



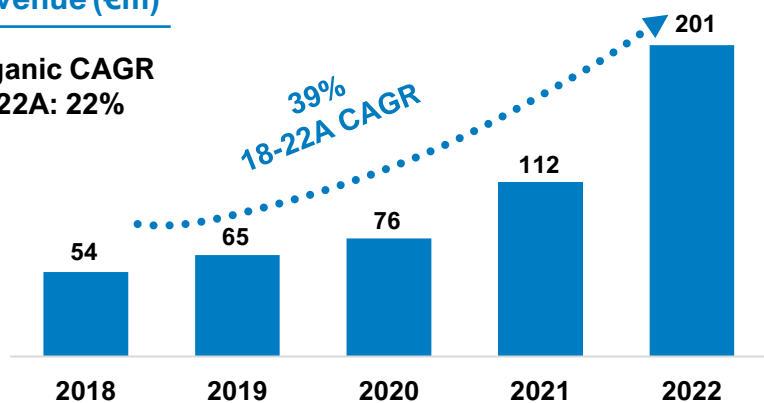
Endless ways to the future

Global Provider Of Innovative Edge-IoT & AI Solutions

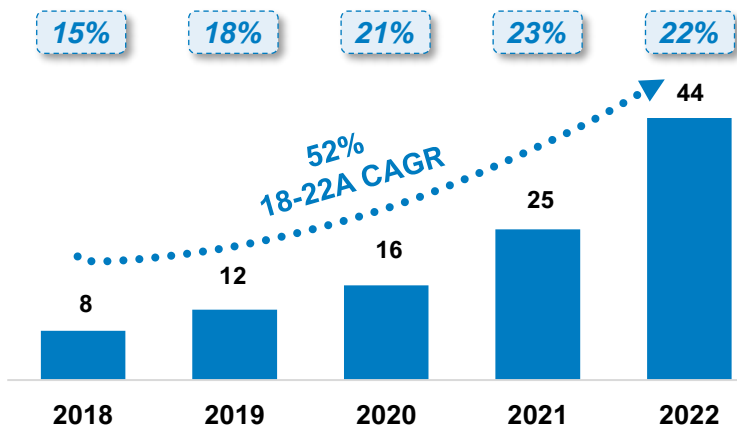
High-growth, profitable story at the heart of a disruptive sector

Revenue (€m)

Organic CAGR
18-22A: 22%

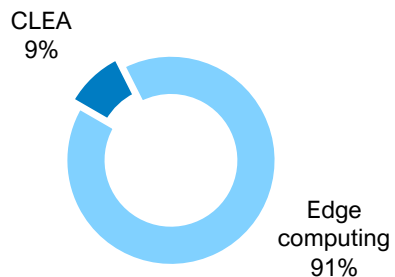


Adjusted EBITDA (€m) and Margin %

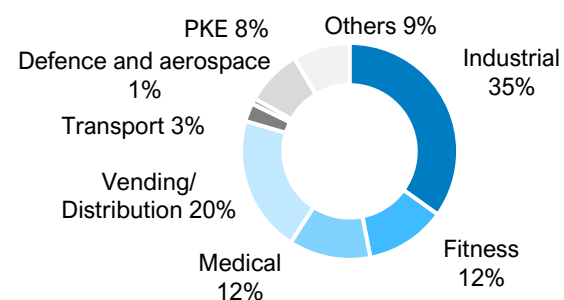


Net sales breakdown (FY 2022)

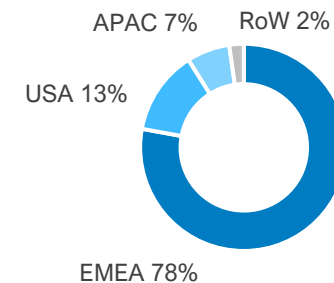
Revenue by product



Revenue by End Market



Revenue by Area



8 Strategic Deals to expand capabilities and geographical presence



SECO at the end of 2022

A worldwide spread center of excellence, with top-tier capabilities



€201M
2022 FY revenue



>900k devices
manufactured every year



~ 900 people



~ 300 R&D people
of which ~180 in AI and software development



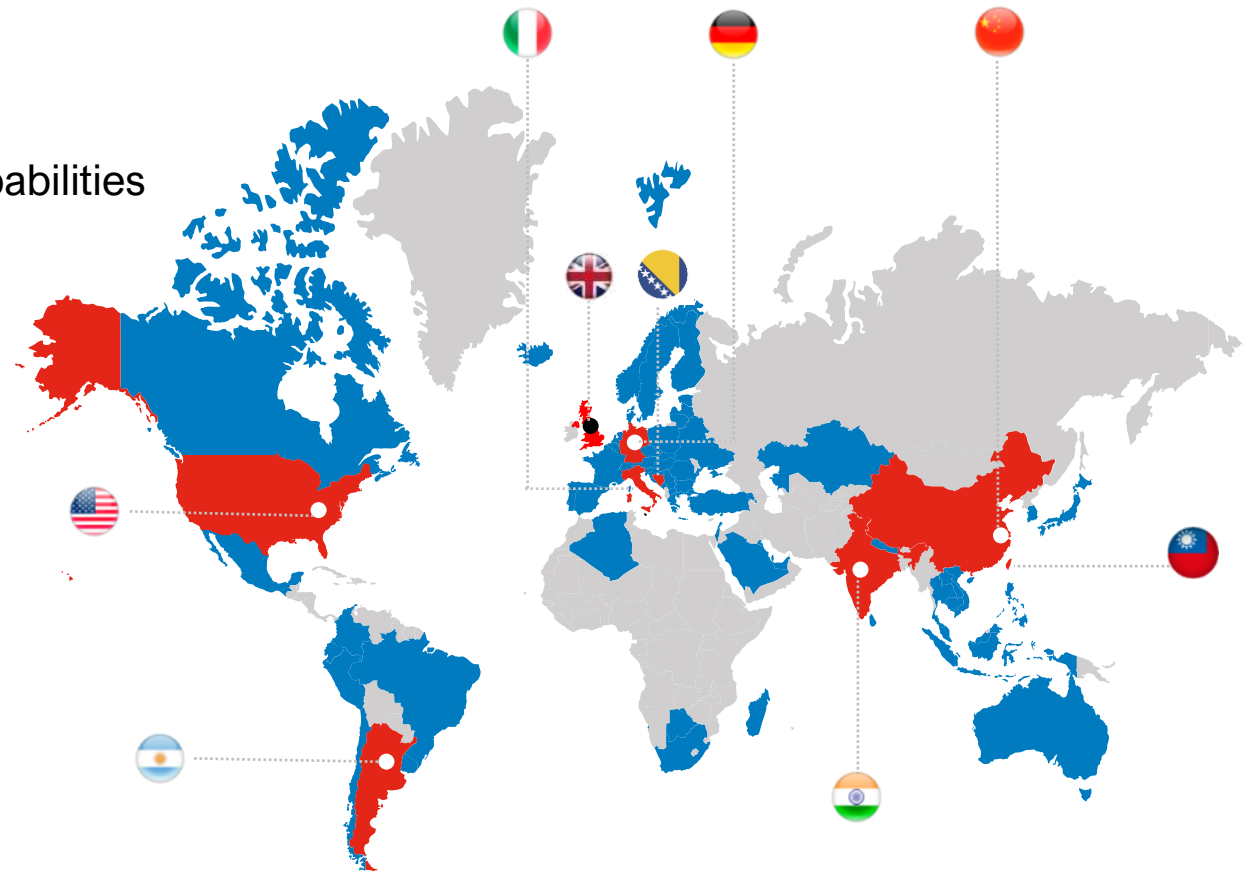
~ 8-10%
of revenue invested in R&D every year



10 R&D centers
5 production plants



9 countries



Commercial Presence

Direct Presence

Our production plants



We are living the age of a digital revolution...

Digitalization: a just-started secular trend, creating a huge market for smart devices



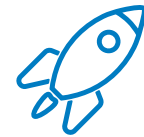
Embracing **all sectors** in the B2B space



Great value creation with introduction of **AI and real-time analytics** into customers' devices



Strong demand of **digitalized devices** with **enhanced functionalities** for a **smartphone-like user experience**



Strong **long-term growth** potential



>10bn devices Connected by 2024 (2020-24 **CAGR +15%**)

>€500bn IoT endpoints market value by 2024

95% of connected devices will perform actions based on AI

Scaling up the value chain

End-to-end technology partner to get there faster in transforming customers' devices into smart objects

Edge computing



Modules



HMIs and Systems



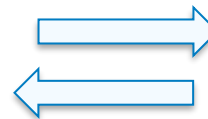
Industrial PCs



Payment Systems



Retrofitting solutions



CLEA



IoT-AI data analytics



AI-based apps




AI as an enabler of real-time data analysis


A comprehensive hardware portfolio for every use case

CLEA is our Edge and Cloud AI/IoT platform at the foundation of everything we build

Bringing intelligence into our customers' devices

A multitude of potential application areas

 Full system R&D and design

 In-house production

A SECO system at work...



 System integration

 Natively compatible with 



Smart fitness machines



Industrial equipment



Medical devices



On-board passenger information systems



Digital billboards



Coffee & Vending machines



Bowling scoring equipment



Voting machines



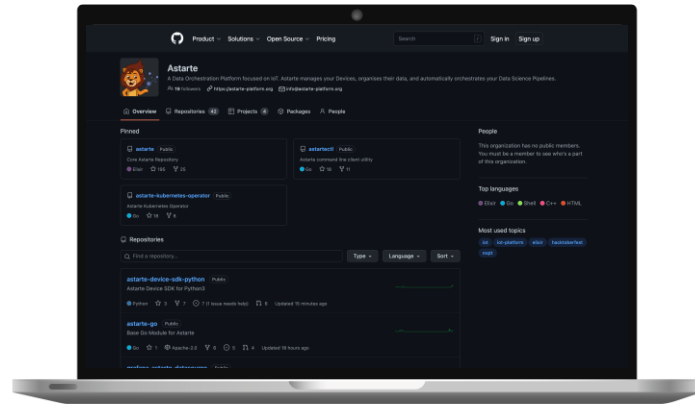
...and many more...

SECO

Endless ways to the future

CLEA: a flexible platform for all customer needs

CLEA is an **Open Ecosystem** that allows customers to build and sell their own apps



From the CLEA SDKs...

Customers can also let one of our **System Integrator** partners build it for them

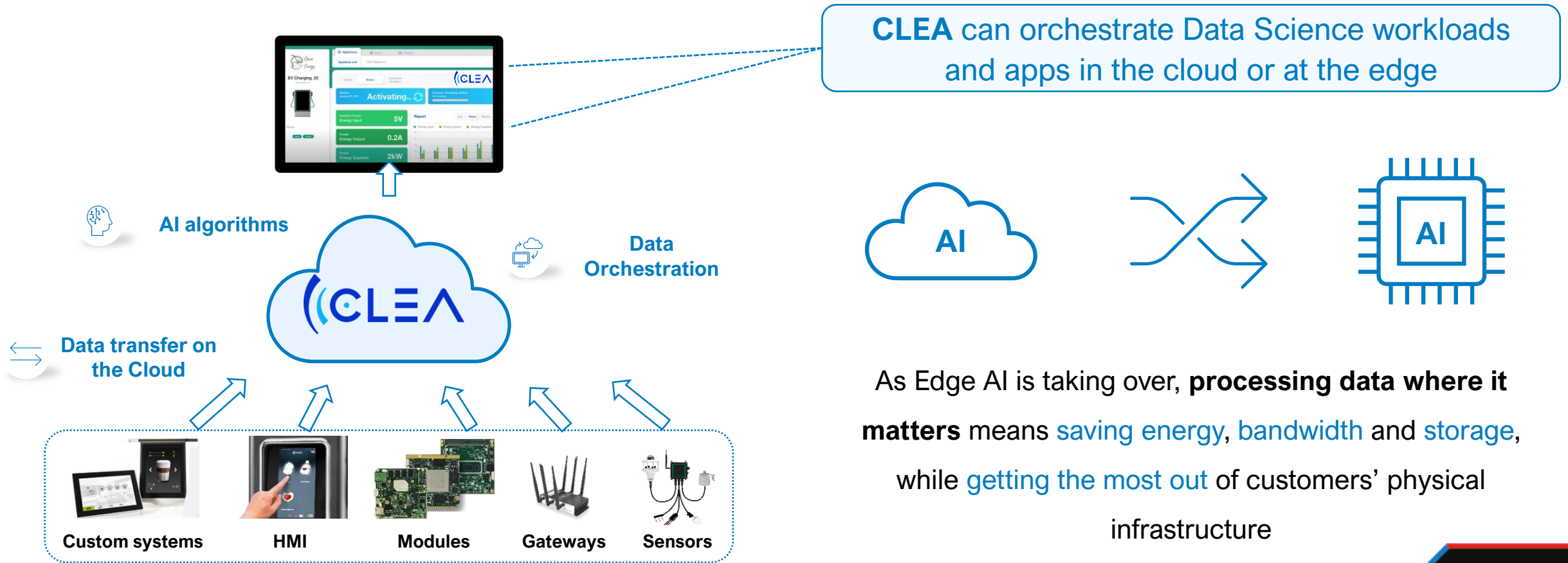


Or ask **SECO** to provide them with a complete solution

...to value added apps

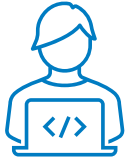
The value of an end-to-end offering

All customers need to get the most out of their data

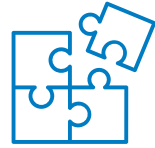


CLEA App Store

Enabling the servitization of our customers' business models



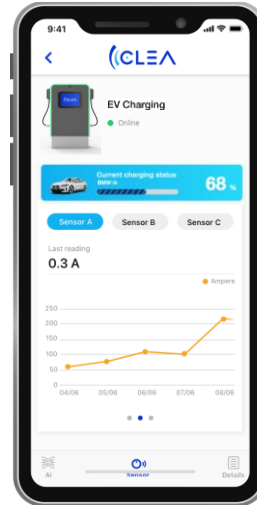
Customers to develop their own AI models to launch new value-added services



CLEA as the technical infrastructure to build customers' private App Store



Customers can monetize their apps and start offering them as digital services to their own customers



 The power of AI at your fingertips

Axelera partnership



High performance AI inference capabilities



Accelerating computer vision at the edge

Development of a new SECO module based on Axelera's chip with high computation capabilities



Low latency enabling real-time **edge AI** processing



Cost effectiveness, reduced consumption vs. architectures based on cloud processing



CLEA enabling deployment of **AI-based models** from the cloud to the edge



Endless ways to the future

Google Cloud partnership



Business continuity ensured to **Google Cloud IoT Core users** following its dismissal announcement



CLEA + Google cloud services: standardized framework for developers to **accelerate time-to-market** of their products and services based on IoT-AI



Native integration between CLEA and Google Cloud AI services following

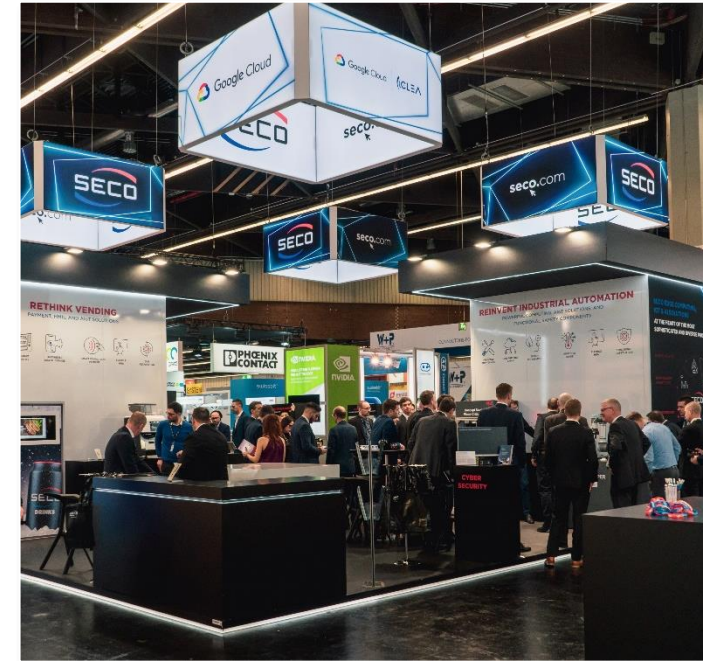


Co-operation between SECO and **Google Cloud's ecosystem** of partners



Enhancing digital transformation in the Industrial world

Enabling end users to launch value added services by integrating information from all their data sources

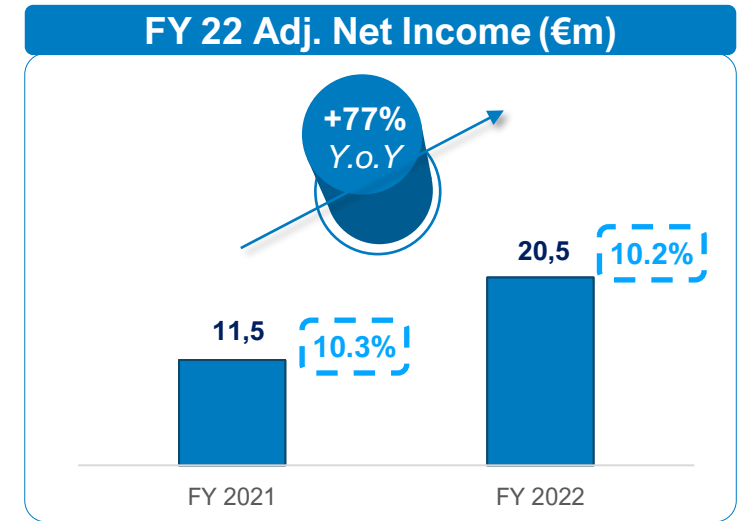
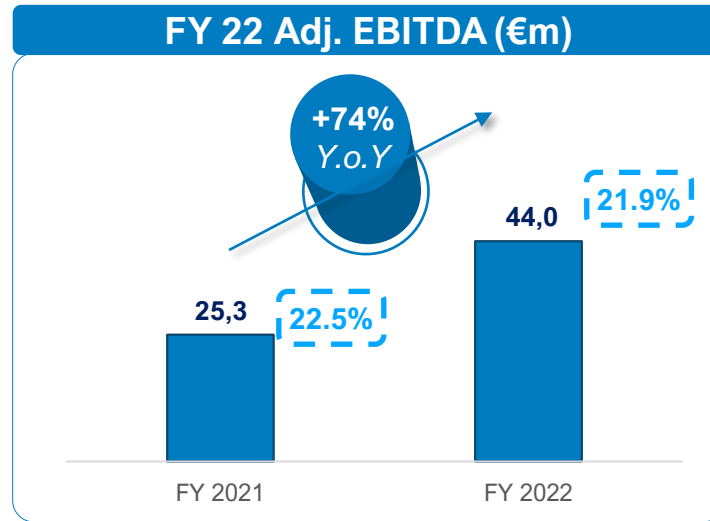
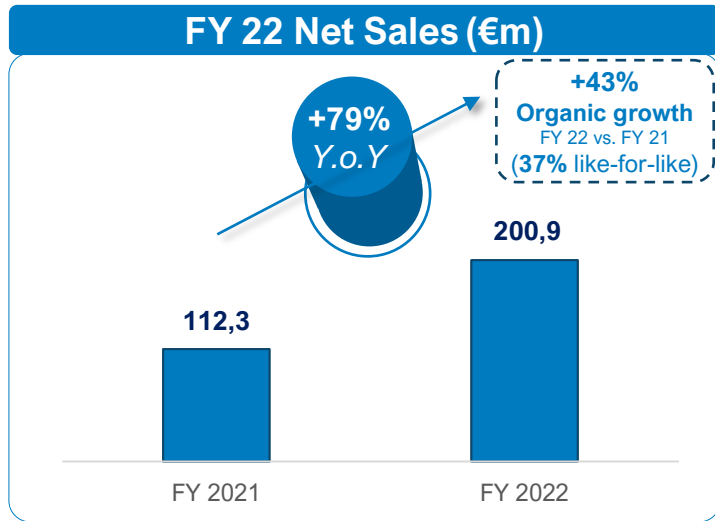


SECO booth at Embedded World 2023



Endless ways to the future

2022 FY Key financials



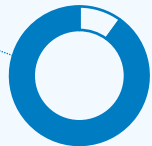
= % of sales

Edge computing and CLEA both showing strong growth

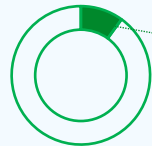
€182.4m (+69% YoY)
FY 22 Edge computing revenue

€18.5m (+317% YoY)
FY 22 CLEA revenue

91% of
Net Sales



9% of
Net Sales



Cash generation trend despite difficult market context

Driven by business growth...

...leading to a reduction in Adj. Net Debt / Adj. EBITDA

€7m
Cash generation
in Q2-Q4 2022

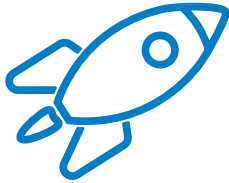
3.1x
FY 2021



2.7x
FY 2022

2023 business update

Growth path set to continue



- **+30% Net sales growth** expected in Q1 2023 vs. Q1 2022
- **Edge computing** solutions facing robust demand with several design wins already secured (mass production expected to start in 2023-25)
- **CLEA** expected to increase contribution on SECO Net sales, with recurring portion gaining share on total CLEA revenue

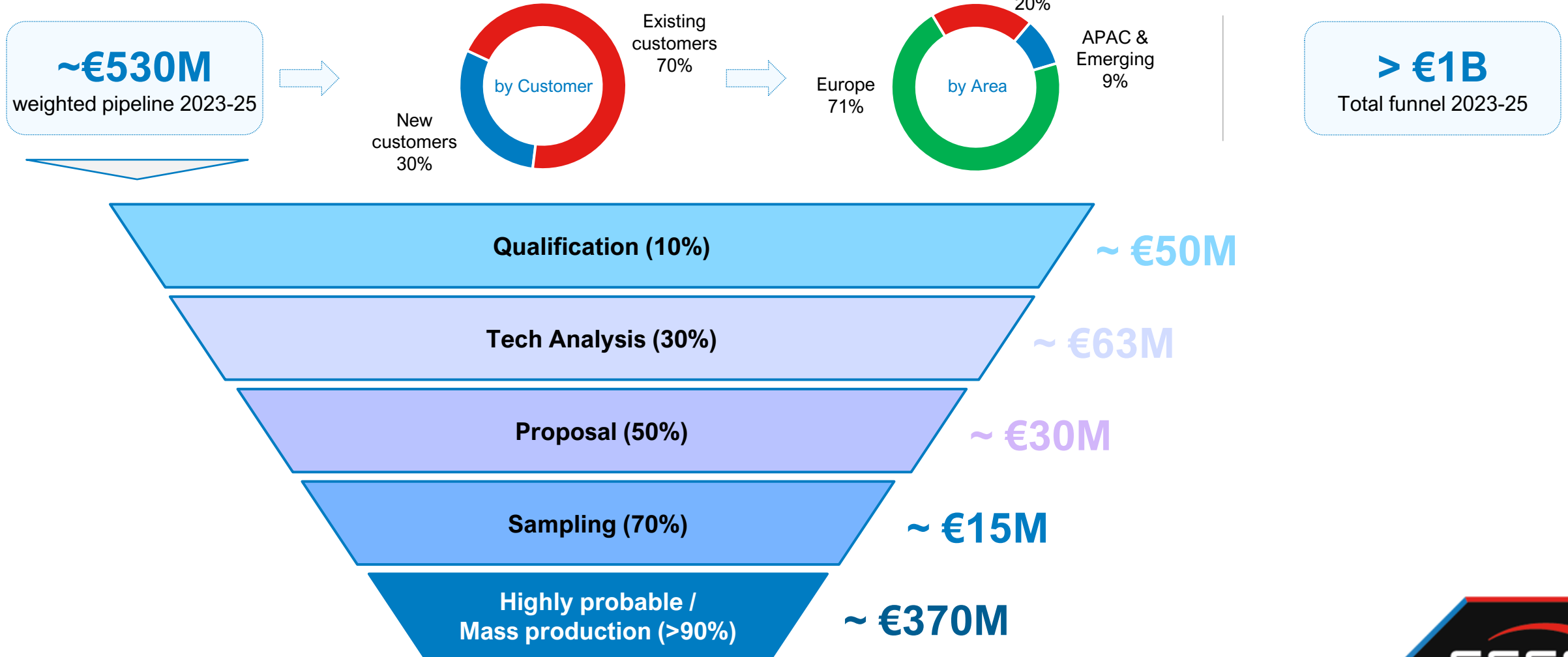
Business model evolution



- **Axelera** and **Google Cloud** partnerships further enriching SECO ecosystem
- **CLEA as an OS**: leverage on partners and system integrators to seize **pure platform** business opportunities
 - ➡ Reduced customization efforts, higher platform scalability
- **CLEA App Store** to be launched in April 2023

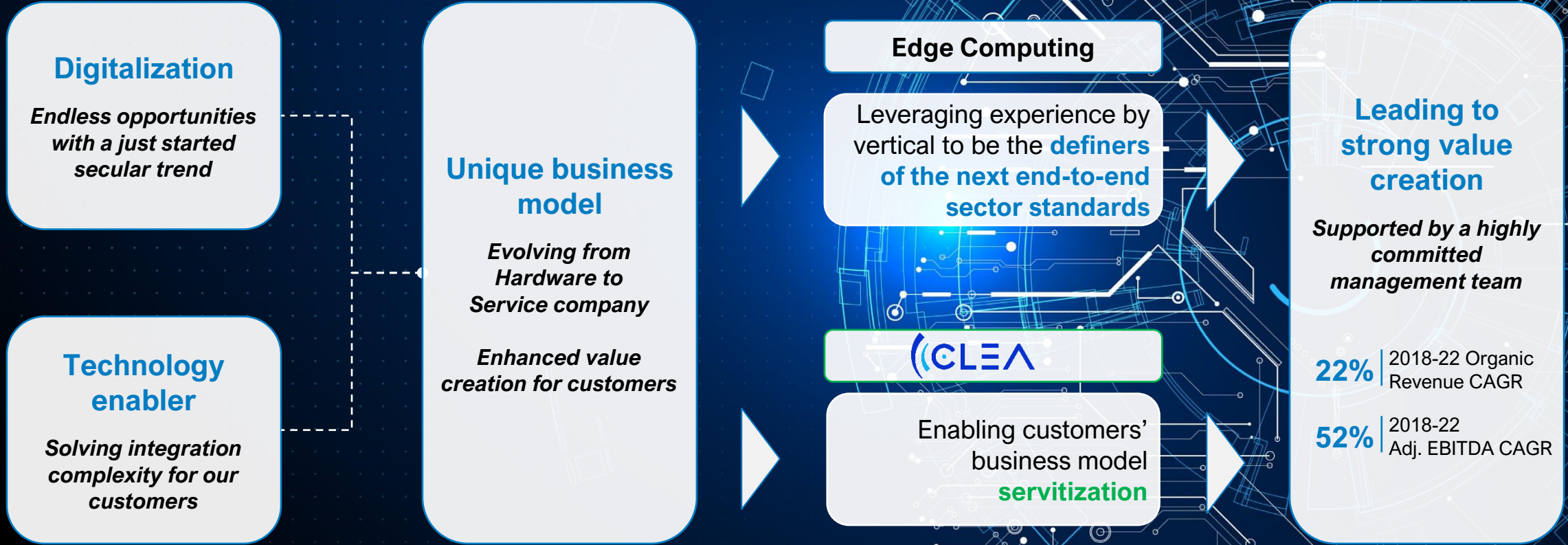
2023 business update

Edge computing: growing pipeline of new opportunities (2023-2025)



Why invest in SECO?

Innovatively evolving our solutions to create a global leader in a new market



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



5+ years

Massimo Mauri

CEO

20+ years experience as executive in several Tech companies

Strong experience in IPO and M&A transactions



15+ 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



15+ 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 Pelsoni

COO

20+ years experience in Operations & Supply chain management
Joined SECO in 2003



3 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



3 years

Lesen Ding

CEO Fannal Electronics

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



2 years

Lorenzo Mazzini

CFO

Served as CFO in several public and private companies
Strong experience in IPO and M&A transactions



1 year

Angela Lepore

Group HR Director

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



< 1 year

Dirk Finstel

CEO SECO Northern Europe

30+ years experience in running global business units in several Tech companies

Former executive in Kontron, Adlink, Advantech



12+ years

Simona Agostinelli

Chief Marketing Officer

20+ years experience in Marketing, Communication consulting and management

In SECO since 2010



15+ years

Gianluca Venere

CIO

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



2 years

Alessandro Guido

Group Corporate and Legal Affairs Director

10+ years experience in legal advisory, with particular focus on Corporate law

In SECO since 2020



2 years

Dario Freddi

CEO SECO Mind

Previously founder and CEO of Ispirata Srl

Strong data orchestration background in primary worldwide leading companies



4 years

Maurizio Caporali

Chief Product Officer

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+ years experience in high-tech, IoT and AI

Former executive in Google, Cisco, Qualcomm, Motorola

years in SECO



Endless ways to the future

Sustained commitment to Corporate Social Responsibility

Environment
ISO 14001:2015



Quality mgmt.
ISO 9001:2015



Health & Safety
ISO 45001:2018



Medical
ISO 13485:2016



Inform. security
ISO 27001:2015



Aerospace & Defense



100% Share of electricity from renewable sources for Arezzo & Tregozzano plants



10 New products for Biomedical & Fitness applications:
46 new products overall in 2021



300+ Aluminum bottles distributed to employees to minimize the use of plastic



52,4% Procurement spending on domestic suppliers in 2021



**CONSOLIDATED
NON-FINANCIAL
DECLARATION
2021**



Endless ways to the future



Annex

Endless ways to the future



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



Our R&D skills and organization

>40

New products launched in 2022

>50

Projects currently in execution

~300

People in R&D department

of which



~180

People dedicated to AI algorithms development

High-end approach to development, verification and certification

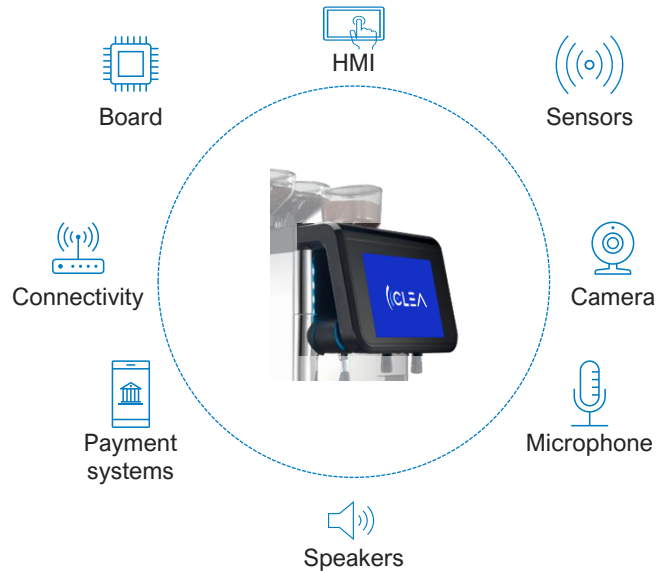
Co-development

Partnering with the customers' R&D to adapt the product to the specific performance, power consumption, environment, design constraints

Interoperability

Ensuring compliance with the customer's needs in **all operating conditions**

Capability to integrate several, very different technologies



Providing a fast track to mass production

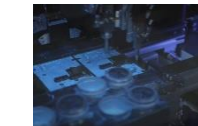


~5-7 months

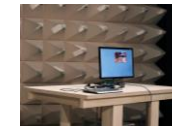
Products based on off-the-shelf solutions

~12-18 months

Products based on custom solutions



Board design & signal integrity testing



Anechoic chamber



Clean room



Flying probe tester machine

Products testing right from the prototyping stage to prevent losses of quality and inefficiencies

Customer provided with a **plug-and-play solution**, ready to pass any vertical-specific certification step



Endless ways to the future

Early Access Programs

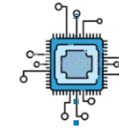
Mastering the latest technologies before they are available on the mass market

Co-operating with global silicon vendors



6
Ongoing Early Access Programs

How does an EAP work?



Chip vendor uncovers **new technology** to **selected Partners**



Partners are selected for EAP based on **development and testing capabilities**



Time-to-market advantage

A selection of ongoing Early Access Programs



High-speed
throughput data transfer



Voice control,
gesture/face/object recognition

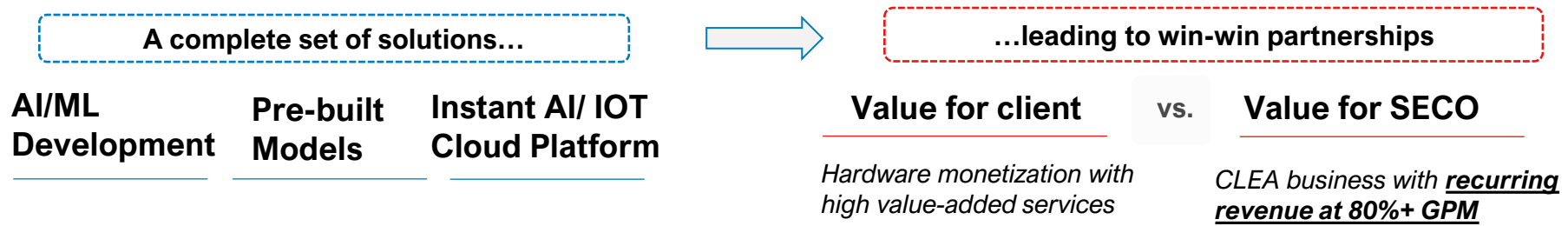
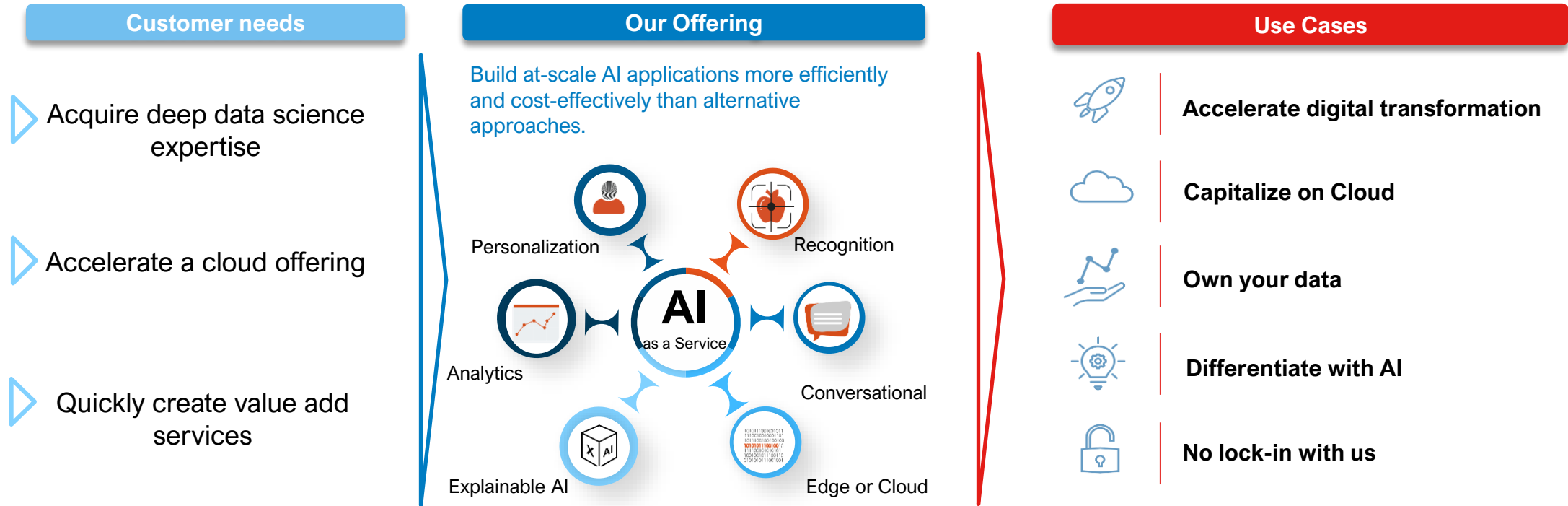


Augmented reality



Endless ways to the future

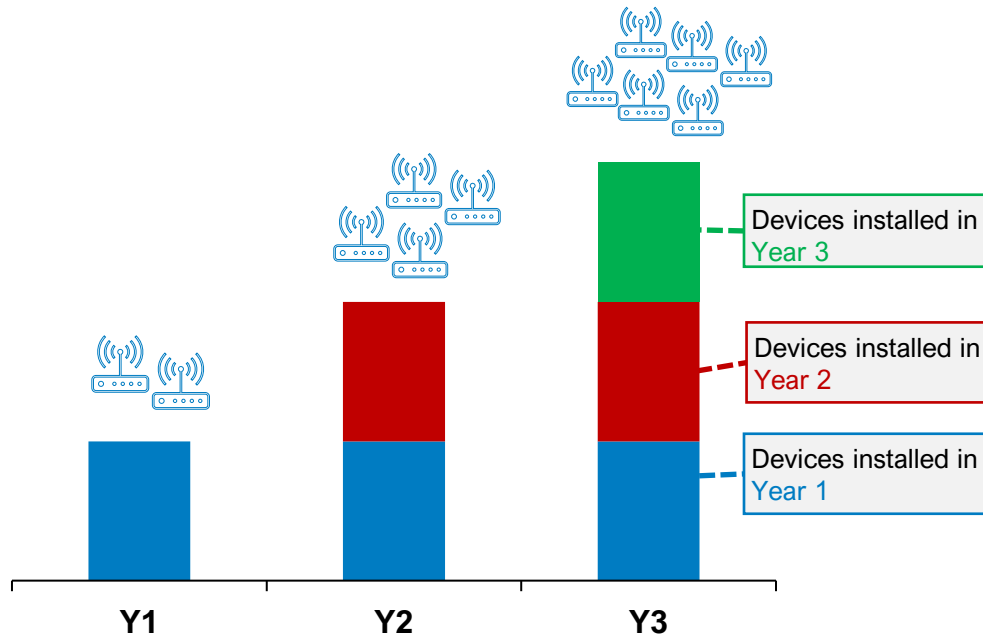
We enable clients to generate value from their data



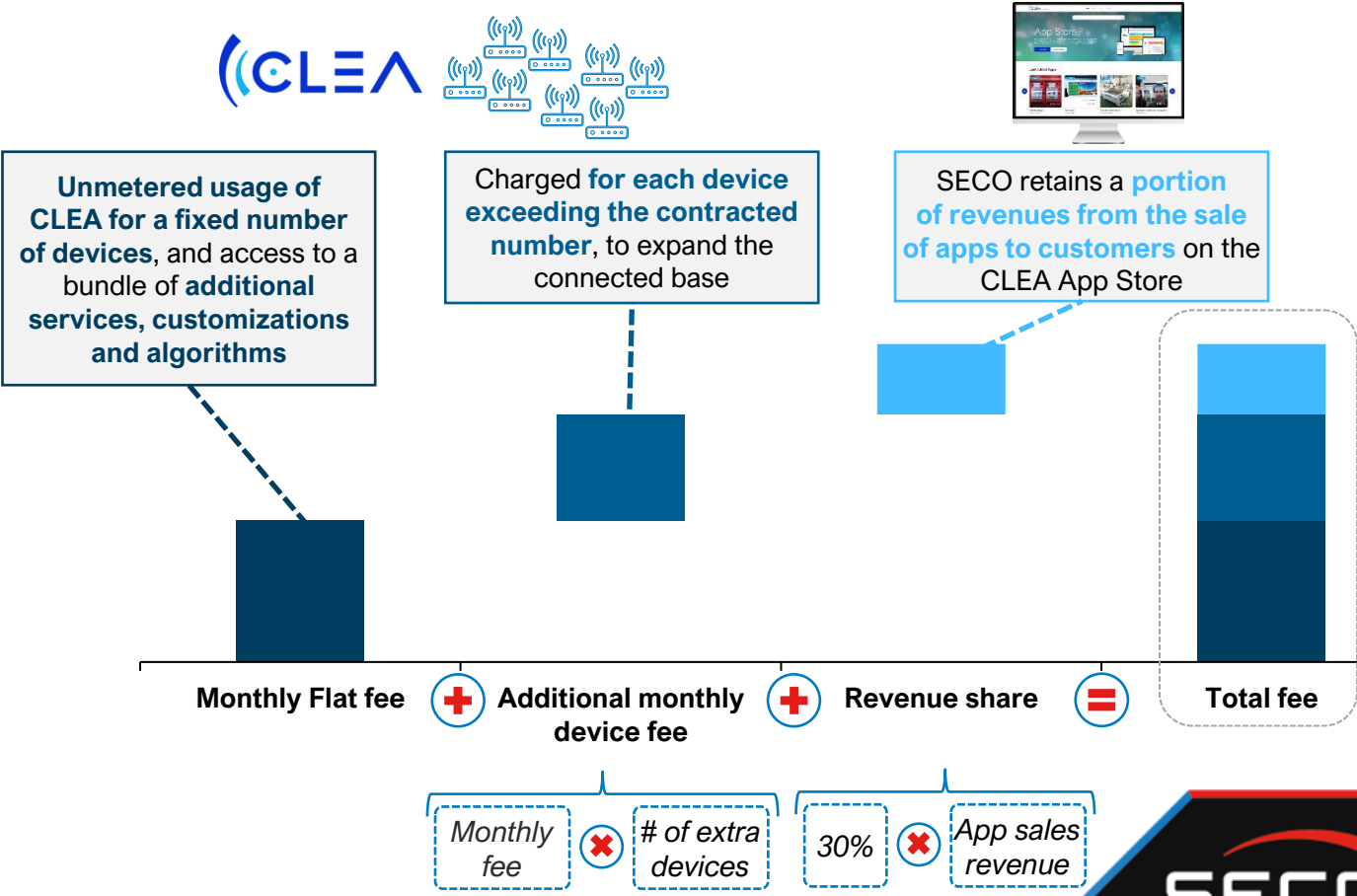
How does CLEA work?

Recurring and incremental business model generating value for both SECO and its customers

Devices installed base continues to generate revenues for the years to come



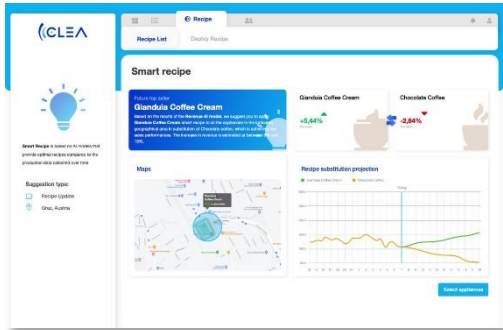
Pricing structure tailored to each customers' needs



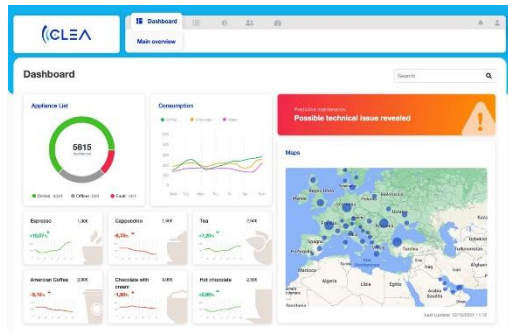
Vertical applications of CLEA

HOW CUSTOMERS CAN GENERATE HIGHER MARGINS,
RECURRING REVENUES, BETTER DIFFERENTIATION

CLEA Vending Machine Apps



Recipe Sales Trends Analysis App

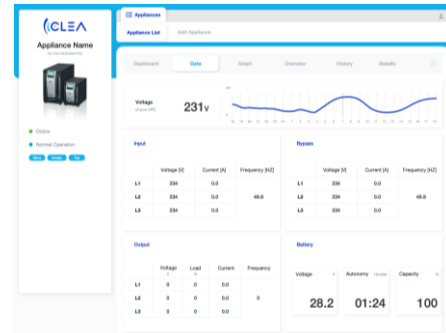


Fault Detection & Machine Downtime Reduction

AI Smart Refill

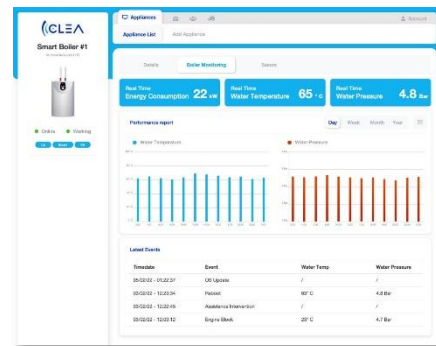
Landing Page

CLEA UPS App



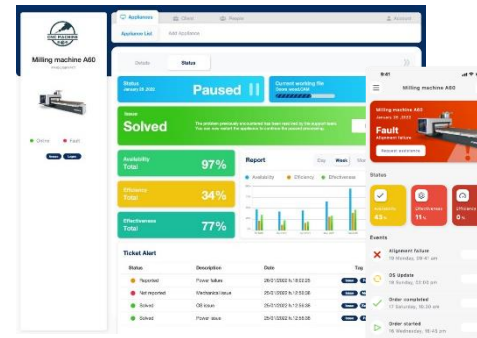
UPS Management

CLEA Boiler App

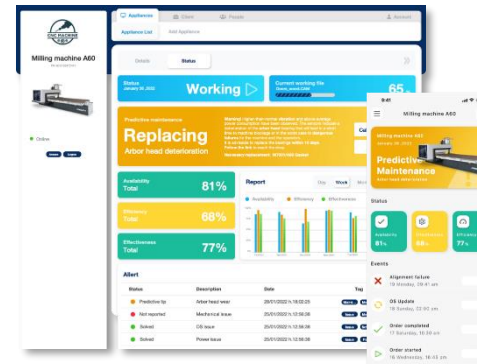


Boiler Predictive Maintenance

CLEA for Industrial Apps



AI Remote Assistant



Predictive Maintenance

CLEA AI EV Charging Station App

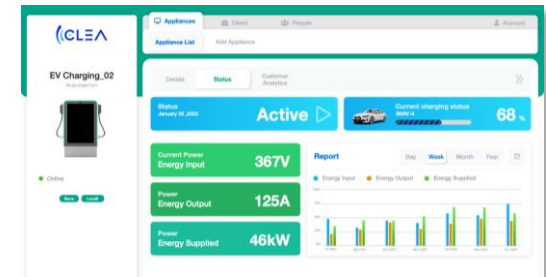


Plate Recognition And Fleet Management

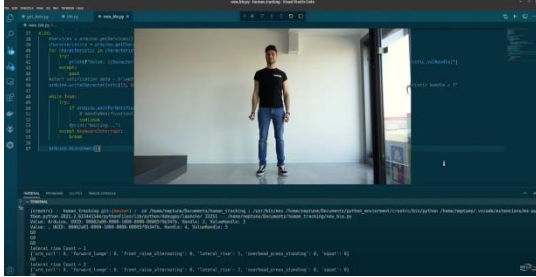
Digital Signage

Landing Page

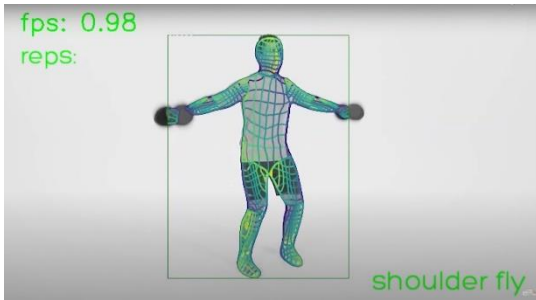
Vertical applications of CLEA

HOW CUSTOMERS CAN GENERATE HIGHER MARGINS,
RECURRING REVENUES, BETTER DIFFERENTIATION

CLEA Fitness App

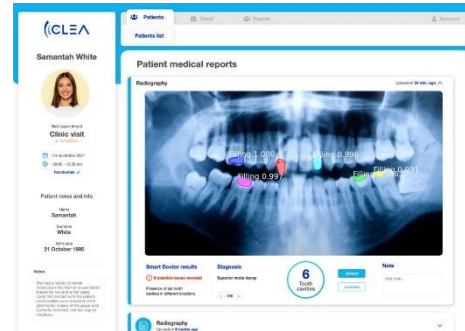


Smart Dumbell



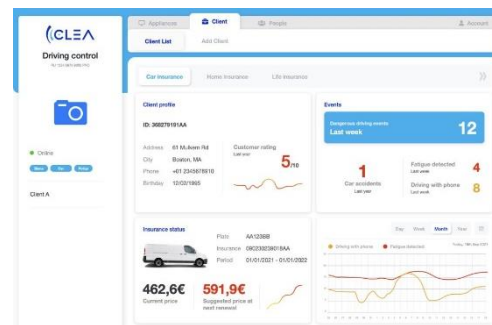
Exercise Recognition & AI Personal Trainer

CLEA Healthcare App



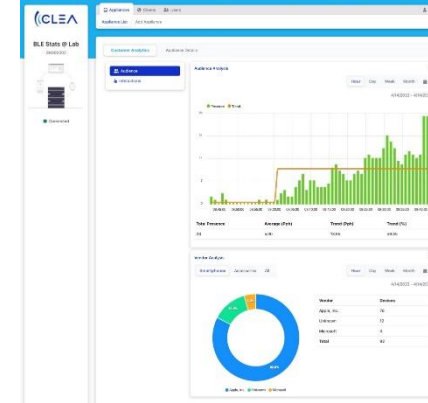
AI Tooth Cavity Detection App

CLEA Automotive App

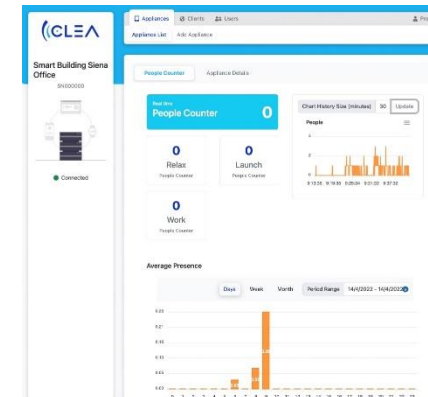


AI Driver concentration App

CLEA for Smart Cities

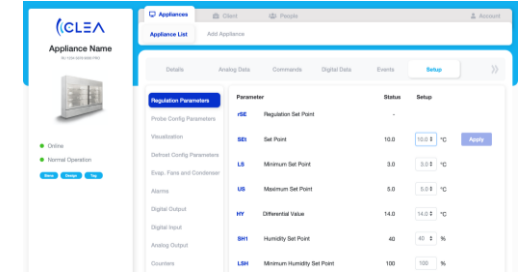


BLE Audience Analysis



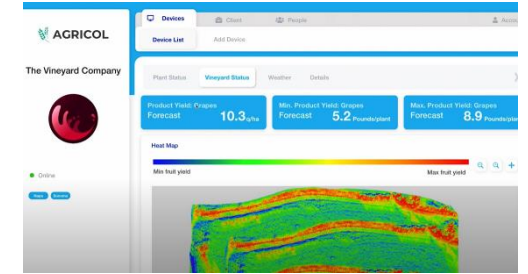
People Counter and Tracking

CLEA Refrigeration App



Remote Setup and Management

CLEA for Agriculture



Harvest Forecasting

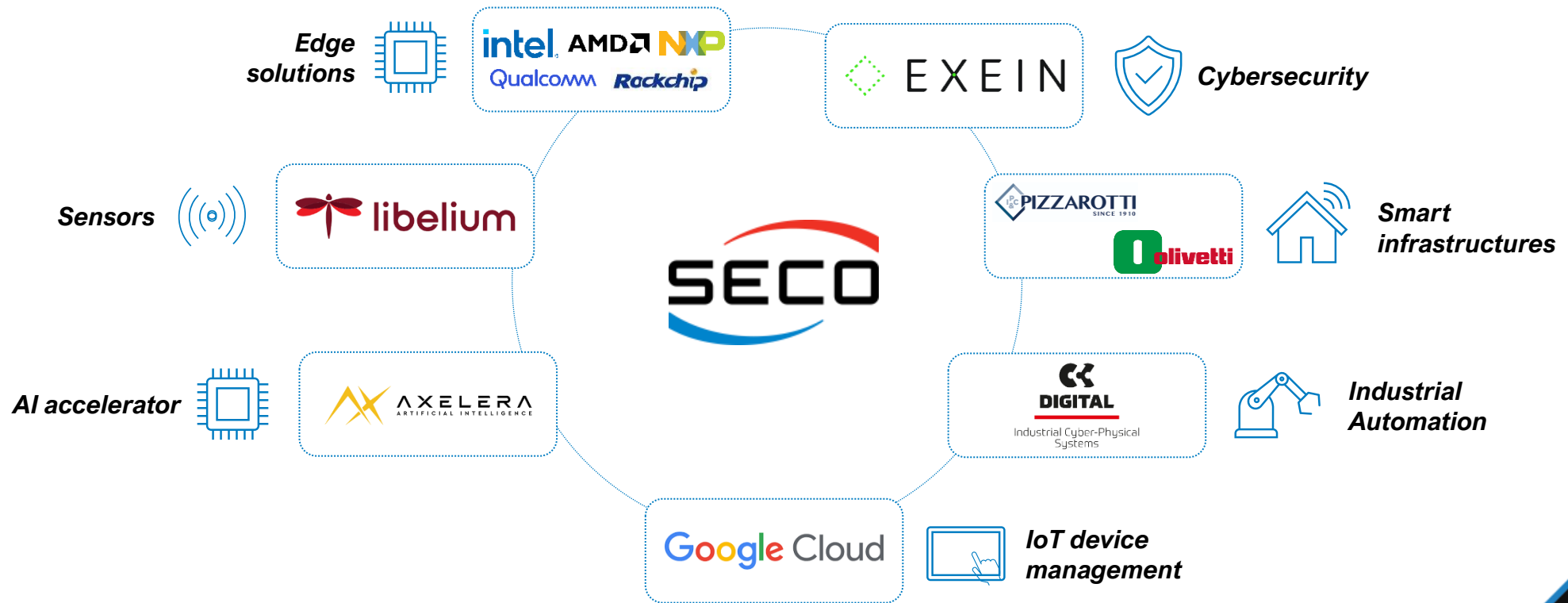


Endless ways to the future

Strengthening valuable collaborations

Creating an ecosystem of partners to complement our offering and accelerate time-to-market

Cooperation with several hardware and software partners, ensuring availability of end-to-end solutions and complete integration with CLEA

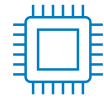


What's next? adding new functionalities and use cases to our portfolio

Some recently launched features



Sensors



AI accelerator



Cybersecurity

Some new real-life application cases



Functional Safety



EV chargers



Integrated sensors to offer a **complete solution**: from on-field data extraction to its real-time AI processing

Neural networks for an AI-boosted data inference

Proprietary and on-edge **AI algorithms** helping in define **on-time corrective actions**

Raise safety level of **human-machine interactions** in industrial space

Improved user experience with **HMI, connectivity, secure payment system** and **AI integrated** solutions

What's next? adding new functionalities and use cases to our portfolio

 : gaining more and more interest on the market: recent use cases and potential future opportunities



Requests to **test CLEA** are continuously **increasing**...



...getting us **increased visibility** from **early adopters** and **large prospects**...



...enabling us to **target new high-profile customers**

Possible future projects with industry-leading customers



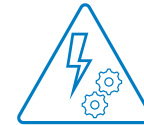
Vending & Retail



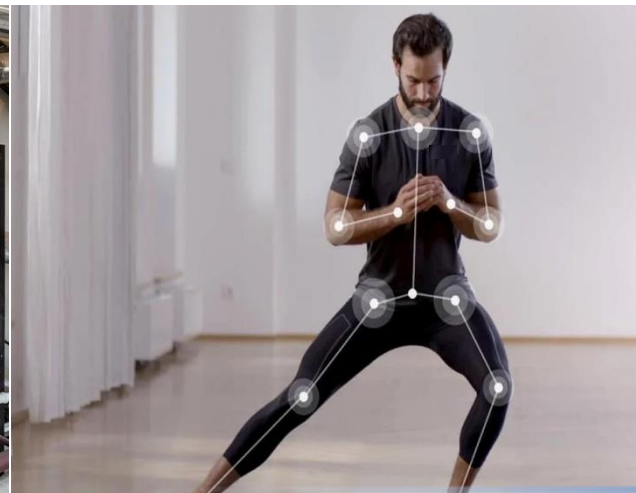
Boilers



Motion tracking



Electric motors



How we create value for our customers

Moving into the next frontier of Industrial Automation



has enabled **Predictive Maintenance** and advanced systems aimed at **performance improvement and optimization**, such as:



Energy and Powering Saving System



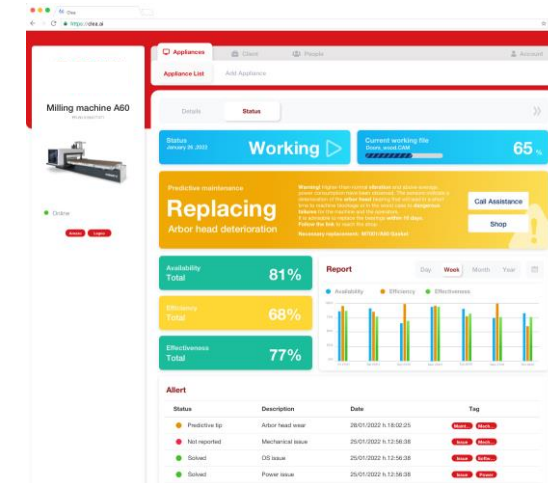
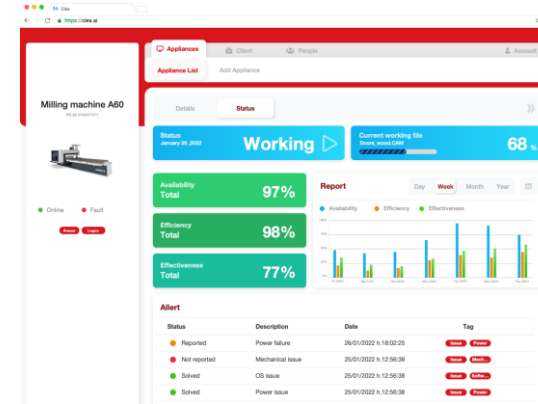
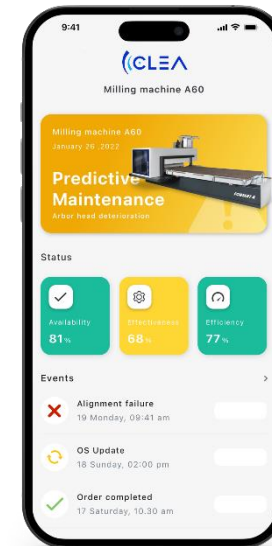
Trend monitoring & proactivity



MTBA - MTBF monitoring



Quality Monitoring



How we create value for our customers

Leading European vending machines provider: from edge to the CLEA App Store

Integration of edge computing with **high-tech HMI systems**



- CLEA already adopted
- On track to launch **customer's private App Store**
- Enabling customer to start **monetising their apps** by **offering them as digital services** to their own customers



Predictive maintenance



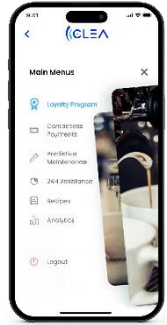
Trend monitoring & forecasting



Audience targeting

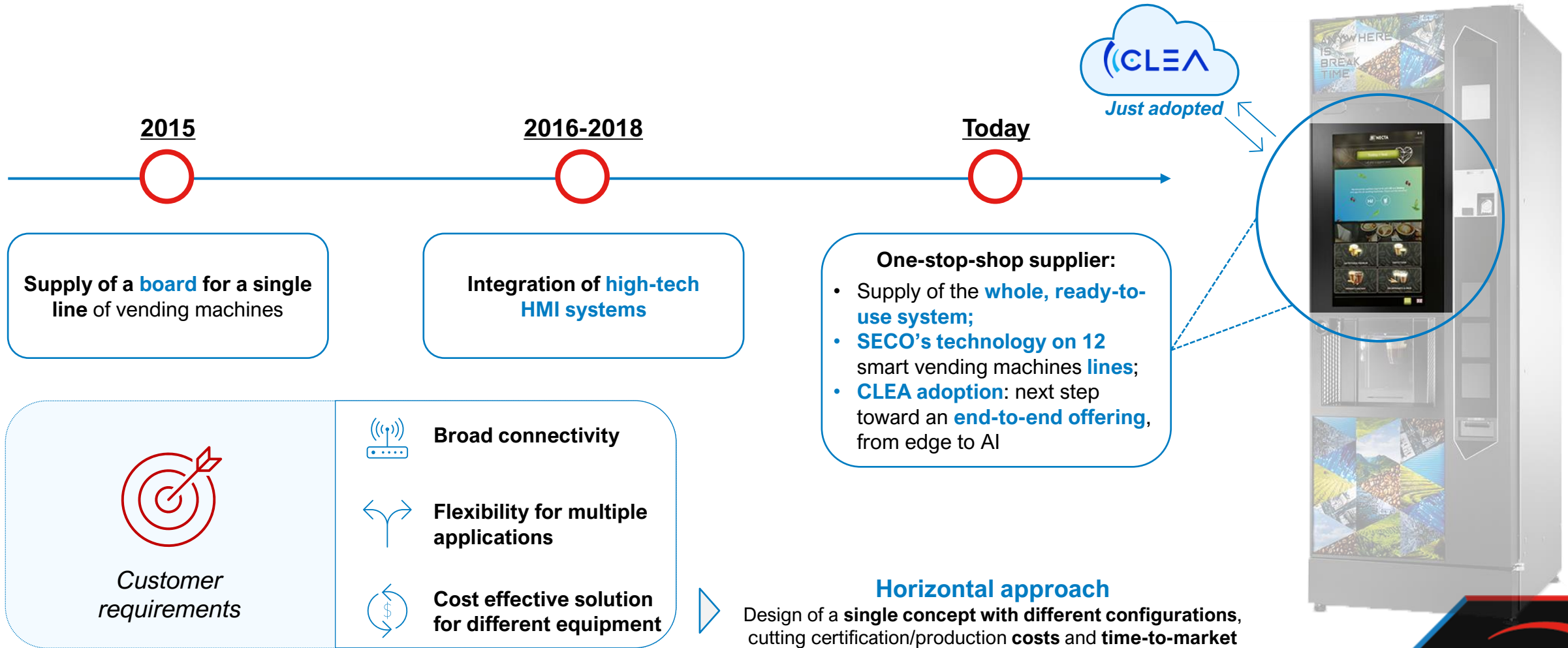


Smart refill



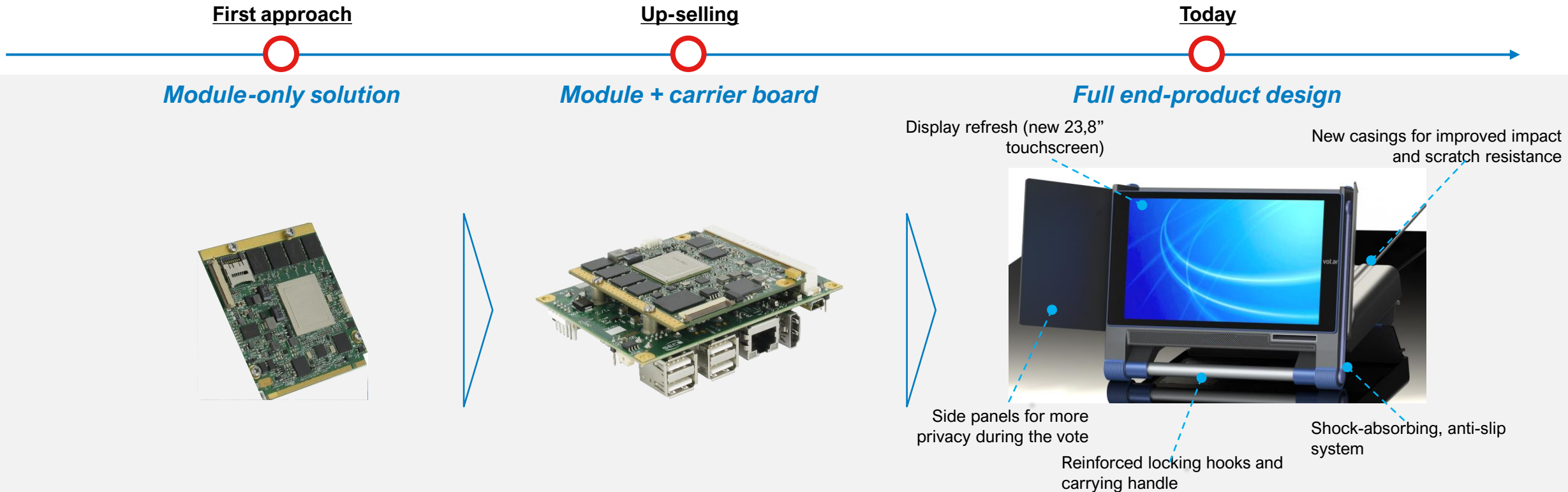
How we create value for our customers

Leading European vending machines provider: from modules to Systems, to CLEA adoption



How we create value for our customers

From modules to Systems: customers switching to higher value-added solutions from our offering



SECO winning points

- Off-the-shelf portfolio

- Design & integration capabilities
- Components' availability in shortage period

- HW + SW system integration

Value per unit

Low

Medium-Low

High



Endless ways to the future

How we create value for our customers

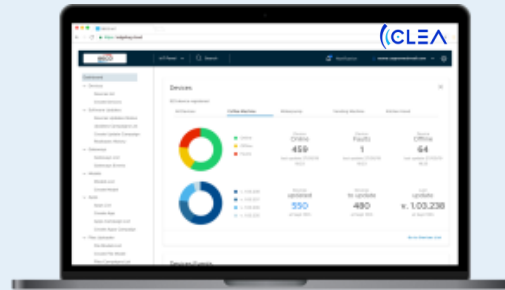
Enabling SECO Platform Capabilities for a New Customer on Existing non-SECO Hardware Fleet

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 CLEA business (with a per-device fee) **even to non-SECO hardware**
- ✓ Faster mass deployment strategy, given the **CLEA portion can be delivered through a simply software update**

...While Creating a Technological Bond with New Customers

Operations & Supply chain overview

Resilient, flexible and scalable business model

5 Industrial plants

- Arezzo** ~6.000 SQM
- Tregozzano** ~2.000 SQM
- Hamburg** ~4.500 SQM
- Wuppertal** ~200 SQM
- Hangzhou** ~2.500 SQM

> 900k Devices manufactured every year

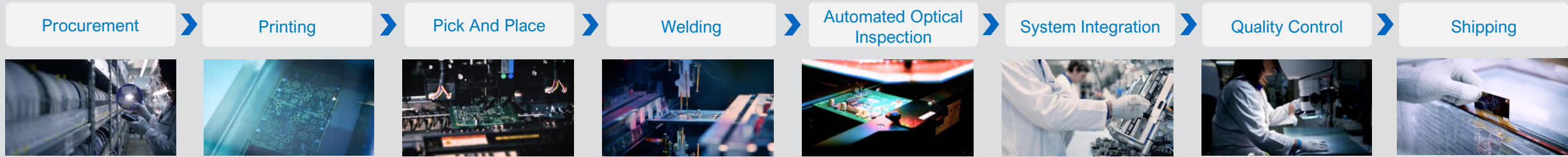
< 70% Production capacity utilization rate

6 Certified contract manufacturers worldwide

~5min average Takt time

~15min average Cycle time

In-house, customer-centric Operations model based on lean manufacturing principles



Managing the complexity of a fast-growing business

Efficiency and flexibility through a modular production model



In-house manufacturing



Outsourcing

Full control on supply chain and BOM

Internal supervision of **quality standards**

Eliminate bottlenecks from production peaks

Cross-functional core team involved in the product industrialization



Manufacturing



Purchasing



R&D

Integrated approach to design and planning

Cut procurement and production times

Faster time-to-market

Sales & Operations Planning process on a monthly basis



Sales



Production Planning



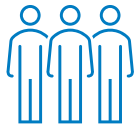
Finance

Multi-department process to ensure **alignment of actions** and **on-time delivery**

Procurement and production planned **in advance** based on rolling forecasts from **Top 20 customers**

Our main growth drivers

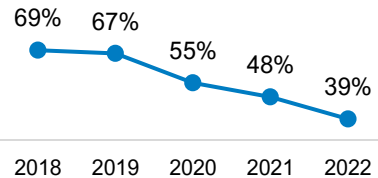
Strong business visibility, laying the foundations for a multi-year organic growth



Rock-solid base of existing customers

1.5% | 3-year customer churn rate

<40% | Top 10 customers concentration



New projects and customers incoming every quarter

>€100M | New design wins value



Growing pipeline on both CLEA and Edge computing

>€1B | 2023-25 pipeline

of which

>€500m | Probability-weighted pipeline

30% | Opportunities from new customers

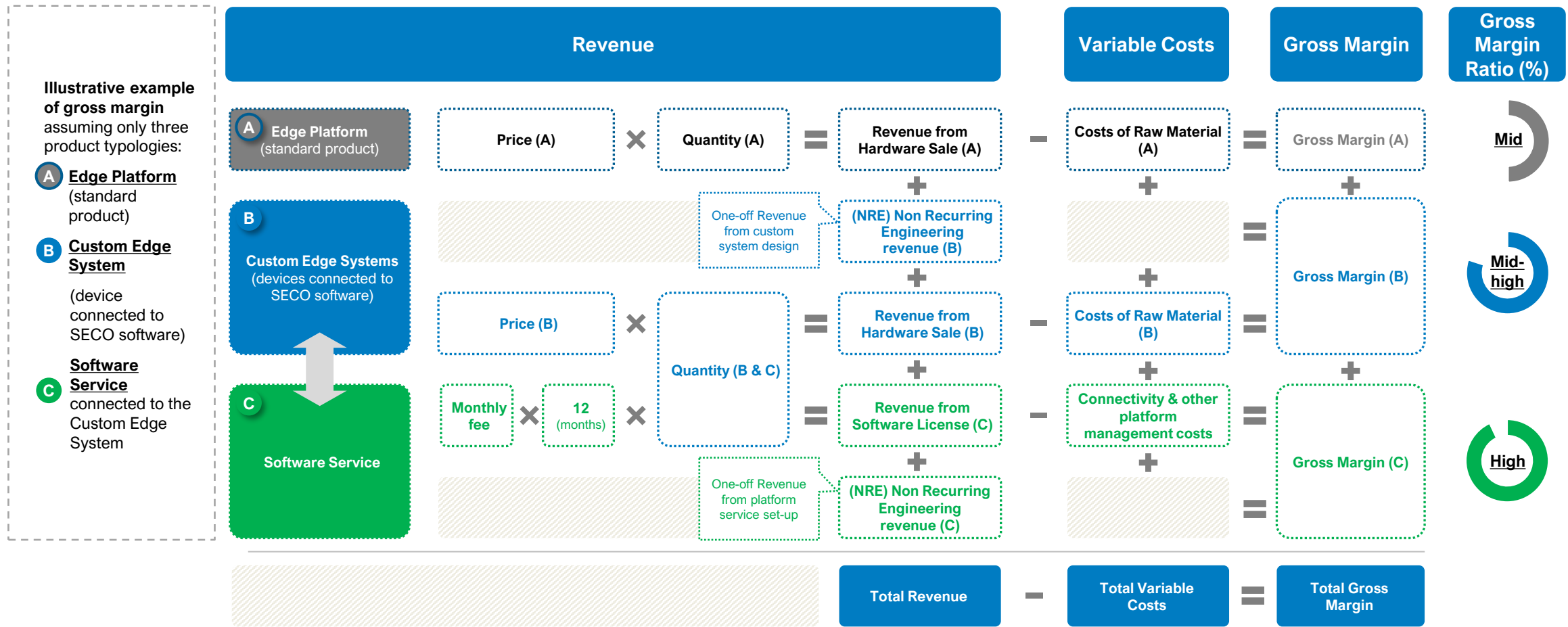


Total Addressable Market: IoT sector at the beginning of a strong expansion

>€200B | Global Enterprise IoT market size

20% | 2023-27 CAGR

Revenue and cost model

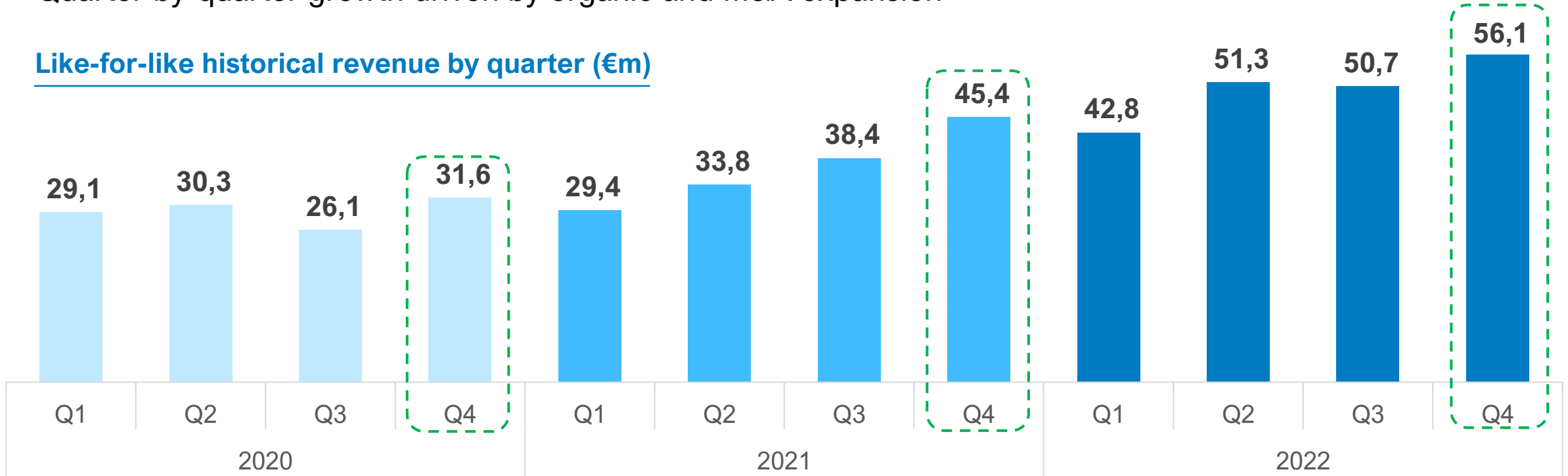


Note: all other costs (service, personnel, other) are mostly fixed costs

Quarterly performance focus

Quarter-by-quarter growth driven by organic and M&A expansion

Like-for-like historical revenue by quarter (€m)



Average quarterly revenue

€29,3M
Q1-Q4 2020



€36,7M
Q1-Q4 2021



€50,2M
Q1-Q4 2022

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





Endless ways to the future

Thank you
www.seco.com
