currently no listed companies whose core business model is pure-play dropshipping**, making a direct like-for-like peer comparison structurally unfeasible.

We therefore set up a **peer group of 10 listed operators** active across adjacent segments of the e-commerce value chain, selecting companies exposed to merchant enablement, marketplace infrastructure, cross-border commerce, and outsourced digital operations. While these players do not operate a pure dropshipping model, they are positioned within the same structural market environment — namely platform-driven retail, technology-enabled commerce, and asset-light distribution.

The selected peer set includes *Baozun*, *transcosmos*, *Triboo*, *Websolute*, *Shopify*, *Shoper*, *eBay*, *Alibaba*, *Global-e Online*, and *The Platform Group*, collectively capturing the main functional layers surrounding Yakkyo's operating model. This approach allows for a relevant valuation benchmark despite the absence of directly comparable listed dropshipping peers.

Yakkyo: Peers Description (1/2)

Baozun (BZUN-US) – Leading Chinese e-commerce solutions provider for global and domestic brands. The company delivers end-to-end services across the full digital value chain — including IT infrastructure, online store operations, digital marketing, customer service, logistics and fulfillment — enabling international brands to access and scale in China and broader Asian markets.

Triboo (TB-IT) – Milan-listed Italian digital transformation group providing integrated e-commerce management, digital consulting, marketing, content production, technology and media/advertising services. Triboo supports brands in designing and executing their omnichannel digital strategies, both domestically and internationally.

Platform Group (TPG-DE) – German software and marketplace group operating vertical e-commerce platforms across multiple European countries. Originally focused on premium & luxury fashion, the Group has expanded into four segments — Consumer Goods, Freight Goods, Industrial Goods, and Service & Retail Goods — covering the entire e-commerce value chain for its partners.

Global-e Online (GLBE-US) – Israeli software platform specialized in cross-border direct-to-consumer e-commerce. The company enables retailers and brands to sell globally with a fully localized customer experience, including price and content localization, local payment methods, international logistics, duties management, and tax compliance.

Websolute (WBS-IT) – Italian digital company focused on e-commerce, digital strategy, and performance marketing for SMEs and mid-sized brands. Websolute provides integrated services spanning platform development, digital consulting, online marketing, and data-driven customer engagement, supporting clients in building and scaling their online commercial presence.

Alibaba Group (BABA-US) – One of the world's largest digital commerce ecosystems, operating leading online marketplaces across China and globally (including B2C, B2B and wholesale platforms). The Group provides integrated infrastructure covering payments, logistics, cloud computing, and digital marketing, enabling merchants and brands to reach consumers at massive scale across domestic and cross-border channels.

Shopify (SHOP-US) – Global commerce software platform enabling merchants to build, manage, and scale online and omnichannel retail operations. Shopify offers a fully integrated ecosystem including storefront technology, payments, logistics, data analytics, and merchant services, serving businesses ranging from small entrepreneurs to large enterprise brands.

Source: Factset, Value Track Analysis

Yakkyo: Peers Description (2/2)

eBay (EBAY-US) – Global online marketplace connecting buyers and sellers across a wide range of product categories. eBay operates an asset-light platform model focused on enabling third-party commerce, providing sellers with global reach, transaction infrastructure, and value-added services such as payments, advertising, and seller tools.

transcosmos (9715-JP) – Leading Asian digital Business Process Outsourcing (BPO) group, specializing in end-to-end outsourcing of e-commerce processes for large corporates and international brands. The company operates as an “e-commerce factory for brands,” providing an integrated operating platform that manages the full online selling lifecycle, from storefront operations and digital marketing to customer care, payments, and fulfillment orchestration.

Shoper Spolka Akcyjna (SHO-PL) – Poland-based e-commerce software provider offering SaaS solutions for online store creation and management. The company delivers an integrated platform including storefront technology, payments, logistics integrations, and marketing tools, primarily serving SMEs and small merchants across Central and Eastern Europe.

Source: Factset, Value Track Analysis

Stock Market Multiples Benchmark

The peer group displays a **wide valuation dispersion**, reflecting differences in scale, growth profile, geographic exposure, and business model positioning. Based on our selected comparable universe, the sector trades at a median **EV/EBITDA of ~11.5x-10.5x for FY26E-FY27E**, which we view as the most representative reference range for normalized digital commerce enablers.

It is worth noting that *The Platform Group* is excluded from our core multiple benchmark, given the ongoing transformative M&A activity and related capital increases, which currently distort its valuation and reduce comparability on a normalized earnings basis.

Recent strategic M&A in the broader digital commerce ecosystem provides an additional qualitative reference point. In particular, eBay has agreed to acquire Depop from Etsy for approximately \$1.2bn in cash (expected closing in Q2 2026, subject to approvals), reinforcing its positioning in secondhand fashion and expanding reach into younger, community-led demand segments.

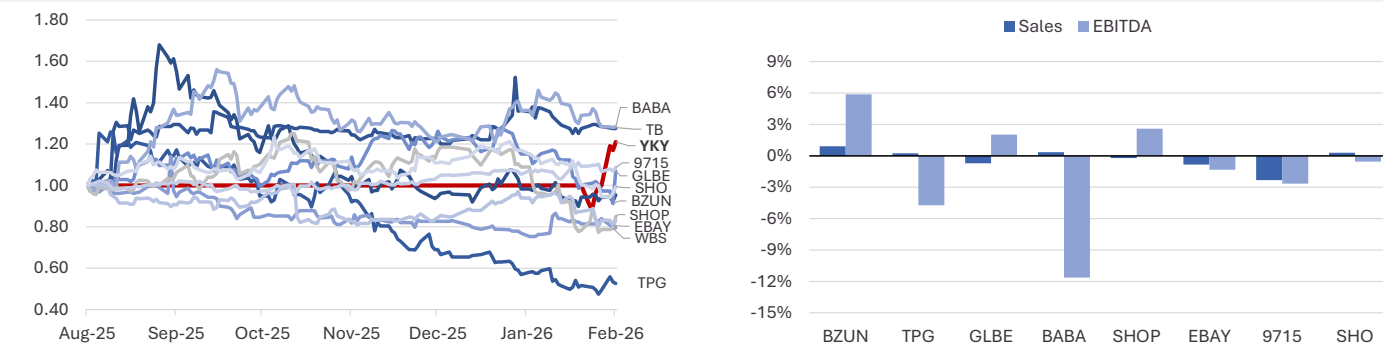
Among Italian peers, *Triboo* and *Websolute* trade at structurally lower multiples, reflecting smaller scale, lower liquidity, and more limited profitability profiles relative to the broader international peer set. At the opposite end, global platforms such as *Alibaba* and *Shopify* trade at significantly higher valuation levels; while excluded from the calculation of mean and median multiples due to being outside our applicable valuation range, they remain strategically relevant as key reference players within the global digital commerce ecosystem.

Yakkyo: Peers Trading Multiples (*)

Y/N	Peers	Market Cap. (€mn)	EV/EBITDA (x)		EV / EBIT (x)		P/E (x)	
			FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Y	Baozun,	414	13.1	10.4	29.9	20.1	25.9	16.2
Y	Triboo	11	2.2	na	6.7	na	6.2	na
N	Platform Group	88	2.5	2.0	2.9	2.3	1.8	1.6
Y	Global-e Online	5,220	20.0	13.9	27.0	17.8	33.0	24.0
Y	Websolute	12	3.7	2.3	6.6	3.5	6.5	4.0
Y	Alibaba Group	2,478,694	>30	>30	>40	>40	>50	>50
Y	Shopify	134,899	>30	>30	>40	>40	>50	>50
Y	eBay	32,950	11.5	10.6	12.9	11.9	14.6	13.8
Y	transcosmos	828	3.4	2.9	4.4	3.7	11.5	10.7
Y	Shoper Spolka Akcyjna	324	13.6	10.8	17.3	13.5	22.0	17.3
	Average	294,817	9.7	8.5	15.0	11.7	17.1	14.3
	Median	828	11.5	10.5	12.9	12.7	14.6	15.0
	Yakkyo	7	2.0	1.4	2.8	1.9	6.3	4.8
	Discount vs. Average (%)	//	-79%	-83%	-81%	-84%	-63%	-67%
	Discount vs. Median (%)	//	-82%	-86%	-78%	-85%	-57%	-68%

Source: Factset, Value Track Analysis, (*) Prices as of 20 February 2026

Peer Group Indexed Performance (1 = Start Date, Last 6M) and Peer Estimate Revisions (Oct 2025 – Feb 2026) (*)



Source: FactSet, Value Track Analysis; (*) TB and WBS excluded (last updates: Oct-25 and Sep-25)

Fair Valuation based on Peers

We apply a **conservative, fixed-multiple benchmark** of **5.0x EV/EBITDA**, **7.0x EV/EBIT**, and **12.0x P/E**, rather than relying on peer averages. Relative to the broader peer set, these reference multiples imply an **embedded discount in the ~20%–60% range**, reflecting Yakkyo's smaller scale, limited trading liquidity, and early-stage listed profile.

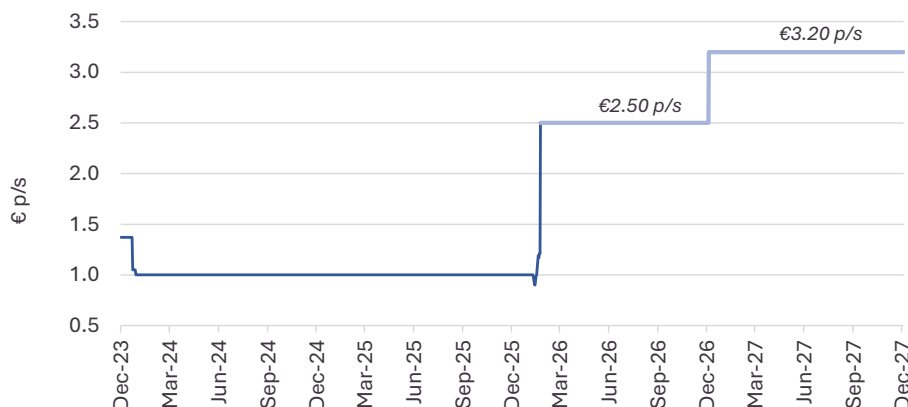
Applying these fixed benchmarks to our forward estimates yields an implied fair equity value of **€2.5 p/s on FY26E** and **€3.2 p/s on FY27E**, calculated as the simple average of the equity values derived from the three reference multiples (EV/EBITDA, EV/EBIT, and P/E). The year-on-year uplift is primarily driven by the expected earnings normalization across the forecast period.

Yakkyo: Multiples-Based Valuation

(€mn)	EV/EBITDA (x)		EV / EBIT (x)		P/E (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Fair Multiples	5.0x		7.0x		12.0x	
Discount vs. Median (%)	-56%	-52%	-46%	-45%	-18%	-20%
Fair Enterprise Value (€)	12.4	14.7	12.5	15.5		
NFP [i.e. Net Debt (-) Cash (+)]	1.0	1.8	1.0	1.8		
EV Adjustments (*)	0.7	0.7	0.7	0.7		
Fair Equity Value (€)	14.0	17.2	14.1	18.0	12.7	16.9
Number of Shares (mn)	5.5					
Fair Equity Value p/s (€)	2.56	3.14	2.57	3.29	2.31	3.08

Source: Value Track Analysis

Yakkyo: Share Price Evolution vs. Fair Value FY26E-27E



Source: Yakkyo, Value Track Analysis

Valuation Safety Checks

1# Discounted Cash Flow Model

Our valuation framework is primarily based on a DCF methodology, applied under two complementary configurations: 1) **Rolling DCF**, 2) **Steady-State DCF**.

Both models rely on **identical WACC assumptions**, ensuring full internal consistency and allowing us to isolate the impact of different growth and terminal dynamics rather than changes in the cost of capital.

Across both approaches, we assume:

- 2.0% Risk-Free Rate,
- 4.95% Italian Equity Risk Premium,
- 0.80 unlevered beta (average of Damodaran Retail Distributors and Diversified sectors),
- 5.0% company-specific risk premium,
- 30% target capital structure,
- 24% tax rate,

resulting in a Cost of Equity of 12.25%, Cost of Debt of 4.56%, and **WACC of 9.94%**.

Rolling DCF (Explicit Forecast Period)

We adopt a **rolling DCF structure**, with explicit forecasts spanning **2026E–2034E**, followed by a terminal phase assuming a **1.0% perpetual growth rate**.

The model yields an equity value of **€4.0 p/s** with the discounted Terminal Value contributing less than 60% of total Enterprise Value. The implied **TV/EBITDA 2023E stands at 5.2x**, broadly aligned with normalized small-cap distribution benchmarks.

Steady-State DCF (Inflation-Linked Perpetuity Growth)

Under **Steady-State DCF** framework, we assume financial performance to extend in perpetuity at a **2.0% long-term growth rate linked to inflation**, effectively modeling the Company as a structurally cash-generative platform rather than a compounding growth story.

Under these assumptions, the Steady-State DCF yields a **Fair Equity Value of €2.1 p/s**, corresponding to an implied TV/EBITDA of ~5.5x, consistent with normalized small-cap distribution benchmarks and incorporating a prudent discount for scale, execution, and liquidity risk.

Yakkyo: DCF Model (Rolling Case and Steady-State)

€mn	Rolling Case	Steady-State
PV of future cash flows 2026E–2034E	8.6	4.9
<i>As a % of Enterprise Value</i>	<i>42%</i>	<i>49%</i>
Terminal Value	27.8	11.9
Discounted Terminal Value	12.1	5.2
<i>As a % of Enterprise Value</i>	<i>58%</i>	<i>51%</i>
Fair Enterprise Value	20.7	10.1
FY25E 's Net Debt (-) / Net Cash (+)	0.6	
EV Adjustments	0.7	
Fair Equity Value	22.0	11.4
NOSH (mn)	5.5	
Fair Equity Value p/s (€)	4.0	2.1

Source: Value Track Analysis

#2 Implied Internal Rate Return

Last but not least, we deem it useful to cross-check the outputs of the prior valuation methodologies through an Internal Rate of Return (IRR) framework, assuming Yakkyo continues to trade broadly in line with its historical peer-group valuation over time.

Under this approach, we assume an exit by **Dec' FY28E (t+3)** at an **EV/EBITDA multiple in the 3.0x–5.0x range**. On this basis, the implied IRR for an investment in Yakkyo would fall between **~22% and ~46%**, depending on the specific exit multiple applied.

Overall, this cross-check reinforces the view that the current valuation embeds asymmetric long-term optionality and that Yakkyo's strategic repositioning could translate into attractive equity returns beyond our base-case fair value, particularly in a scenario of execution-driven multiple expansion toward the upper end of the range.

Notably, even under the most conservative exit scenario, the investment would still deliver returns above typical small-cap cost of equity thresholds. This supports the view that current market pricing does not fully reflect the Company's normalized earnings power.

Yakkyo: IRR Sensitivity Analysis

IRR (%)		EV / EBITDA (Exit, t+3)				
		3.0x	3.5x	4.0x	4.5x	5.0x
EV / EBITDA (Today)	3.0x	22.2%	28.9%	35.1%	40.8%	46.1%
	3.5x		22.2%	28.0%	33.4%	38.4%
	4.0x			22.2%	27.3%	32.1%
	4.5x				22.2%	26.8%
	5.0x					22.2%

Source: Value Track Analysis

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