

SECO

Technology

Momentum Building: Record 3Q26E Ahead

SECO is a global tech group delivering AIoT solutions via advanced edge systems and its proprietary Clea platform. Backed by strong R&D and targeted M&A, it ranks among the top 5 in embedded edge computing worldwide.

Guidance Met, Record Order Intake

SECO reported 2Q26 Net Sales at €50.0mn (+4% QoQ, vs €48.5mn in 1Q26), broadly aligned with its guidance.

In 1H26, Net Sales reached €98.8mn (+0.4% YoY, vs €98.4mn in 1H25), flattish as Edge Computing growth (+6% YoY to €91.4mn) offset a softer Clea contribution (€7.4mn, 8% of Net Sales), though Clea recurring revenues remained healthy at €4.8mn (+12% YoY, 65% of Clea mix).

In terms of profitability, GPM expanded by 60bps to 54.0% (vs. 53.4% in 1H25), with rising memory prices mitigated through supply chain management and price increases.

Additionally, management stated the following: i) 3Q26 revenue guidance at ~€60mn (+25% YoY), which would mark SECO's quarterly all-time-high; ii) order intake at an all-time-high, significantly increasing business visibility; iii) new design wins broadening across verticals, with Robotics flagged as an emerging demand driver under the Edge AI/Physical AI theme; iv) continued collaboration with leading silicon vendors on new AI-based edge product launches.

Estimates Revised Upwards After 2Q26

We revise our forecasts slightly upwards: 2Q26 revenues came in line with our estimates and confirmed the guidance provided, while the newly-issued 3Q26E guidance of ~€60mn points to a further acceleration in growth. Notably, based on our previous estimates, a 3Q26E print of €60mn+ would have implied a 4Q26E of only ~€52.5mn — a sequential step-down post-peak, which we no longer expect. Therefore, by FY27E, we now forecast: i) Net Sales of €244.7mn, implying a FY25–27E CAGR of ~+11%; ii) Adj. EBITDA of €52.8mn, equivalent to a 21.6% margin; and iii) Adj. Net Debt declining to €27.5mn, equal to ~0.53x Adj. EBITDA.

Fair Value up to €3.85 p/s (from €3.70)

We raise our Fair Value to €3.85 p/s (from €3.70 p/s), driven by our upward estimates revision post-1H26 pre-closing results and a further expansion in peers' EV/EBITDA multiples, positively impacting the fair multiple applied to Edge Computing, the main contributor in our SOTP valuation.

At our new FV, SECO would trade at 12.5x and 10.8x EV/EBITDA Adj. FY26E and FY27E, respectively, still at a meaningful discount to peers, leaving room for further upside if the Group continues to deliver on its growth and profitability trajectory.

Tommaso Martinacci

tommaso.martinacci@value-track.com

FAIR VALUE (€) **3.85**

MARKET PRICE (€) (*) **3.14**

MARKET CAP (€mn) **417.7**

KEY FINANCIALS	FY25	FY26E	FY27E
NET SALES	197.6	218.8	244.7
ADJ. EBITDA	40.2	47.1	52.8
ADJ. EBIT	21.4	24.9	29.6
ADJ. NET PROFIT	13.1	15.5	19.5
NET EQUITY	294.5	308.5	327.5
ADJ. NET DEBT (-) / NET CASH (+)	-37.6	-44.0	-27.5
ADJ. EPS	0.10	0.12	0.15
DPS	0.00	0.00	0.00

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

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
ADJ. EBITDA MARGIN (%)	20.3	21.5	21.6
ADJ. EBIT MARGIN (%)	10.8	11.4	12.1
ADJ. NET DEBT / ADJ. EBITDA (x)	0.9	0.9	0.5
ADJ. NET DEBT / NET EQUITY (x)	0.1	0.1	0.1
ADJ. ROE (%)	3.6	4.1	4.9
EV / SALES (x)	2.3	2.3	2.0
EV / EBITDA ADJ. (x)	11.4	10.5	9.0
EV / EBIT ADJ. (x)	21.5	19.9	16.1
P / E ADJ. (x)	29.7	26.9	21.4

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

STOCK DATA	
MARKET PRICE (€)	3.14
NOSH (mn)	133.0
MARKET CAP (€mn)	417.7
ENTERPRISE VALUE (€mn)	493.8
FREE FLOAT (%)	27.9
AVG L30D VOLUME	182,308
RIC / BBG	IOT.MI / IOTIM
52 WK MAX (€)	3.61
52 WK MIN (€)	2.23

Source: Stock Market Data; (*) Stock Price as of 14th July 2026

Description

SECO is a global technology group specializing in integrated edge-to-cloud solutions for the AI Internet of Things (AIoT).

With over 800 professionals, 5 production sites, and 9 R&D centers, it serves 450+ clients across key verticals such as vending, industrial automation, fitness, and medical.

Its offering combines customized, value-added edge systems with Clea, a proprietary AI-powered platform that transforms field data into actionable insights and recurring revenues. Backed by robust in-house R&D and a track record of 8 M&A deals since 2018, SECO is recognized among the world's top 5 players in embedded edge computing.

Financial Highlights

KEY FINANCIALS (IAS, €mn)	FY25	FY26E	FY27E
Net Sales	197.6	218.8	244.7
YoY (%)	8%	11%	12%
Adj. EBITDA	40.2	47.1	52.8
Adj. EBITDA Margin (%)	20%	22%	22%
Adj. EBIT	21.4	24.9	29.6
Adj. EBIT Margin (%)	11%	11%	12%
Adj. Net Profit	13.1	15.5	19.5
YoY (%)	nm	19%	25%
Adj. Total Comprehensive Income	14.2	14.8	19.5
YoY (%)	-12%	4%	32%
Adj. Net Financial Position	-37.6	-44.0	-27.5
Adj. Net. Fin. Pos. / EBITDA (x)	0.9	0.9	0.5
Capex	-18.0	-26.0	-22.0
OpFCF b.t.	22.5	7.8	27.0
OpFCF b.t. / Adj. EBITDA (%)	56%	17%	51%

Source: SECO, Value Track Analysis

Investment Case

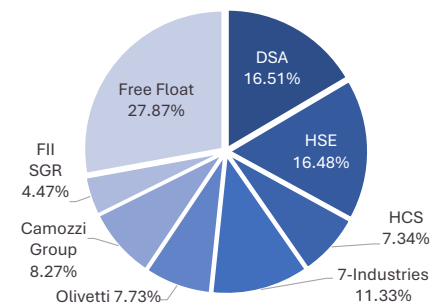
Strengths / Opportunities

- Fully integrated IoT offering, from edge computing to software stack;
- Exposure to secular growth drivers (e.g., digital transformation and AI);
- Diversified and loyal customer base with long-term relationships;
- Highly fragmented market enables selective M&A.

Weaknesses / Risks

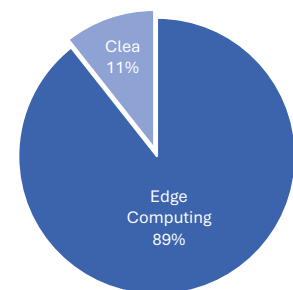
- Smaller scale vs. global competitors;
- Sensitive to macroeconomic swings and industrial capex cycles;
- Dependence on electronic components shortages and price volatility.

SHAREHOLDERS' STRUCTURE



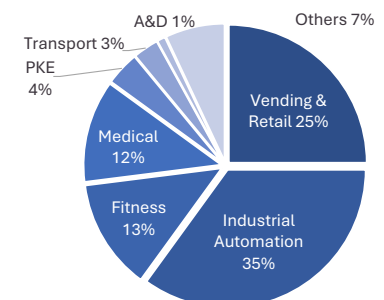
Source: SECO

NET SALES BY SOLUTION



Source: SECO, FY25

NET SALES BY VERTICAL



Source: SECO, FY25

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	2.7	2.3
EV / EBITDAADJ. (x)	12.5	10.8
EV / EBITADJ. (x)	23.6	19.3
EV / CAP. EMPLOYED	1.7	1.6
OpFCF Yield (%)	1.3	4.7
P/E ADJ. (x)	32.9	26.3
P/BV (x)	1.8	1.7
Dividend Yield (%)	0.0	0.0

Source: Value Track Analysis

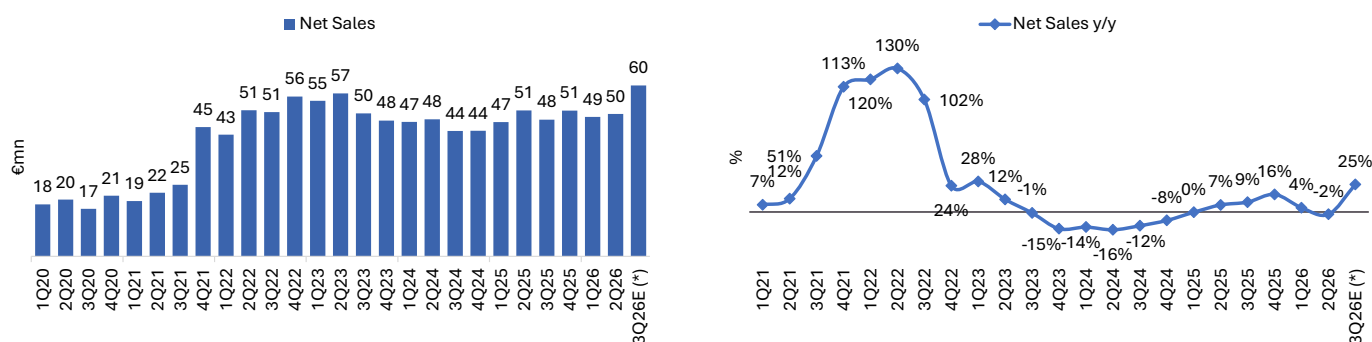
2Q26/1H26 KPIs

SECO: Key Financials 1H25-1H26

Key Financials (IAS, €mn)	1Q25	2Q25	1H25	1Q26	2Q26	YoY	1H26	YoY
Net Sales	47.2	51.2	98.4	48.5	50.3	-2%	98.8	0%
Adj. Gross Profit	25.1	27.4	52.5	25.4	27.9	2%	53.3	2%
Adj. Gross Margin (%)	53%	53%	53%	52%	56%	+206bps	54%	+59bps

Source: SECO, Value Track Analysis

SECO: Net Sales by Quarters



Source: SECO, Value Track Analysis; (*) Company Guidance

SECO: Net Sales by Solution 1H25-1H26

Net Sales (IAS, €mn)	1Q25	2Q25	1H25	1Q26	2Q26	1H26
Edge Computing	41.3	45.1	86.4	44.5	46.9	91.4
YoY (%)	3%	6%	4%	8%	4%	6%
As a % of Total	87%	88%	88%	92%	93%	93%
Clea	5.9	6.1	12.0	4.0	3.4	7.4
YoY (%)	-19%	14%	-5%	-32%	-45%	-39%
As a % of Total	13%	12%	12%	8%	7%	7%
Net Sales	47.2	51.2	98.4	48.5	50.3	98.8

Source: SECO, Value Track Analysis

Forecasts FY26E-27E

Estimates Review

Following SECO's 1H26 pre-closing results, **we revise our estimates upwards**: the confirmation of the 2Q26 guidance, together with the new 3Q26E guidance of ~€60mn, and the confirmed effectiveness of the price increases already agreed with customers in offsetting higher memory costs, lead us to raise both our revenue and profitability forecasts.

That said, our revised forecasts reflect:

- **Net Sales** raised by ~3% in FY26E and ~5% in FY27E, as the all-time-high order backlog is expected to be increasingly delivered into 2H26E, with 3Q26E at ~€60mn (as per guidance) and 4Q26E broadly in line QoQ, bringing FY26E Net Sales to just below €220mn;
- **GPM** up to 54% from FY26E onwards, reflecting a more effective pass-through of the already-agreed price increases, more than offsetting the higher cost of memory;
- **Adj. EBITDA** growing by ~7% in FY26E and ~2% in FY27E, with the FY26E margin improving by 66bps to 21.5%, while the FY27E margin is set slightly lower (-69bps to 21.6%) on a more prudent phasing of OpEx;
- **Adj. Net Debt** unchanged at -€44.0mn in FY26E and -€27.5mn in FY27E, with leverage remaining under control (at 0.93x and 0.53x, respectively).

SECO: Estimates Old vs. New

Key Financials (IAS, €mn)	FY26E			FY27E		
	Old	New	Δ	Old	New	Δ
Net Sales	211.5	218.8	3%	232.9	244.7	5%
Adj. EBITDA	44.1	47.1	7%	51.9	52.8	2%
Adj. EBITDA Margin (%)	20.9%	21.5%	66bps	22.3%	21.6%	-69bps
Adj. EBIT	21.9	24.9	14%	28.6	29.6	3%
Adj. EBIT Margin (%)	10.4%	11.4%	101bps	12.3%	12.1%	-20bps
Adj. Net Profit	13.5	15.5	15%	18.9	19.5	3%
Adj. Net Debt	-44.0	-44.0	0.0	-27.5	-27.5	0.0

Source: Value Track Analysis

Key Forecasts & Drivers

Our revised estimates incorporate a more visible backlog-driven acceleration into 2H26E. Following the upward revision, we now expect stronger growth and margin expansion through FY27E. By FY27E, we forecast:

- **Net Sales** of **€244.7mn**, implying a FY25–27E CAGR of ~+11%;
- **Adj. EBITDA** of **€52.8mn**, implying a ~+15% CAGR and a margin of 21.6%;
- **Adj. Net Debt** of **€27.5mn**, equal to ~0.53x Adj. EBITDA.

This trajectory is mainly driven by:

- 1# **Backlog-Driven Revenue Recovery**, with the all-time-high order intake recorded in early 2026 and the confirmed 3Q26 guidance of ~€60mn (+25% YoY) supporting a more visible acceleration from 2H26E;
- 2# **Margin Normalization**, as customer price increases are already offsetting memory cost inflation, with GPM reaching 54.0% in 1H26 and volume recovery further improving cost absorption;
- 3# **Controlled Deleveraging**, with Adj. Net Debt broadly unchanged vs. our previous estimates, supporting the expected reduction in Adj. Net Debt / Adj. EBITDA through FY27E.

SECO: Net Sales by Solution FY25-27E

Net Sales (IAS, €mn)	FY25	FY26E	FY27E	CAGR
Edge Computing	176.6	202.1	221.3	12%
YoY	9%	14%	9%	//
As a % of Total	89%	92%	90%	//
Clea	21.0	16.7	23.4	6%
YoY	-2%	-21%	41%	//
As a % of Total	11%	8%	10%	//
Net Sales	197.6	218.8	244.7	11%
YoY	8%	11%	12%	//

Source: SECO, Value Track Analysis

SECO: EBITDA Adjustments FY25-27E

EBITDA Adjustments (IAS, €mn)	FY25	FY26E	FY27E	CAGR
EBITDA	33.0	44.0	52.3	26%
EBITDA Margin (%)	16.7%	20.1%	21.4%	468bps
Adjustments	7.2	3.1	0.5	-74%
Adj. EBITDA	40.2	47.1	52.8	15%
Adj. EBITDA Margin (%)	20.3%	21.5%	21.6%	125bps
Capitalized Development Costs	-17.1	-16.0	-16.0	-3%
Cash Adjustments	0.0	0.0	0.0	nm
Adj. Cash EBITDA	23.1	31.1	36.8	26%
Adj. Cash EBITDA Margin (%)	11.7%	14.2%	15.1%	336bps

Source: SECO, Value Track Analysis

Financial Statements FY25-27E

SECO: Profit & Loss FY25-27E

P&L (IAS, €mn)	FY25	FY26E	FY27E	CAGR
Net Sales	197.6	218.8	244.7	11%
Consumption Costs (incl. Δ Inventory)	-91.7	-100.6	-111.9	10%
Adjustments	0.0	0.0	0.0	nm
Adj. Gross Profit	105.9	118.3	132.8	12%
Adj. Gross Profit Margin (%)	53.6%	54.0%	54.3%	67bps
Costs for Services	-24.3	-23.4	-25.2	2%
Personnel Costs	-44.1	-46.1	-49.5	6%
Other Revenue / Costs / Adjustments	2.7	-1.6	-5.3	nm
Adj. EBITDA	40.2	47.1	52.8	15%
Adj. EBITDA Margin (%)	20.3%	21.5%	21.6%	125bps
D&A	-24.3	-23.3	-23.3	-2%
Others / Adjustments	5.5	1.1	0.0	nm
Adj. EBIT	21.4	24.9	29.6	18%
Adj. EBIT Margin (%)	10.8%	11.4%	12.1%	125bps
Net Financial Charges (incl. FX)	-8.3	-4.0	-2.7	-42%
Taxes	-1.4	-4.8	-7.3	127%
Adjustments	1.4	-0.6	0.0	nm
Adj. Net Profit	13.1	15.5	19.5	22%

Source: SECO, Value Track Analysis

SECO: Balance Sheet FY25-27E

Balance Sheet (IAS, €mn)	FY25	FY26E	FY27E
Net Fixed Assets	296.8	304.0	302.7
Net Working Capital	66.3	79.0	82.9
Provisions	31.0	30.5	30.6
Total Capital Employed	332.1	352.5	355.1
Group Net Equity	294.5	308.5	327.5
Adj. Net Financial Position	-37.6	-44.0	-27.5

Source: SECO, Value Track Analysis

SECO: Cash Flow Statement FY25-27E

Cash Flow Statement (IAS, €mn)	FY25	FY26E	FY27E
Adj. EBITDA	40.2	47.1	52.8
Δ Net Working Capital (incl. Prov.)	0.3	-13.2	-3.8
Capex (excl. Fin. Investments)	-18.0	-26.0	-22.0
OpFCF (b.t.)	22.5	7.8	27.0
As a % of Adj. EBITDA	56%	17%	51%
Cash Taxes	-1.4	-4.8	-7.3
Net Financial Charges	-8.3	-4.0	-2.7
Others	-9.0	-5.5	-0.5
Δ Adj. Net Financial Position	3.7	-6.4	16.4

Source: SECO, Value Track Analysis

Valuation

Fair Value p/s raised to €3.85 (from €3.70)

Building on our estimates revision post-1H26, **we raise our Fair Value to €3.85 p/s** (from €3.70 p/s), based on our SOTP valuation methodology.

The upgrade is driven by the higher FY26E earnings base following our estimates revision, coupled with a further expansion in peer EV/EBITDA multiples (i.e., median EV/EBITDA FY1 up from 18.4x to 19.2x since our last update), which supports the higher fair multiple applied to Edge Computing (the main contributor in the SOTP valuation).

SECO: Peers Trading Multiples

Peers	Mkt Cap (€mn)	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
		FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Advantech Co., Ltd.	12,641	5.2	4.6	26.6	22.7	28.7	24.0	34.2	29.3
Adlink Technology Inc.	773	2.1	1.8	19.5	15.0	18.8	15.5	22.6	19.1
Kontron AG	1,493	1.0	0.9	7.5	6.4	13.2	9.5	16.7	11.7
Mercury Systems, Inc.	5,458	6.7	6.1	>30	>30	>40	>40	<0	>50
Digi International Inc.	2,342	4.9	4.6	19.0	17.1	33.6	28.2	>50	38.4
Raspberry PI Holdings plc	1,950	3.7	3.2	>30	>30	>40	>40	>50	>50
Lantronix, Inc.	224	1.2	1.0	23.2	13.0	24.3	11.9	<0	>50
PTC Inc.	12,477	5.6	5.1	11.7	10.6	12.1	11.1	15.2	14.8
Average	4,670	3.8	3.4	17.9	14.1	21.8	16.7	22.2	22.7
Median	2,146	4.3	3.9	19.2	14.0	21.5	13.7	19.7	19.1
SECO	418	2.3	2.0	10.5	9.0	19.9	16.1	26.9	21.4
Premium / Discount vs. Median (%)	-81%	-48%	-50%	-46%	-35%	-8%	18%	37%	12%

Source: FactSet

The discount applied to both Edge Computing and Clea vs peers is left broadly unchanged at ~30% and ~50%, respectively. Thus, we apply a fair EV/EBITDA Adj. FY26E multiple of 13.5x to Edge Computing and a fair EV/Sales FY26E multiple of 2.8x to Clea, reflecting the software business' earlier stage of profitability.

SECO: Sum of the Parts FY26E

€mn	HW	SW	GROUP
EV/Sales (x)		2.8	
EV/EBITDA Adj. (x)	13.5		
Enterprise Value	541.9	46.7	588.6
As a % of Total	92%	8%	100%
(-) Net Debt			44.0
(-) Adjustments			31.9
Equity Value			512.8
NOSH			133.0
Fair Equity Value p/s (€)			3.85

Source: SECO, Value Track Analysis

At this stage, we keep our block-by-block rerating framework on stand-by (*for full details, see our Initiation Report published in Sep-2025*), as Milestone #2 — three consecutive quarters of double-digit sales growth — has still not been achieved, with 2Q26 Net Sales down ~2% YoY despite exceeding guidance.

That said, the newly-issued 3Q26 guidance of ~€60mn (+25% YoY) points to a much more favorable comparison base ahead and, if delivered, would represent a first step toward re-establishing the double-digit growth trajectory needed to trigger the milestone.

Below, we provide a multiple sensitivity showing different Fair Equity Value per share levels for SECO.

SECO: Multiples Sensitivity

Fair Equity Value p/s (€)	EV/EBITDA Adj. (x)		EV/EBIT Adj. (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
3.10	10.4	8.9	19.6	16.0	26.5	21.2
3.35	11.1	9.6	21.0	17.1	28.7	22.9
3.60	11.8	10.2	22.3	18.2	30.8	24.6
3.85	12.5	10.8	23.6	19.3	32.9	26.3
4.10	13.2	11.4	25.0	20.4	35.1	28.0
4.35	13.9	12.1	26.3	21.6	37.2	29.7
4.60	14.6	12.7	27.7	22.7	39.4	31.4

Source: Value Track Analysis

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK VT S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE “**FINANCIAL PROMOTION ORDER**”), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-TER, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: — BALANCE SHEET TOTAL: 20,000,000 EURO, — NET REVENUES: 40,000,000 EURO, — OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF “QUALIFIED INVESTORS” AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2017/1129), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK VT S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2017/1129 (AND AMENDMENTS THERETO, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE. ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK VT S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK VT S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK VT S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK VT S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK VT S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY.