



Endless ways to the future

# Global Provider Of Innovative Edge-IoT & AI Solutions



# HERE TODAY

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**Massimo Mauri**  
*Chief Executive Officer*



**Marco Parisi**  
*Head of Investor Relations*





# WE ARE LIVING THE AGE OF A DIGITAL REVOLUTION...

*IoT will be  
everywhere...*

**>10bn devices**

connected by 2024

2020-24 CAGR **+15%**

**Real-time data analytics**

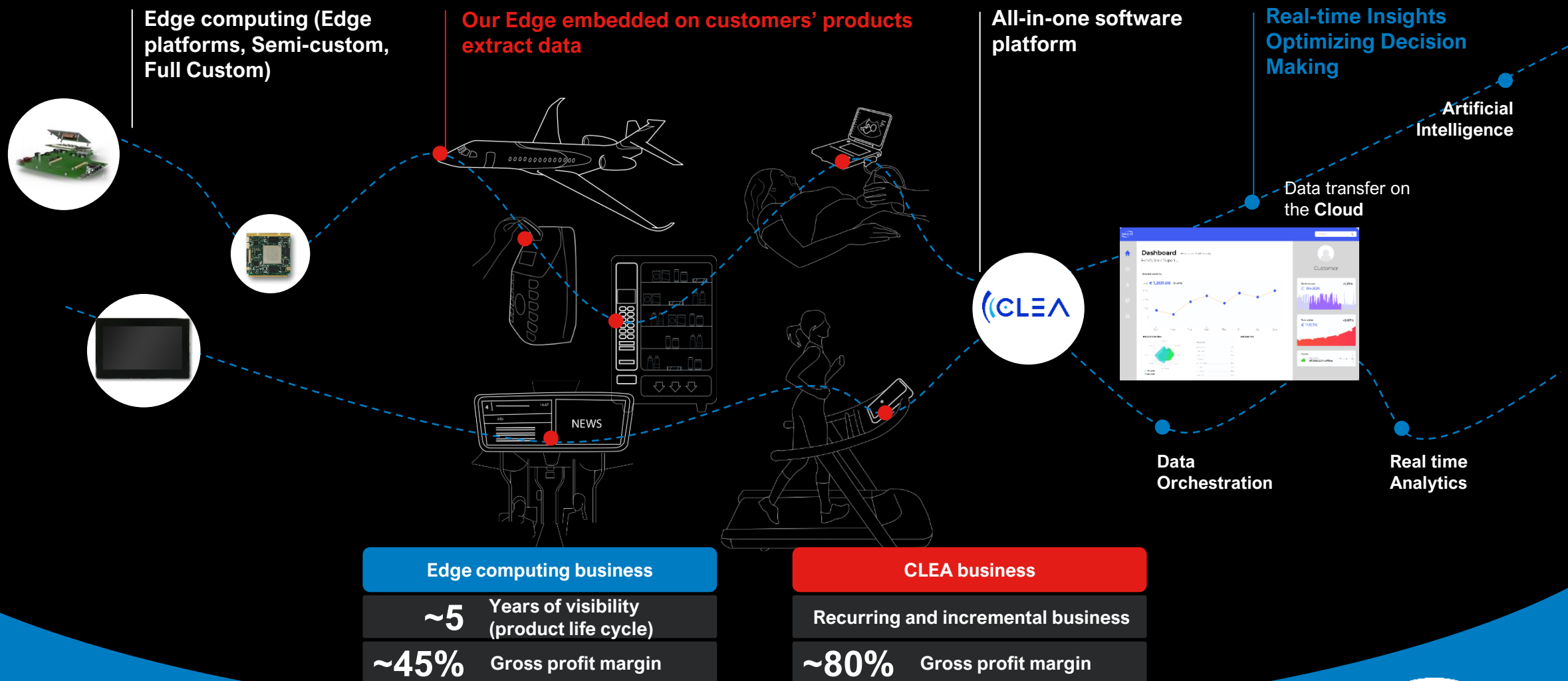
Made possible by **5G** and **AI**

**95%**

of connected devices will  
perform actions based on AI



# ...WHERE IoT AND AI WILL PERVADE EVERY ASPECT OF OUR LIVES





# LEADING THE NEXT FRONTIER OF INNOVATION

What we see today at our fingertips, is just what will happen in the B2B world...



A SECO-made App store with AI Applications designed for business clients

The UX of the Consumer Electronics World, made available for the B2B Market



# HIGH-GROWTH, PROFITABLE STORY AT THE HEART OF A DISRUPTIVE SECTOR

## An innovative player in a fast-growing market



**European leader** in the IoT-AI Industry, top 3 ranked worldwide. **High tech group** with a **strong international presence**

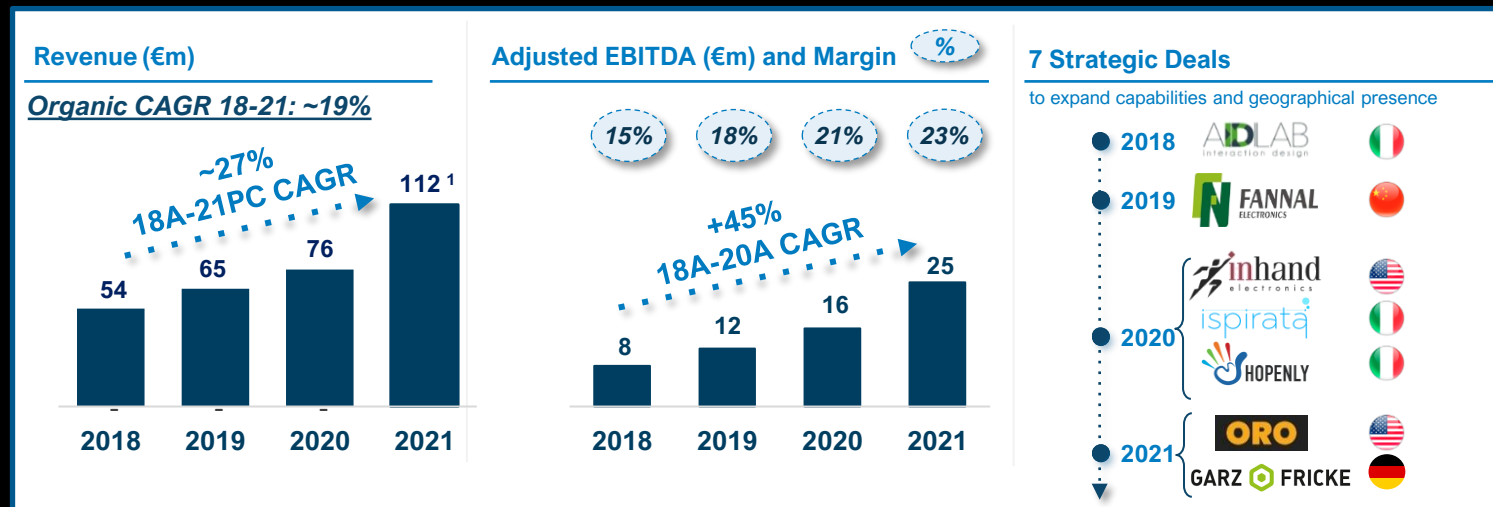


SECO designs and manufactures **embedded systems and IoT-AI solutions**: from single microcomputers to integrated, ready-to-use custom edge systems; from simple IoT components to all-in-one Industrial IoT-AI end-to-end solutions

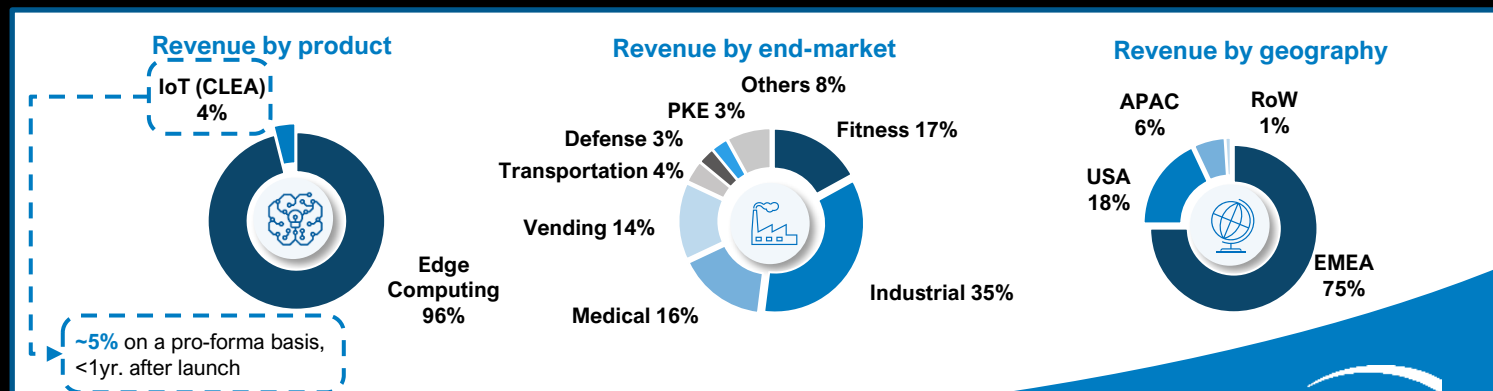


Strong expertise and presence in **a multitude of verticals**, thus boasting **strong growth potential** with **low sensitivity to macroeconomic cycles**

## Impressive Track Record of Profitable Organic Growth...



## Diversified Across Every Dimension (Revenue 2021A)



<sup>1</sup>~€145m pro-forma including 12M Garz & Fricke figures



# WORLDWIDE SPREAD CENTER OF EXCELLENCE, WITH TOP-TIER R&D CAPABILITIES



**>700k devices**  
manufactured every year



**>800 people**



**250+ R&D people**  
of which ~150 in AI  
algorithms development



**~ 8-10%**  
of revenue invested in R&D  
every year



**9** R&D centers  
**5** production plants



# EDGE COMPUTING: INTEGRATED, PLUG-AND-PLAY SOLUTIONS POWERED BY SECO

*Our customers' devices...*

*...are transformed into smart objects...*



*Human-Machine Interface*

*Miniaturized PC (board)*

*Mechanical enclosure design*

*Native compatibility with CLEA*

SECO added value pillars



**R&D and Design**



**Manufacturing**



**System integration**



*...bringing intelligence into several industrial fields*





# OUR OFFERING: FROM EDGE TO AI



## Edge Computing



**PC Modules and Systems**  
Off the shelf, semi-custom, full custom



## Full Intelligence of Things Architecture



**Cloud**  
Data transfer on the Cloud



**Data**  
Data orchestration



**Artificial Intelligence**  
Real time



**Output in Real Time**  
Continuous support for customers' business

Back in 2015, SECO generated revenue from Edge Platform only...

...while Custom Edge Systems now account for ~80% of revenue...

...with an additional growth engine being represented by PaaS

Fast Time-To-Market

Clear-cut Costs

Reduced Operational Risk

Flexible & Open Source System

Data Monetisation



Embedded Hardware



Software Platform



Applications

**Value for Clients and their Customer Base**

Watch some CLEA demos...

Vending



Medical



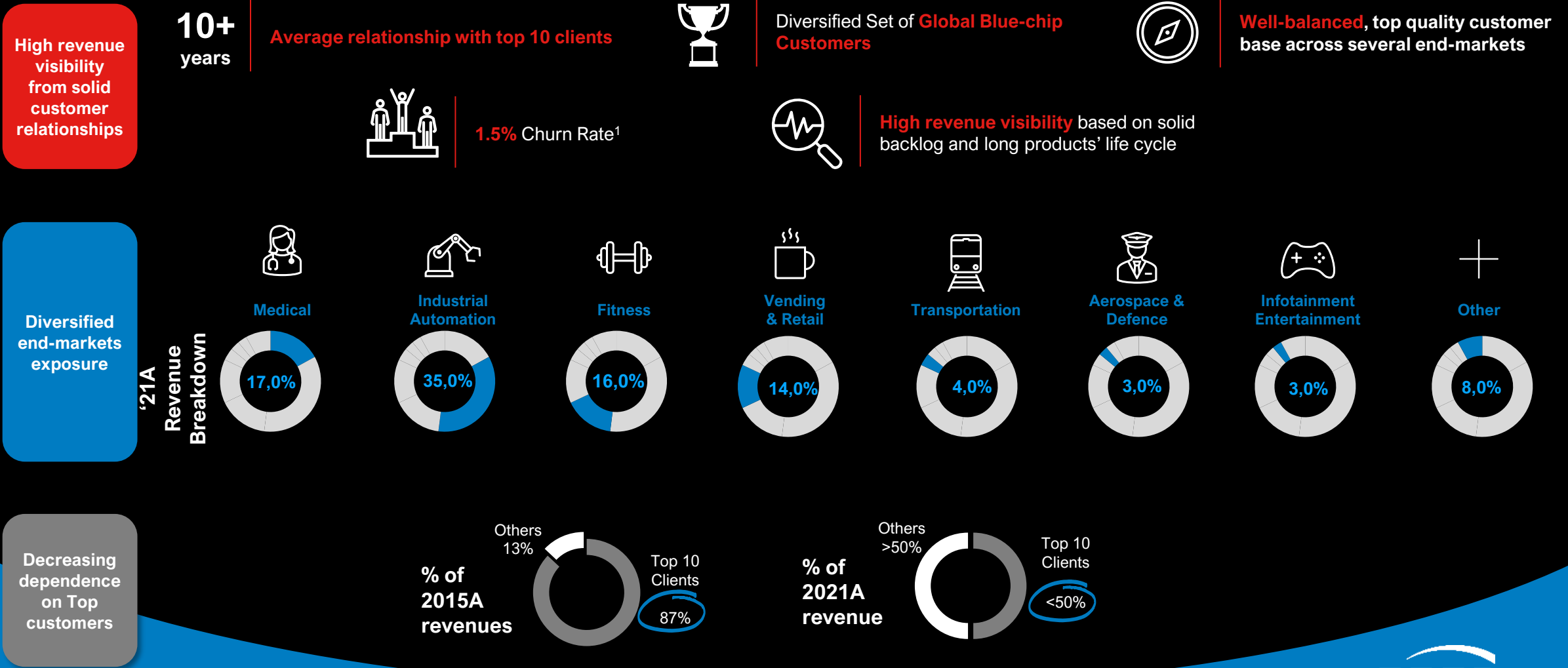
Automotive



Industrial



# TRUSTED HIGH TECH PARTNER FOR INNOVATION: LONG-LASTING CUSTOMER RELATIONSHIPS



Notes: (1) Computed as the percentage, on 2018A revenue, of any of the Top 50 clients not generating revenue in either 2019 or 2020  
SECO® - Strictly private and confidential



# OUR MAIN GROWTH DRIVERS



Rock-solid base of existing customers



New clients incoming every quarter



Growing pipeline on both CLEA and Edge computing



Huge TAM: IoT sector at the beginning of a strong expansion

Strong basis  
for **durable, organic growth**, reinforced by a  
growing pipeline

**>€300m**

Edge computing pipeline  
(2022-23)

**500k+ devices**

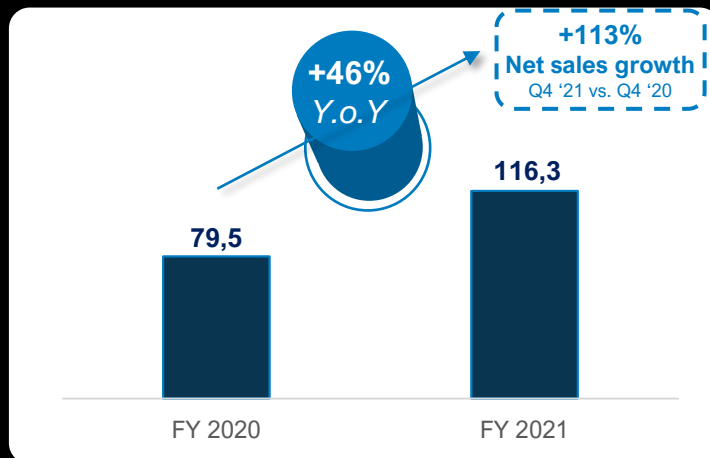
CLEA pipeline



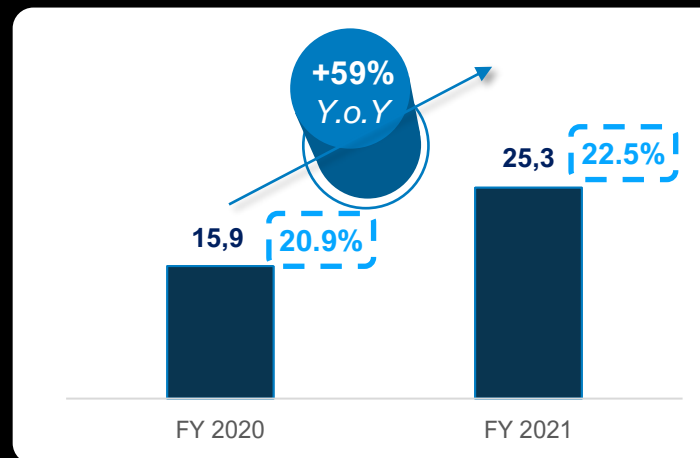
# 2021 FY FINANCIALS AND 2022 YTD

STRONG GROWTH AND  
PROFITABILITY IMPROVEMENT

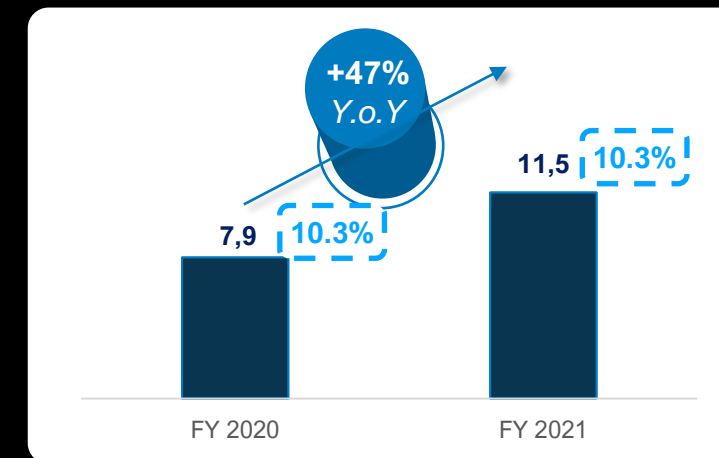
## Total Revenue<sup>1</sup> (€m)



## Adj. EBITDA (€m)



## Adj. Net Income (€m)



= % of sales

## 2021 Q4 highlights

**Key  
highlights**

**€45m+**

Q4 Net Sales - SECO all-time record  
(+113% vs. Q4 2020, o/w 51% organic)



**25%**

EBITDA margin

## 2022 YTD highlights

**€157m**

Order backlog as of Feb28, 2022  
(>2x vs. Feb2021)



**€41-42m**

Q1 2022 official guidance

Notes: (1) Revenue from sales and other operating income.

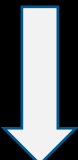



# ENABLING OUR CUSTOMERS TO CUT DEVELOPMENT COSTS AND TIME TO MARKET

RECENT DESIGN WINS WILL TRANSLATE INTO REVENUE AFTER 5/18 MONTHS DEPENDING ON PRODUCTS' TYPOLOGY

60+

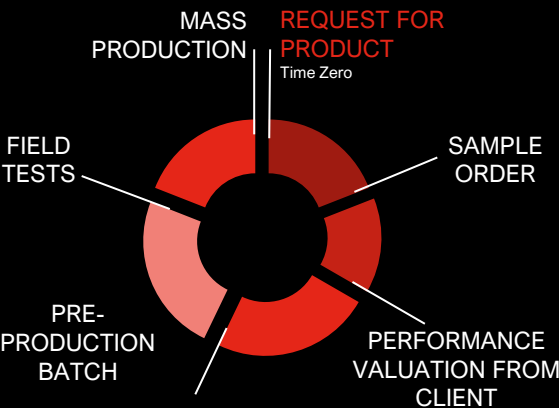
Projects in Execution + Budgeting





Strong mid-term revenue visibility

Products based on off-the-shelf solutions ~ 5-7 months

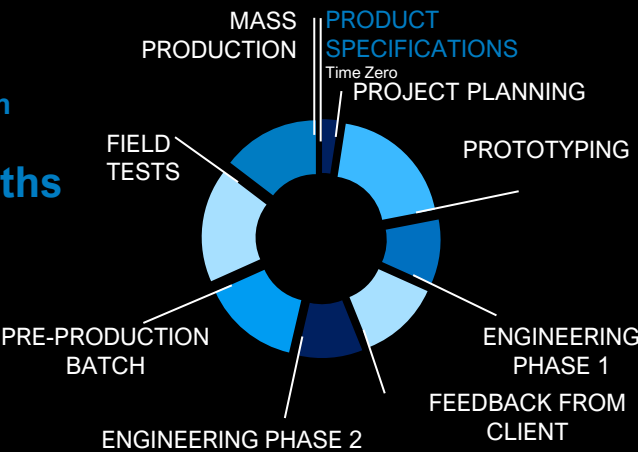


High success **developing custom products** along with customers thanks to a rigorous planning of activities



**Continuous interaction** with customers from design to manufacturing

Products based on custom solutions ~ 12-18 months



**Dedicated software services** tailored on customers' needs fully entrenched within product development and production process



# R&D IS AT THE CORE OF SECO BUSINESS MODEL

SECO has a unique combination of in-house developed R&D capabilities and long-lasting strategic partnerships with the most important global high tech players

>€16m of cumulated R&D spending in 2018-2020 (i.e. 8% of cumulated revenue in the same period)

>45 new products launched in 2021

Partnerships with Tech Giants, Early Access Programs

29% employees dedicated to R&D and 6 R&D centers

<18 months' time to market

Collaboration with Research Centres and Universities





# CYBERSECURITY INTO SECO OFFERING

INDUSTRIAL PARTNERSHIP  
WITH EXEIN

AN ADDITIONAL STEP TO SECO SaaS BUSINESS MODEL EVOLUTION



*An ever-increasing number of connected devices...*

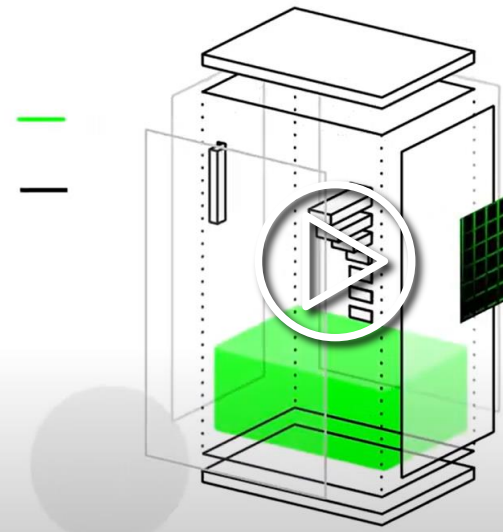


*...creates the need for companies to increase the level of protection of their data...*



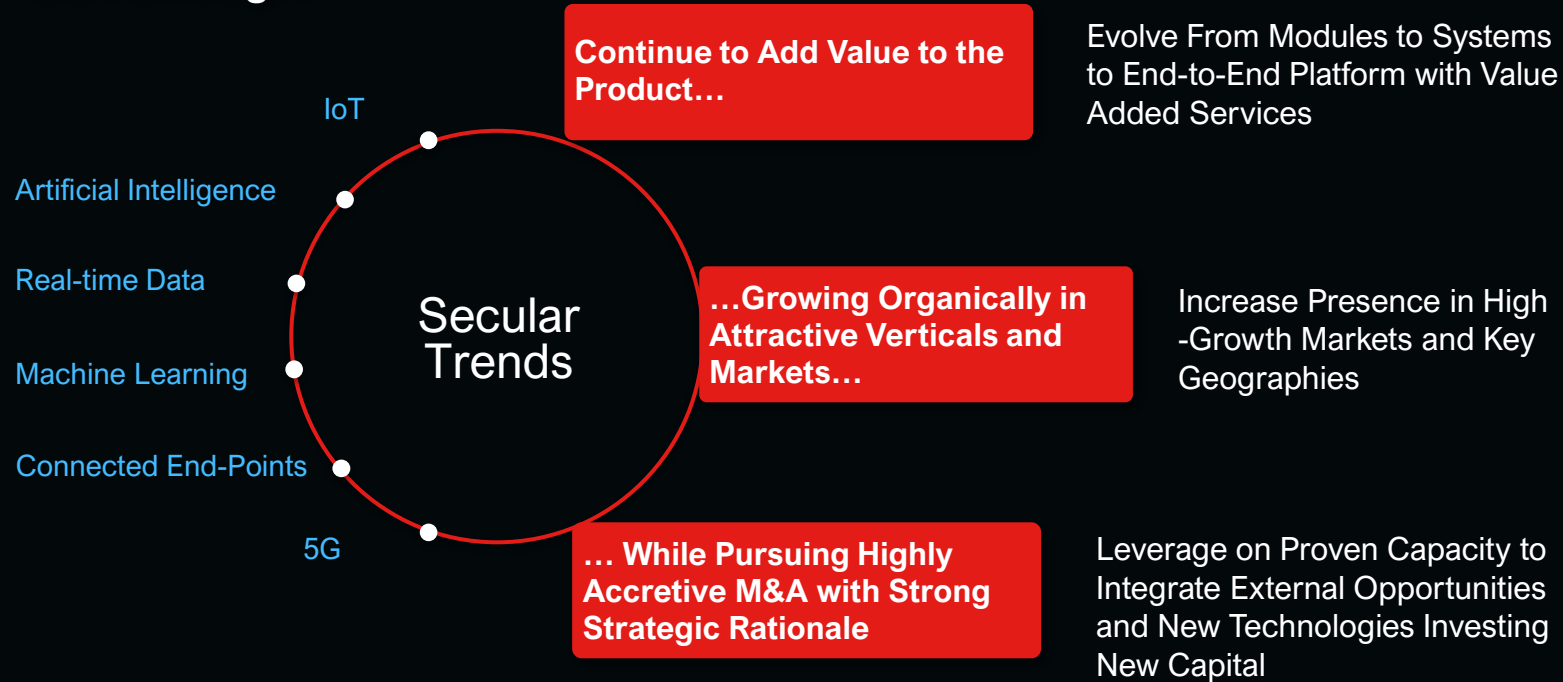
*Together for our customers' cybersecurity*

*Learn more  
about Exein*



# FUTURE GROWTH OPPORTUNITIES UNDERPINNED BY A SOLID STRATEGY AND VISION

**Accelerated M&A strategy unlocked by new capital resources will allow SECO to consolidate its competitive advantage**



## SECO Key Objectives



**Significant Business Scale**



**Industry Leading Player**



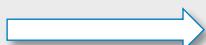
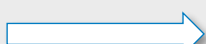

**Recurring Revenue Business Model**



**Highly Profitable Markets and Products**



# FROM STRATEGY TO EXECUTION: HOW WE INTEGRATED

Transaction Timeline	Rationale and Key Milestones		KPIs
<ul style="list-style-type: none"> <li>Jun-2018 Target Scouting and initial negotiations</li> </ul>	M&A rationale	<ul style="list-style-type: none"> <li>✓ Important milestone to <b>SECO's transition</b> as a provider of <b>complete, integrated solutions</b> featuring <b>HMI interfaces</b></li> <li>✓ Group's hub for the expansion in the <b>APAC markets</b></li> </ul>	<p><b>+82% CAGR</b></p> <p>€2.5m  €15.1m</p> <p>2018 2021</p> <p><b>Revenue Evolution</b></p>
<ul style="list-style-type: none"> <li>Feb-2019 Signing</li> </ul>	Main Actions & Achievements	<ul style="list-style-type: none"> <li>✓ <b>Purchasing, production optimized</b> thanks to an <b>integration plan</b> implemented on a yearly basis</li> <li>✓ <b>New HQ</b> in Q3 2019 to support business' and Group's growth</li> </ul>	
<ul style="list-style-type: none"> <li>May-2019 Closing</li> </ul>	Management Team	<ul style="list-style-type: none"> <li>✓ <b>Re-appointment of existing directors</b> to ensure continuity</li> <li>✓ <b>Italian and Italian-Chinese management</b> (total 5 people) to <b>facilitate a smooth managerial/cultural integration</b></li> </ul>	<p><b>~20% (Margin b.p.)</b></p> <p>€0.2m  €3.3m</p> <p>2018 2021</p> <p><b>Operating profit Improvement</b></p>
<ul style="list-style-type: none"> <li>Today (ongoing project) New Headquarters</li> </ul>	Future Development Actions	<ul style="list-style-type: none"> <li>✓ Fully exploit <b>Hangzhou's area high-tech/IoT potential</b></li> <li>✓ Negotiation with <b>local government</b> in place for the construction of a property building at highly advantageous conditions in an area dedicated to <b>high-tech companies</b></li> <li>✓ Create additional synergies to develop Fannal's business worldwide, benefitting from the Group's sales structure</li> </ul>	 <p><b>Hangzhou HQ renovated in Q3 2019</b></p>



# FROM STRATEGY TO EXECUTION: HOW WE INTEGRATED

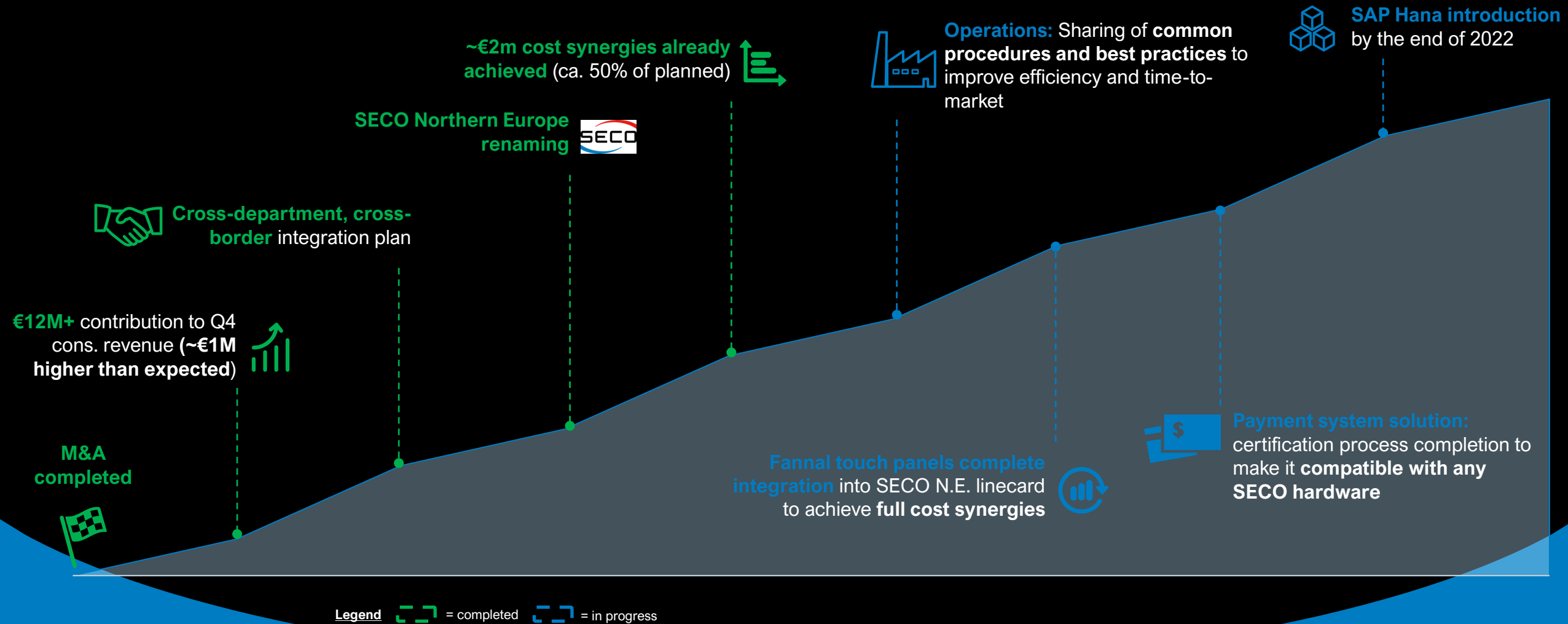


Transaction Timeline	Rationale and Key Milestones		KPIs
<b>Jun-2019</b> <i>Target Scouting and initial negotiations</i>	<b>M&amp;A rationale</b>	<ul style="list-style-type: none"> <li>✓ Access to portfolio of Tier 1 clients in Defense, Industrial Automation, Medical sectors</li> <li>✓ Fully structured organisation available to promptly address a growing pipeline in the US market</li> </ul>	<b>Revenue Evolution<sup>1</sup></b>  <div> <div>€12m</div> <div>2019</div> <div>↓</div> <div>€21m</div> <div>2021</div> </div> <div>+75% Total growth</div>
<b>Oct-2019</b> <i>Signing</i>	<b>Main Actions &amp; Achievements</b>	<ul style="list-style-type: none"> <li>✓ New entity combining SECO USA's and InHand's strengths</li> <li>✓ Significant new orders intake thanks to InHand being part of a large international group</li> </ul>	
<b>Feb-2020</b> <i>Closing</i>	<b>Management Team</b>	<ul style="list-style-type: none"> <li>✓ Re-appointment of existing directors to ensure continuity</li> <li>✓ CEO with 20+ years track record in the industry</li> </ul>	
<b>Mar-2020</b> <i>Full integration with SECO Group</i>	<b>Future Development Actions</b>	<ul style="list-style-type: none"> <li>✓ 1 Fannal professional to be based in the US on a long-term basis, to support the whole Group with clients needing HMI-based solutions</li> <li>✓ Cross-pollination between R&amp;D teams in the US and Italy to better support local customers</li> </ul>	

Notes: (1) Revenue evolution refers to the total SECO Group revenues in the US for 2019 and 2020



# SECO NORTHERN EUROPE INTEGRATION PROCEEDING AHEAD OF SCHEDULE



Source: SECO management elaborations

# EXPERIENCED MANAGEMENT TEAM DRIVING EXCELLENCE IN EXECUTION



40+ years

**Daniele Conti**

*President & Co-Founder*

Co-founder of SECO. He has been serving as president of the company for over 40 years

Under his leadership, the Group has grown in terms of technological expertise, human resources and financial performances



14+ years

**Davide Catani**

*CTO*

Joined SECO in 2006

CTO since 2020, after serving as Hardware developer and ARM-based platforms R&D manager



5+ years

**Vincenzo Difronzo**

*CSO*

15+ years sales experience in worldwide leading hardware and software companies

Joined SECO in 2015



14+ years

**Carlos Valeiras**

*CEO SECO USA*

20+ years experience as executive in several Tech companies

Former CFO of SECO USA from 2020



17+ years

**Angelo Peloni**

*COO*

20+ years experience in Operations & Supply chain management

Joined SECO in 2003



2+ years

**Michael Duhamel**

*Vice President of Sales SECO USA*

20+ years of experience in sales and marketing for the largest industrial, embedded and automation solution providers

Previously in Eurotech USA



2+ years

**Lesen Ding**

*CEO Fannal Electronics*

Founder and General Manager of Fannal Electronics (2011 – present)



1 year

**Angela Lepore**

*Group HR Director*

15+ years of experience in HR management in multinational and international companies



5+ years

**Massimo Mauri**

*CEO*

20+ years experience as executive in several Tech companies

Strong experience in IPO and M&A transactions



1 year

**Stefan Heczko**

*CEO SECO Germany*

Previously CEO of Garz & Fricke GmbH

10+ years experience as executive in industrial companies



1+ years

**Anna Zattoni**

*HR Board Advisor*

20+ years experience in strategic and HR consulting for primary companies including BCG, Pfizer, Vodafone

Advisor to SECO's board since 2019



14+ years

**Gianluca Venere**

*CIO*

10+ years experience in business development, sales, innovation and internationalization for SECO Group



1 year

**Lorenzo Mazzini**

*CFO*

Served as CFO in several public and private companies

Strong experience in IPO and M&A transactions



1 year

**Dario Freddi**

*CEO SECO Mind*

Previously founder and CEO of Ispirata Srl

Strong data orchestration background in primary worldwide leading companies



3 years

**Maurizio Caporali**

*Co-CEO SECO Mind*

Previously co-Founder and CEO of AidiLab

Joined SECO in 2018 as IoT BU Product Manager and R&D Project Manager



5+ years

**Marco Parisi**

*Head of IR*

Business Manager of SECO from September 2019

Financial advisor of SECO from September 2016 to September 2019



1 year

**Ajay Malik**

*CEO SECO Mind US*

30+ year experience in high-tech, IoT and AI

Former executive in Google, Cisco, Qualcomm, Motorola

# years in SECO





# MORE TO COME...



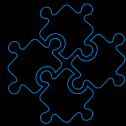
**M&A focus on AI** in the short term



**Continuing the business model evolution**, adding value for our customers



**Strong organic growth** thanks to revenue increase with existing customers/new customers



**Value partnerships** as a channel for further growth



Full deployment of **Olivetti industrial partnership**



Targeting **NRRP 2023-26 opportunities**



A = Actual  
PF = Pro-forma including full-year G&F figures  
E = Expected



Endless ways to the future

# Appendix A: Additional Supporting Materials







# Endless ways to the future

## Mission

We bring together technologies and skills to answer new needs and opportunities

## Vision

We exist to open up the world to innovation

## Values

Passion  
Dynamism  
Respect





# STRONG DELIVERY OF OUR IPO STRATEGIC PRIORITIES

OUR 2021 JOURNEY: A FURTHER STEP TO BECOME A GLOBAL LEADER



# WORLDWIDE SPREAD GEOGRAPHICAL PRESENCE


Solid geographic footprint enabling flexible production capacity across all key strategic markets (i.e. EMEA, USA, APAC)

**9**  
Design Centres across  
3 continents: Europe (2 ITA, 3 GER), North America (2),  
India and China


**5**  
Manufacturing plants  
(2 Italy, 2 Germany, 1 China)




■ Covered by SECO    ● Sales department  
■ Not Covered    ● R&D, Production, Purchasing Department




**Arezzo**  
Headcount: 293<sup>1</sup>  
Functions: R&D, Production, Sales




**Hangzhou**  
Headcount: 126<sup>1</sup>  
Functions: R&D, Production, Sales



**Hamburg**  
Headcount: 149  
Functions: R&D, Production, Sales



**Tregozzano**  
Headcount: 53<sup>1</sup>  
Functions: Production, Sales



**Wuppertal**  
Headcount: 24  
Functions: R&D, Production, Sales

Production Plants



Endless ways to the future

Notes: (1) As of June 2021

### Software Fees Are Recurring as Long as The Device is on The Field

#### Commitment Fees

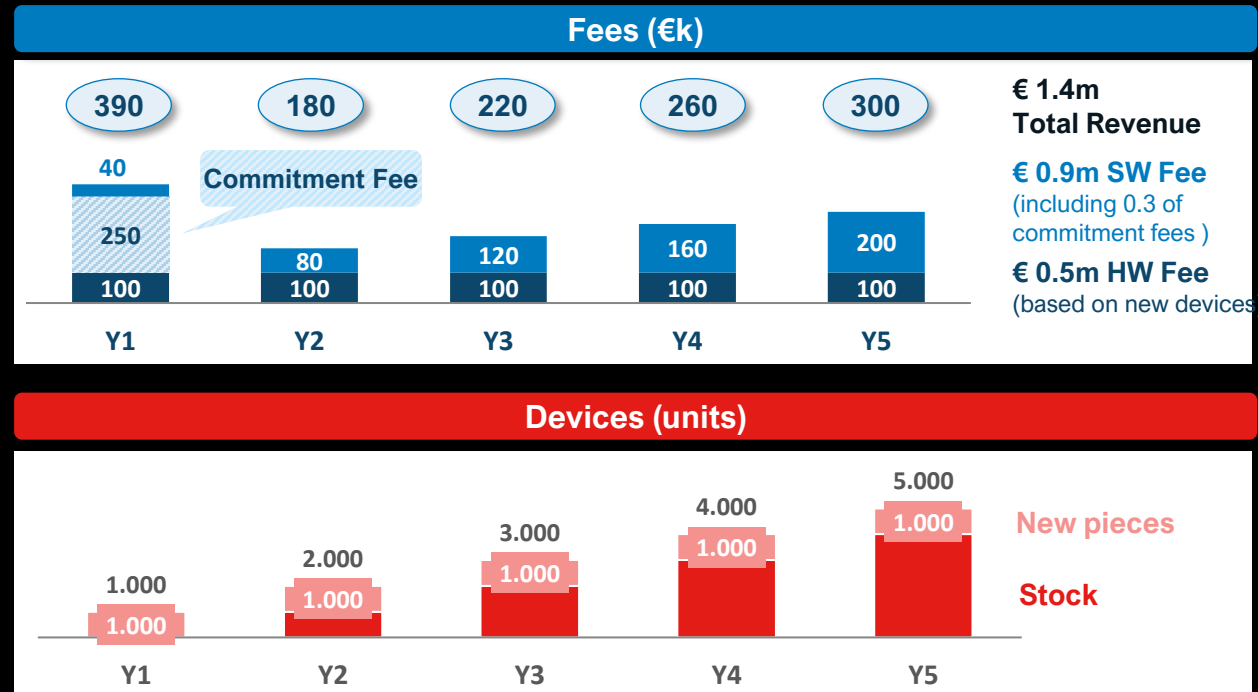
(NRE – Non Recurring Engineering)

One-off flat fee at signing unrelated to the number of devices

#### Pay per use

Monthly fee based on consumption (i.e. number of devices or services used) including additional service costs post sale

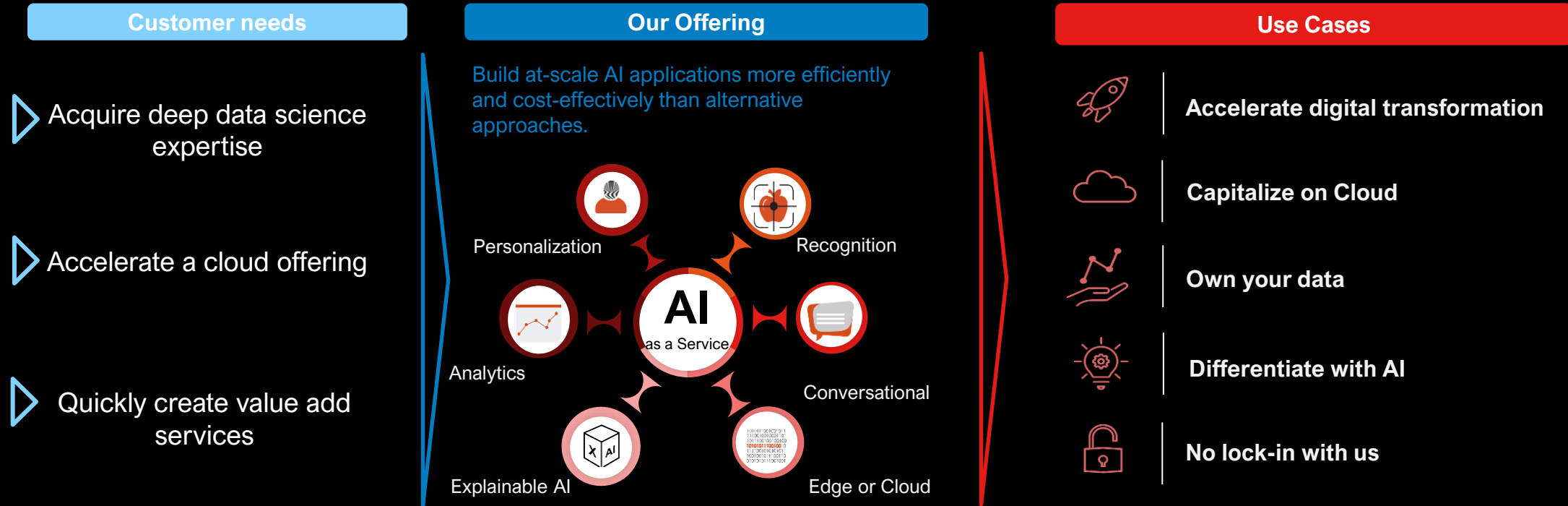
### High scalability of the business driven by the non-correlation between cloud infrastructure costs and number of devices



Illustrative example of a customer deploying 1,000 devices per year in 5 years



# WE ENABLE CLIENTS TO GENERATE VALUE FROM THEIR DATA



# POSSIBLE AI APPLICATIONS



## RECOGNITION

Facial recognition, body pose estimation, gesture recognition, emotion AI, and more using camera, infrared, radar etc.

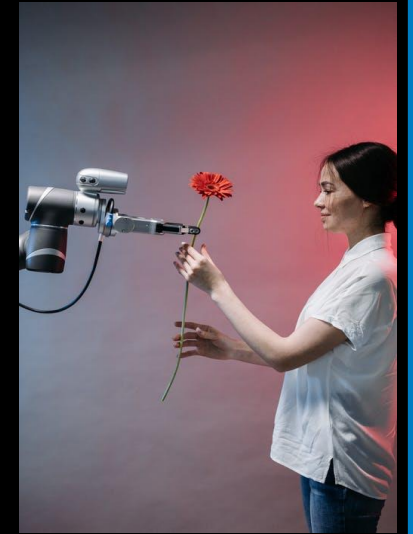
- Safe Drive
- Facility Check-in
- Senior safety
- Retail theft
- Drone detection
- Inappropriate content



## EXPLAINABLE AI

Improving trust of AI-based systems. It brings fairness, accountability and transparency to the front and center of AI and enables us to control and continuously improve our AI systems

- Mortgage Denial
  - Retail Theft



## ANALYTICS

Patterns/Seasonality, Anomalies, Predictive, Prescriptive, Descriptive, & Diagnostic analytics

- HVAC Filter change for Air Quality
- Window Glass Shading
  - Data Center
  - Capacity Planning
  - Smart Home



## CONVERSATIONAL

Beyond Chatbots - Conversational AI for customer and employee experiences

- Natural Language Processing
- Intent Recognition
- Entity Extraction
- Fulfilment
- Voice optimized responses



## PERSONALIZATION

1:1 personalization to deliver experience that fits unique individual preferences, behavior or state

- Marketing Campaign
- Website Content Personalization
- Smart Lighting
- Recommendation Engine



# ALL-IN-ONE, DIVERSIFIED OFFERING ADDING VALUE TO CUSTOMERS' SOLUTIONS



## Edge Computing Systems & HMI

Custom solutions

HMI

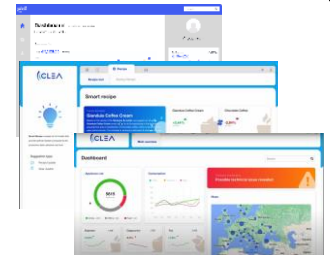
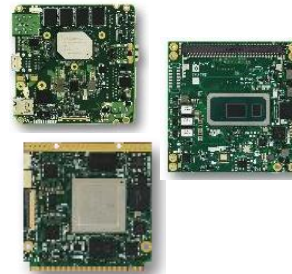
SBC

Smart Edge Boxed  
Solutions

Payment Systems &  
IoT Telemetry



CLEA



Our  
Solutions



Key  
end markets



Medical



Industrial  
Automation



Fitness



Vending  
& Retail



Transportation



Aerospace &  
Defence



Infotainment  
Entertainment



...and more...





# >700K NEW DEVICES MANUFACTURED EVERY YEAR, REPRESENTING AN IDEAL BASE TO SPREAD CLEA

SECO's IoT-AI  
software solution...



...ready to be integrated on  
**>700,000** new IoT  
devices produced every  
year



Potential application areas  
embrace a large number of  
industries...



...with several new  
functionalities (e.g. payment  
solutions) ready to be  
introduced



**+11%**

2020A-2024E Contactless Payment  
Solutions global market growth

# KEY COMPETENCES IN MULTIPLE APPLICATION DOMAINS



Medical



Industrial Automation



Fitness



Vending & Retail



Transportation



Aerospace & Defence

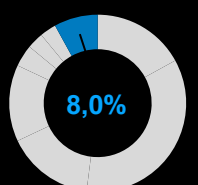
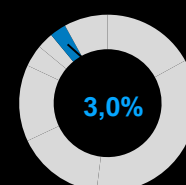
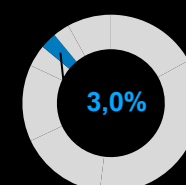
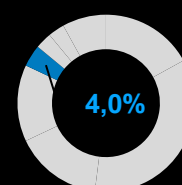
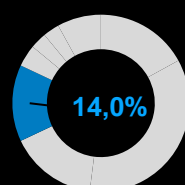
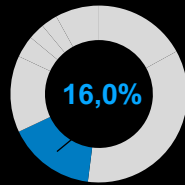
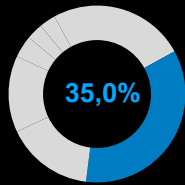
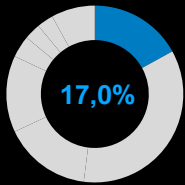


Infotainment Entertainment



Other

'21A  
Revenue  
Breakdown



Key characteristics

- Growing adoption of smart medical devices
- High resiliency (anti-cyclical market)
- Long & expensive certification processes
- High tech lock-in over product life-cycle

- Growing market due to adoption of smart factory and industry 4.0
- Integration sensors and telemetry to predict maintenance services, consumable spare parts, etc.

- Highly growing market due to the increasing adoption of wearable connected devices
- Increasing "home fitness" model

- Rising adoption of connected vending machines, improving customer experience
- Introduction of new "not traditional" payment and interacting system, (mobile phone, voice, face recognition)

- Long & expensive certification processes
- Tender business model usually. Once acquired takes 3-5y roll-out installation and business continuity

- High resiliency (anti-cyclical market)
- Long & expensive certification processes
- High tech lock-in over product life-cycle





- Large volume business
- Expected fast growing after the pandemic

- Power/Utilities
- Digital Signage
- Telco
- Security & Surveillance
- Test & Measurement



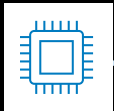
# PARTNERSHIPS

CO-DESIGN APPROACH WITH THE MAIN TECHNOLOGY PLAYERS. WE ACCESS NEW TECHNOLOGIES FOR EDGE COMPUTING WAY BEFORE THEY'RE AVAILABLE FOR THE MARKET

Silicon vendor	# ongoing EAPs	Technology	Application	Key features
 	1	<ul style="list-style-type: none"> <li>Standard module based on NXP i.8M Plus</li> </ul>	<ul style="list-style-type: none"> <li>Machine Learning</li> </ul>	<ul style="list-style-type: none"> <li>Artificial Intelligence at the edge, integrated NPU for image recognition and classification, speech recognition</li> </ul>
	3	<ul style="list-style-type: none"> <li>Standard module based on Intel Elkhart Lake</li> <li>Next generation Intel Core and Xeon D</li> </ul>	<ul style="list-style-type: none"> <li>Functional Safety</li> <li>HPC at the edge and networking</li> </ul>	<ul style="list-style-type: none"> <li>Meets specific requirements for application like automated ground vehicles, drones and safety/mission critical ones in general</li> <li>Modular solutions in the most adopted form factors in the HPC at the edge space</li> </ul>
	1	<ul style="list-style-type: none"> <li>AMD Ryzen V2000</li> </ul>	<ul style="list-style-type: none"> <li>Signage / Imaging</li> </ul>	<ul style="list-style-type: none"> <li>Multiple 4K displays</li> <li>Advanced graphics and multimedia</li> </ul>

Effective Cooperation with Leading Chip Makers to Obtain Early Access to New Technologies

EARLY ACCESS PROGRAM Selection Process & Timetable



Chip vendor uncovers new technology to selected Partners, calling for product proposals



Partners are selected for EAP based on capability to manage state of the art technology

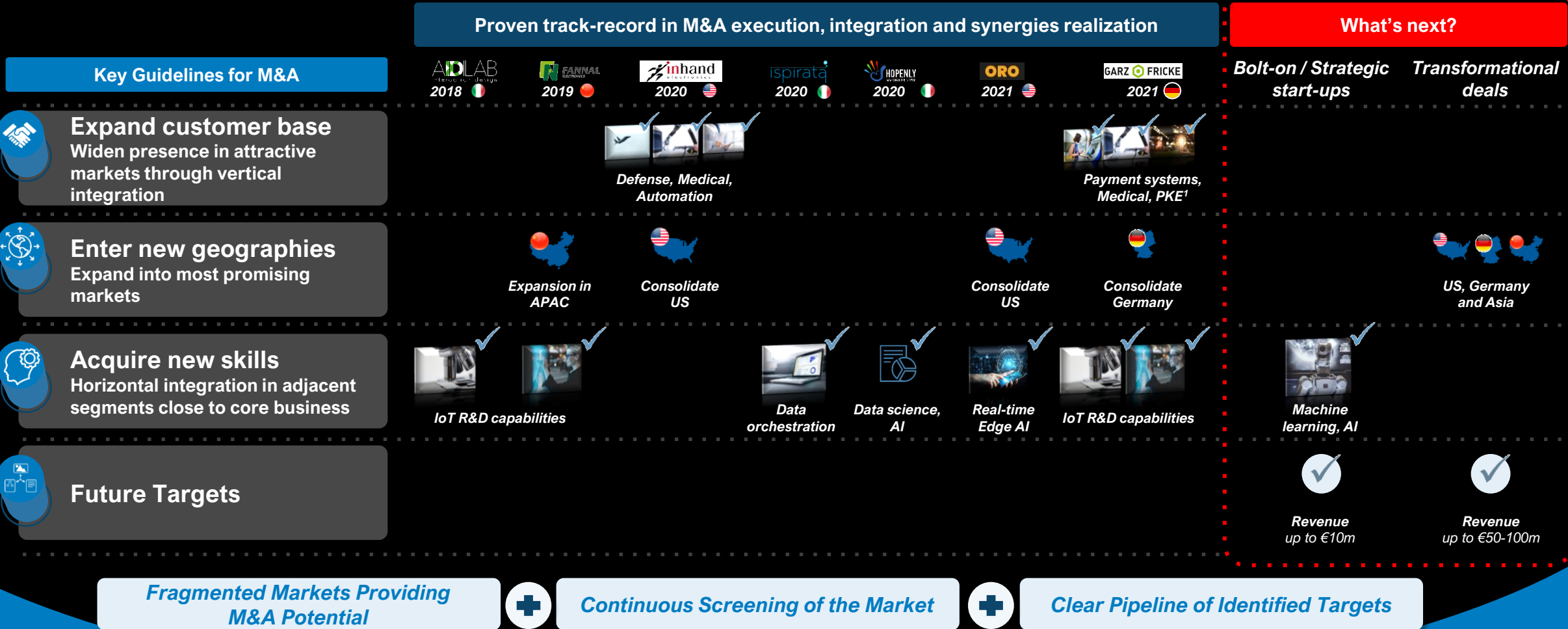


Solutions from partners are the primary go to market strategy being available at mass market launch



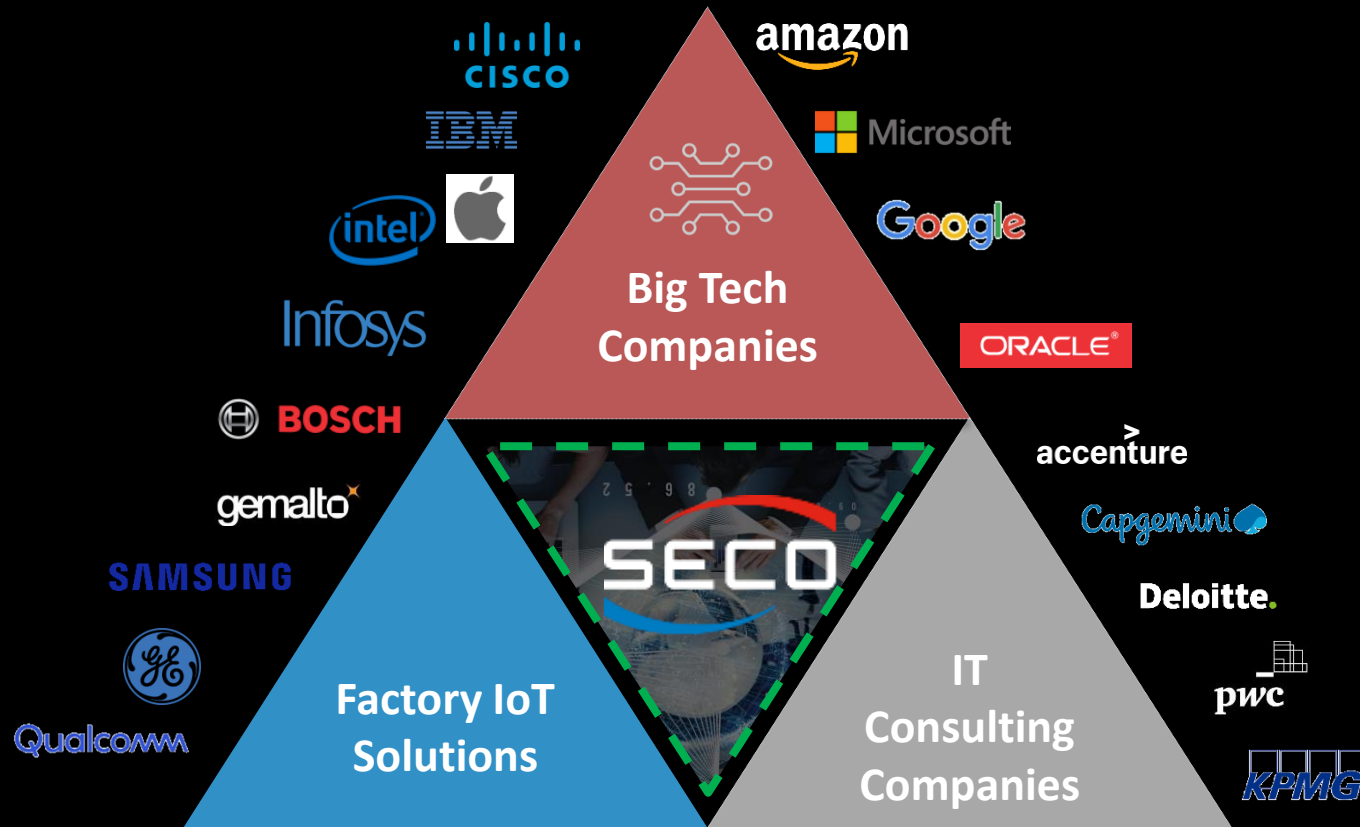


# PURSuing HIGHLY ACCRETIVE M&A WITH STRONG STRATEGIC RATIONALE



# A NEW SECTOR IS FORMING WITH DIGITAL REVOLUTION...

...and SECO is a unique player in this Ecosystem



Time to Market



Edge-to-AI integration



Customization



The ideal partner to enable  
**<€2-3bn customers** in their  
digital transformation process



# HOW WE CREATE VALUE FOR OUR CUSTOMERS



## SECO as co-designer and Industrialiser of Systems

### Intelligent Analyser



SECO's Technology  
for Smart Blood Testing



Modular &  
Customised  
solution



Thorough testing



Long-time  
availability



High quality &  
reliability standards



Fast production  
ramp

Customer Requirements

Mid 90's  
*first approach for  
a board re-design*

2000-2019  
*From Module to Systems: SECO  
as co-designer, industrializer of  
systems granting additional  
benefits provided by Fannal  
products integration*

Today  
*Highly customized service  
with Long Term visibility  
on product life cycle*

Historical Milestones



Supply of products with a 10+  
year lifetime guaranteed



Obsolescence prediction and  
handling service: in-house  
temperature and humidity-  
controlled component  
stocking and backing process



Custom testing with ad hoc  
fixture and tailored software  
design



Kanban agreement: ERPs  
connected to minimise  
components' lead time and  
products' time to market

SECO Winning Points





# HOW WE CREATE VALUE FOR OUR CUSTOMERS

Offer to a New Customer a Hardware and Software All-in-one Solution

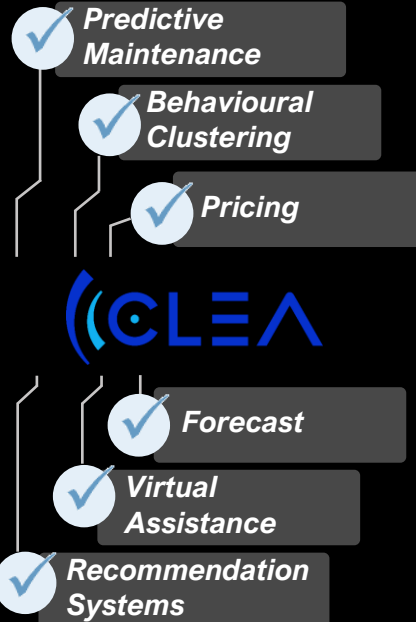
Hardware



IoT Platform



Smart Device with  
Installed SECO  
Hardware



Data Extraction from the  
Edge

Data Orchestration and  
Application

Data Utilisation

Data Monetization

 *Increase Profitability*

 *Reductions in Opex  
(reduction in assistance  
interventions)*

 *Average cup value  
increase*

 *Additional income from  
improved customer  
services*



# HOW WE CREATE VALUE FOR OUR CUSTOMERS

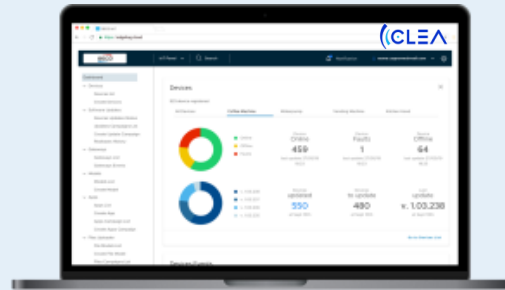
## Enabling SECO Platform Capabilities for a New Customer on Existing non-SECO Hardware Fleet

### Wide Fleet of Non-SECO Hardware Installed Base



Integration to Non-SECO Hardware with Full Retrofit Capabilities...

### Enabling Advanced Services through Cloud Connectivity



...Generating Software Fees from Day 1...

✓ Enable connectivity for all devices through an **optional SIM card add-on**

✓ Allowing SECO to extend its SaaS business (with a per-device fee) **even to non-SECO hardware**

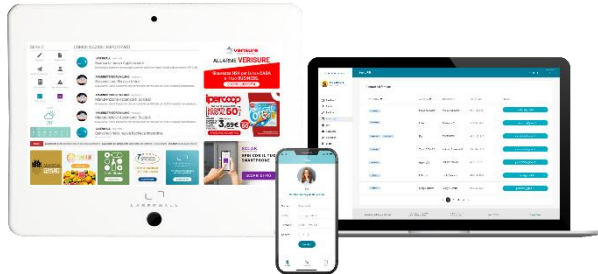
✓ Faster mass deployment strategy, given the **SaaS portion can be delivered through a simply software update**

...While Creating a Technological Bond with New Customers

# HOW WE CREATE VALUE FOR OUR CUSTOMERS

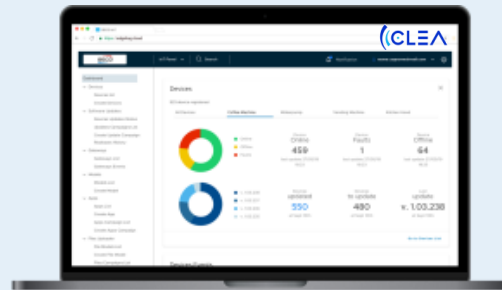
Enabling customer to launch a highly innovative business through an integrated hardware + software offering

> 15.000 connected digital  
billboards featuring SECO  
hardware



Digital billboards installed in building  
halls...

From Edge to AI with no  
effort for the client



...generating data that can be transformed  
into value by CLEA's AI module...



Residents and condo managers can  
efficiently communicate and exchange  
information via a dedicated app



Business customers can display  
**targeted and interactive**  
promotional contents



Geolocalisation and interaction  
analytics functionalities to **maximise  
return on investment** and **keep costs  
under control**

...offering value-added functionalities to  
residents and business customers





# SECO-OLIVETTI PARTNERSHIP

KEY PILLARS



Industrial impact:  
macro-areas of  
collaboration



Italian SMEs digitalization: co-development of IoT Innovative Solutions interconnected with Olivetti's / SECO Mind multi-services software platform



New hardware + software solutions co-developed under the brand Olivetti powered by SECO



Leverage SECO and Olivetti R&D expertise and customer base across large Enterprise and SME and Public Administration



Strong combination to enter a number of highly attractive sectors whose growth is enhanced by NRRP

Strengthened  
relationship between  
Olivetti and SECO

SECO as **technology partner** and **preferred supplier** of IoT solutions for Olivetti

TIM Group-Olivetti become **reference industrial partner** for SECO

Olivetti stake in SECO increased to **9.6% of share Capital**



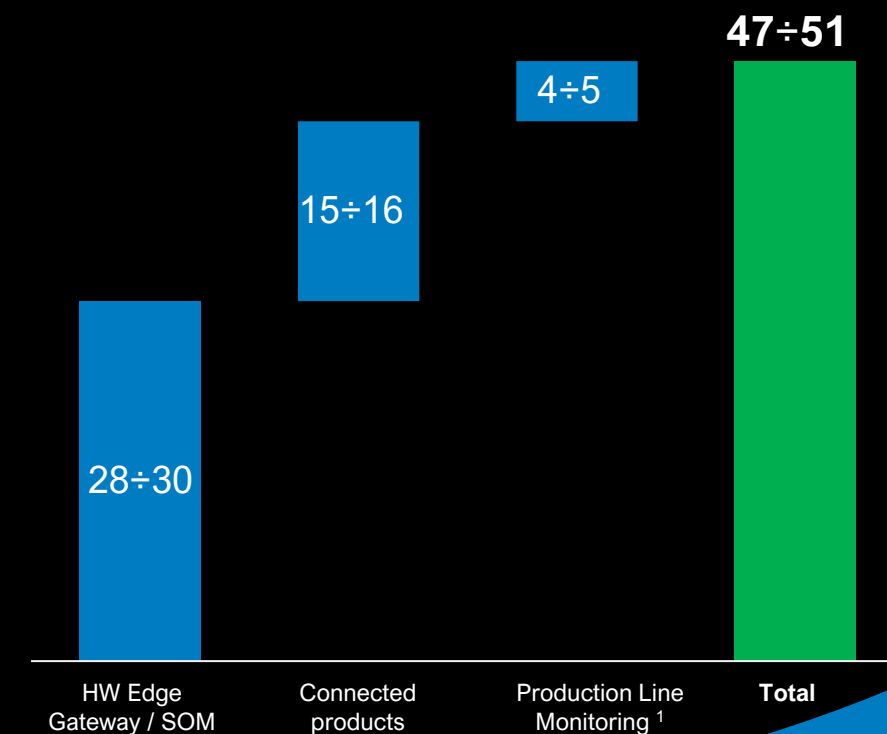
# SECO-OLIVETTI PARTNERSHIP

TOTAL ADDRESSABLE MARKET AND POTENTIAL ECONOMIC IMPACT

	Merchant Services	IoT Smart Services
ADDRESSABLE MARKET	~5 bn€ in 2024 4-5% CAGR	~4.5 bn€ in 2024 10% CAGR
OLIVETTI MARKET SHARE AMBITION 2024	5%	5%

## SECO Expected value of the partnership

Mln€, cumulated revenues 2022-2024





Endless ways to the future

# Appendix B: Historical Financials & Group Structure

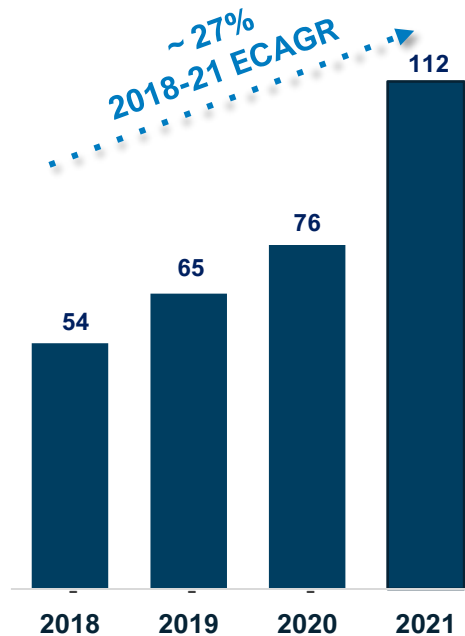




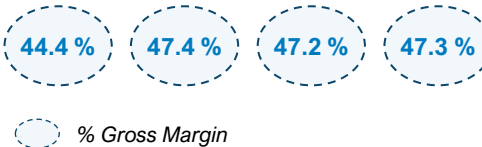
# SOLID TRACK RECORD OF STRONG ORGANIC GROWTH, INCREASING PROFITABILITY, AND HIGH CASH FLOW GENERATION

Revenue (€m)

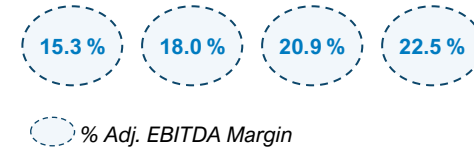
Organic CAGR 2018-21: ~19%



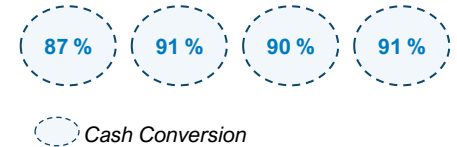
Adjusted Gross Margin (€m)



Adjusted EBITDA (€m)<sup>1</sup>



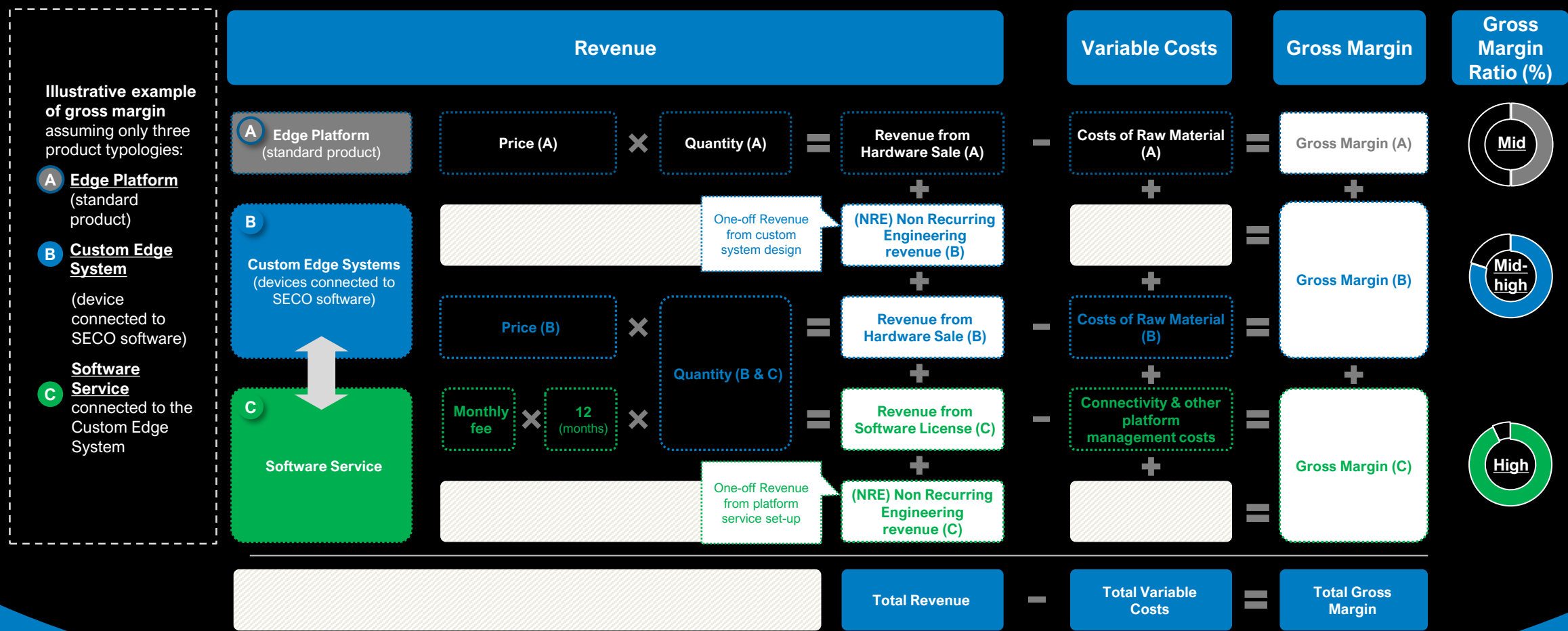
Cash Conversion<sup>2</sup>



Consistent double digit revenue growth characterized by high visibility, increasing EBITDA margin driven by scale efficiencies and high cash flow generation capability

Notes: financials are prepared in accordance with IFRS. (1) Adjusted EBITDA. (2) Cash Conversion computed as (Adj. EBITDA – Maintenance Capex)/ Adj. EBITDA. (3) Maintenance Capex is defined as the investments -identified by the management- needed to preserve SECO's current level of revenue and technology capacity.

# REVENUE AND COST MODEL



# DETAILS ON ADJUSTMENTS

## EBITDA and Operating Profit

FYE 31/12 (€m)	2018A	2019A	2020A	2021A
Profit / (loss) for the year	4.6	5.8	5.5	6.5
Income taxes	1.6	2.1	0.6	1.1
Financial income	(0.0)	(0.0)	(0.0)	(0.0)
Financial charges	0.4	0.4	0.5	1.4
D&A	1.6	3.1	5.5	9.2
<b>EBITDA</b>	<b>8.2</b>	<b>11.5</b>	<b>12.1</b>	<b>18.1</b>
Profit / (loss) on foreign exchange	0.3	0.1	0.7	0.6
Income elements not relating to normal business operations	(0.3)	-	2.8	5.9
Non-recurring income elements that are part of the company's ordinary operations	-	0.2	0.3	0.7
<b>Total Adjustments</b>	<b>0.1</b>	<b>0.3</b>	<b>3.8</b>	<b>7.2</b>
<b>Adjusted EBITDA</b>	<b>8.3</b>	<b>11.8</b>	<b>15.9</b>	<b>25.3</b>
<b>Operating Profit</b>	<b>6.9</b>	<b>8.5</b>	<b>7.3</b>	<b>9.5</b>
<b>Adjusted Operating Profit</b>	<b>7.0</b>	<b>8.8</b>	<b>11.1</b>	<b>16.8</b>

## Net Financial Indebtedness

FYE 31/12 (€m)	2018A	2019A	2020A	2021A
<b>Net Financial Indebtedness</b>	<b>6.9</b>	<b>12.1</b>	<b>17.8</b>	<b>109.5</b>
Tax credit (IVA)	(6.0)	(3.9)	(4.7)	(2.7)
Current financial liabilities deriving from leases	(0.4)	(0.4)	(0.5)	(1.6)
Non-current financial liabilities deriving from leases	(0.6)	(0.5)	(1.2)	(7.0)
Derivatives	-	-	-	(0.7)
<b>Adjusted Net Financial Indebtedness</b>	<b>(0.2)</b>	<b>7.3</b>	<b>11.4</b>	<b>97.5</b>

## Net Profit Adjusted

FYE 31/12 (€m)	2018A	2019A	2020A	2021A
<b>Net Profit</b>	<b>4.6</b>	<b>5.8</b>	<b>5.5</b>	<b>6.5</b>
Total Adjustments	0.1	0.3	3.1	6.6
Theoretical tax (24%)	(0.0)	(0.1)	(0.8)	(1.6)
Total Adjustments post taxes	0.1	0.2	2.3	5.0
<b>Adjusted Net Profit</b>	<b>4.6</b>	<b>6.1</b>	<b>7.9</b>	<b>11.5</b>





# 2018 – 2021 PROFIT & LOSS

## Profit & Loss

Reported Figures - FYE 31/12 (€m)	2018A	2019A	2020A	2021A
<b>Total Revenue</b>	<b>55.2</b>	<b>65.7</b>	<b>79.5</b>	<b>116.3</b>
Growth %	n/a	19.0%	21.0%	46.3%
Net Sales	54.4	65.4	76.1	112.3
Other income	0.8	0.3	3.4	4.0
Raw Materials net of change in inventories	(30.3)	(34.4)	(40.2)	(59.2)
Costs for raw, ancillary and consumable materials and goods	(33.4)	(41.9)	(44.7)	(71.8)
Change Inventory	3.1	7.5	4.6	12.6
<b>Adjusted Gross margin</b>	<b>24.2</b>	<b>31.0</b>	<b>36.0</b>	<b>53.1</b>
Ratio (%)	44.4%	47.4%	47.2%	47.3%
Personnel	(9.3)	(11.7)	(16.1)	(23.5)
Other OPEX	(7.0)	(8.1)	(10.4)	(15.0)
D&A	(1.6)	(3.1)	(5.5)	(9.2)
<b>Operating Profit</b>	<b>6.9</b>	<b>8.5</b>	<b>7.3</b>	<b>9.5</b>
Margin (%)	12.8%	12.9%	9.6%	8.5%
Net Financial Expenses	(0.7)	(0.5)	(1.2)	(2.0)
Financial Income	0.0	0.0	0.0	0.0
(Financial Expenses)	(0.4)	(0.4)	(0.5)	(1.4)
Profit / (loss) on foreign exchange	(0.3)	(0.1)	(0.7)	(0.6)
<b>Profit Before Tax</b>	<b>6.2</b>	<b>8.0</b>	<b>6.1</b>	<b>7.6</b>
Margin (%)	11.4%	12.2%	8.0%	6.7%
Taxes	(1.6)	(2.1)	(0.6)	(1.1)
<b>Net Profit</b>	<b>4.6</b>	<b>5.8</b>	<b>5.5</b>	<b>6.5</b>
Margin (%)	(0.2)	0.2	2.4	5.8%

Note: (i) Audited Financials prepared in accordance with IAS/IFRS accounting standards; (ii) Ratios and Margins are calculated on Net Sales

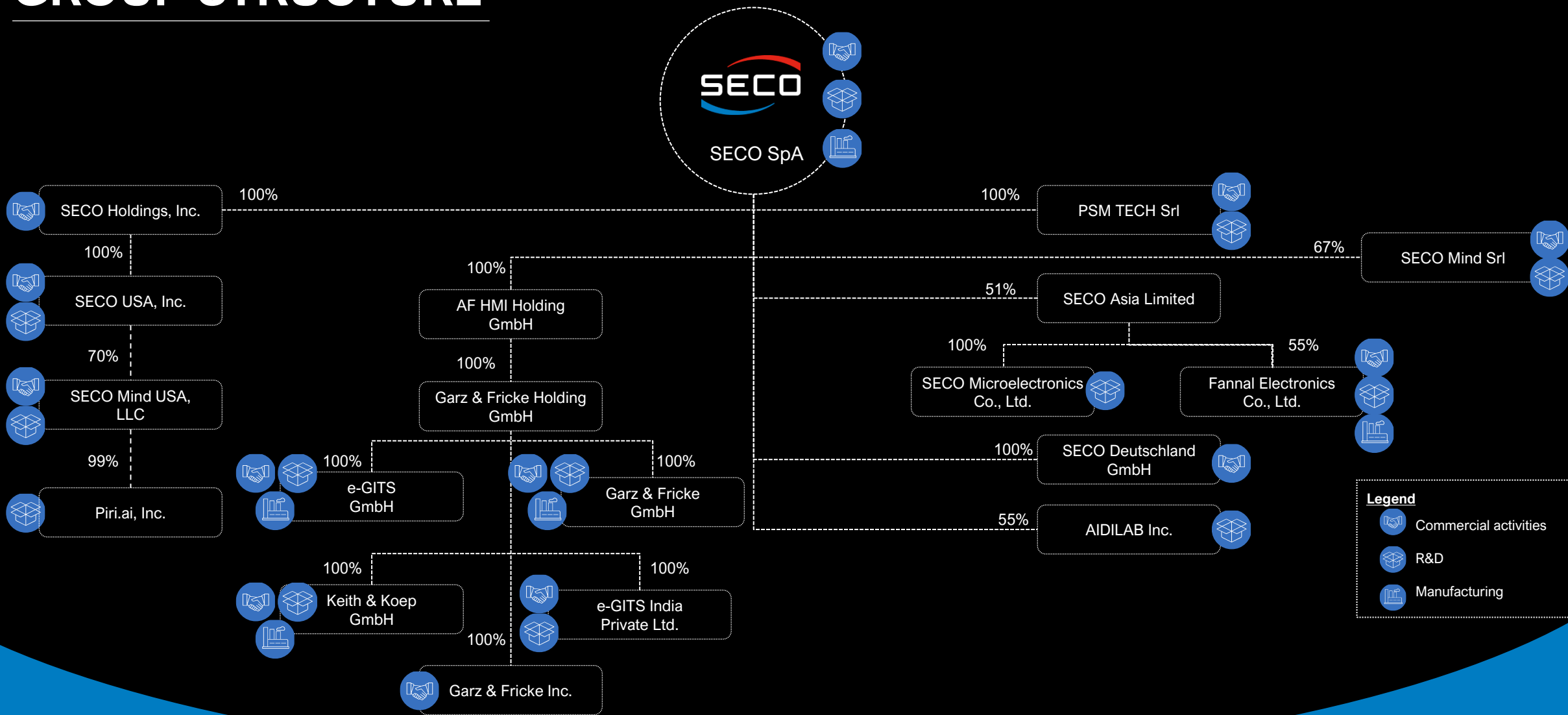
# 2018 – 2021 BALANCE SHEET

## Balance Sheet

Reported Figures - FYE 31/12 (€m)	2018A	2019A	2020A	2021A
Property Plant & Equipment	11.1	14.1	13.3	16.8
Intangible Assets	5.0	8.0	13.0	56.4
Right of use assets	1.2	1.1	1.9	9.9
Goodwill	0.1	3.1	7.1	148.5
Non current financial assets	0.5	0.4	0.2	1.8
<b>Net Fixed Assets</b>	<b>17.9</b>	<b>26.6</b>	<b>35.5</b>	<b>233.3</b>
Inventories	19.0	26.8	31.4	61.9
Trade Receivables	18.1	19.1	15.0	36.7
Trade Payables	(14.9)	(15.4)	(15.3)	(39.9)
<b>Trade Working Capital</b>	<b>22.2</b>	<b>30.5</b>	<b>31.2</b>	<b>58.7</b>
<i>Net Sales (%)</i>	<i>40.8%</i>	<i>46.6%</i>	<i>40.9%</i>	<i>52.2%</i>
Other Current Assets / (Liabilities)	3.1	2.2	4.8	(6.2)
<b>Net Working Capital</b>	<b>25.3</b>	<b>32.7</b>	<b>35.9</b>	<b>52.5</b>
<i>Net Sales (%)</i>	<i>46.6%</i>	<i>49.9%</i>	<i>47.2%</i>	<i>46.7%</i>
Provisions and other non-current Assets / (Liabilities)	(2.0)	(2.7)	(2.6)	(13.3)
<b>Net Invested Capital</b>	<b>41.2</b>	<b>56.6</b>	<b>68.8</b>	<b>272.5</b>
<b>Total Equity</b>	<b>34.4</b>	<b>44.4</b>	<b>51.0</b>	<b>163.0</b>
Short term Financial Debt	10.1	13.9	14.2	23.3
Long term Financial Debt	11.5	14.9	27.3	145.0
(Cash & cash equivalents)	(14.8)	(16.6)	(23.7)	(58.8)
<b>Net Financial Indebtedness</b>	<b>6.9</b>	<b>12.1</b>	<b>17.8</b>	<b>109.5</b>
Adjustments <sup>1</sup>	7.1	4.8	6.4	12.0
<b>Adjusted Net Financial Indebtedness</b>	<b>(0.2)</b>	<b>7.3</b>	<b>11.4</b>	<b>97.5</b>
<i>Adjusted Net Financial Indebtedness / Adjusted EBITDA<sup>2</sup></i>	<i>0.0x</i>	<i>0.6x</i>	<i>0.7x</i>	<i>3.2x</i>
<b>Total Sources</b>	<b>41.2</b>	<b>56.6</b>	<b>68.8</b>	<b>272.5</b>

Note: Audited Financials prepared in accordance with IAS/IFRS accounting standards. (1) The Adjustments refer to VAT Receivables and Current and Non-current Lease Liabilities; (2) Considering pro-forma EBITDA including G&F figures from January 1, 2021

# GROUP STRUCTURE



# HISTORICAL MILESTONES

## ESTABLISHMENT

- Leader in embedded products
- First mover & cutting-edge technology adopter
- Scale-up of manufacturing capabilities

## DEVELOPMENT

- Implementation of customized embedded systems
- Internationalization
- Further expansion in multiple verticals

## SECO 3.0

- Leader in custom Edge Computing & IoT products & solutions
- Flexible and scalable business model
- Strengthen Management and M&A campaign



**1979**  
Foundation  
of SECO

Z

W

>

W

U

B

E

**2008**

SECO is one of the  
founders of the new  
standard for the  
embedded domain:  
Qseven®



**2013 – 18**  
UDOO Maker  
Boards launched  
on Kickstarter



**2018**

New HQ  
in Arezzo  
& FITEC  
Capital Increase  
€ 10mln



**2019**  
Acquisition  
of Fannal  
Electronics



**2020**

Acquisition  
InHand  
Electronics,  
Ispirata and  
Hopenly



**2021**

SECO Mind  
division brings  
together the  
group's  
expertise in AI,  
IoT & data  
orchestration

IPO in Borsa  
Italiana's MTA-  
STAR

Oro Networks  
and Garz&Fricke  
acquisition







Endless ways to the future

*"The most profound technologies are those that disappear.*

*They weave themselves into the fabric of everyday life until they are indistinguishable from it"*

*Mark Weiser*

**Thank you**

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