

Disrupting Markets with a 2.0 Approach

ADD | Fair Value: €10.19 | Current Price: €7.56 | Upside: 35%

Initiation of Coverage

July 6, 2021 – 7.00 h

€ Million	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Total Revenues	7.6	17.7	35.2	60.6	83.8	103.8
EBITDA	1.0	1.8	4.0	7.6	11.8	16.8
margin	12.6%	10.3%	11.4%	12.6%	14.1%	16.1%
Net Profit	1.2	1.4	2.5	4.6	7.2	10.4
margin	16.3%	7.7%	7.1%	7.6%	8.6%	10.0%
EPS	n.a.	0.14	0.21	0.39	0.60	0.87

Source: Company Data, KT&Partners' Elaboration

Overview. Vantea, an innovative SME operating in the Information Technology field, leverages on proprietary technologies to disruptively enter new markets. The company exploits IT to develop a related diversification strategy, operating in: a) Cybersecurity, Vantea's historical business - offering consultancy services – strengthened through the takeover of ESC2 in June 2021; b) F&B Marketplace segment as 2.0 distributor; c) Business software market thanks to the launch on 1st July 2021 of SuiteX, its cloud-native ERP software; and d) in Concierge segment (since 1H21) through Paspertù platform. The company model enables to i) exploit several inbound and outbound synergies with benefits for revenues, operations, and costs optimization and ii) operate with a high degree of diversification reducing concentration risk.

Market overview. Vantea's reference markets (Cybersecurity, F&B, ERP, and Concierge), are expected to grow – respectively by 14.5%, 8.6%, 17.4%, and 5.3% – over the period 2020-25. Thanks to the uniqueness of its offering, Vantea benefits from high visibility and great competitive positioning in each sector in which it operates. The company's purpose is to expand its position in new markets abroad - starting from the Spain- and towards new client segments: SMEs for both Cybersecurity and F&B marketplace, and Retail segment for both F&B marketplace and Concierge markets.

Group historical figures. Vantea's FY20 sales amounted to €17.2mn, +131% YoY, thanks to: i) a constant contribution from cybersecurity segment, €5.9mn of revenues (+5% YoY) also supported by a large increase of the smart-working model, requiring higher security standard, and ii) the boost given by F&B Marketplace revenues, €11.0mn (6.1x YoY), with Vantea being able to operate even during pandemic thanks to the outsourced logistics and lower fixed costs compared to its competitors. EBITDA reached €1.8mn, recording a +91% YoY growth, with an EBITDA margin at 10.3% (-2.3pp vs FY19), following a different revenue mix. Net income stood at €1.4mn registering a +11% compared to FY19, and NFP was equal to €0.3mn (from a net cash position of €0.6mn in FY19), mainly due to a tax credit arisen during the year.

Future estimates. We expect Sales revenues to reach €102.8mn in 2024 growing at a CAGR 20-24E of 56%, driven by: i) F&B Marketplace expansion, also thanks to the expected launch of menoo.com in 2H21, and to the offer widening to non-food items; ii) Cybersecurity revenues growth also thanks to ESC2 acquisition and iii) the launch of SuiteX and Concierge solutions. We forecast EBITDA growing at a CAGR 20-24E of 74%, reaching €16.8mn in 2024 and an EBITDA margin of 16.1%, mainly thanks to economies of scale on Personnel and Services expenses. Net income is expected to reach €10.4mn in 2024 growing at a CAGR20-24E of 66%.

Valuation. Our valuation – based on both market multiples and DCF method – returns an average equity value of €122.3mn or a fair value of €10.19ps, showing a potential upside of 35% on current market price.

Market Data

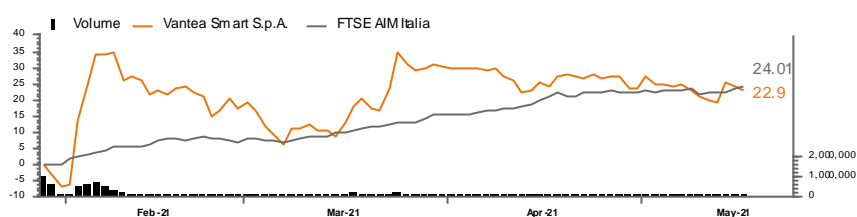
Main Shareholders	
Simone Vegliani	80.55%
TALIA 2015 S.r.l.s.	0.28%
Mkt Cap (€ mn)	
	90.7
EV (€ mn)	
	91.1
Shares out.	
	12.0
Free Float	
	19.2%

Market multiples	2020	2021	2022
EV/EBITDA			
Vantea Smart S.p.A.	47.8x	21.7x	11.4x
Comps median	21.5x	17.6x	14.9x
Vantea Smart S.p.A. vs Median	122%	24%	-23%
P/E			
Vantea Smart S.p.A.	66.4x	36.4x	19.6x
Comps median	43.9x	36.4x	24.8x
Vantea Smart S.p.A. vs Median	51%	0%	-21%

Stock Data

52 Wk High (€)	8.30
52 Wk Low (€)	2.80
Avg. Daily Trading 90d	69,146
Price Change 1w (%)	29.45
Price Change 1m (%)	89.00
Price Change YTD (%)	n.a.

Relative Performance Chart – Since IPO



Key Figures – Vantea Smart S.p.A.

	Current price (€)	Fair Value (€)	Sector			Free Float (%)
	7.56	10.19	Information Technology			19.17%
Per Share Data	2019A	2020A	2021E	2022E	2023E	2024E
Total shares outstanding (mn)	n.m.	n.m.	12.0	12.0	12.0	12.0
EPS	n.m.	n.m.	0.21	0.39	0.60	0.87
Dividend per share (ord)	n.a.	0.02	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2019A	2020A	2021E	2022E	2023E	2024E
Total Revenues	7.6	17.7	35.2	60.6	83.8	103.8
EBITDA	1.0	1.8	4.0	7.6	11.8	16.8
EBIT	0.9	1.7	3.5	6.5	10.2	14.7
EBT	1.6	1.9	3.5	6.5	10.2	14.7
Taxes	(0.3)	(0.6)	(1.0)	(1.9)	(3.0)	(4.3)
Tax rate	22%	29%	29%	29%	29%	29%
Net Income	1.2	1.4	2.5	4.6	7.2	10.4
Net Income attributable to the Group	1.2	1.4	2.5	4.6	7.2	10.4
Balance Sheet (EUR million)	2019A	2020A	2021E	2022E	2023E	2024E
Total fixed assets	1.5	3.2	6.5	7.8	8.7	9.3
Net Working Capital (NWC)	2.2	2.6	7.4	9.2	11.9	15.1
Provisions	(0.3)	(0.3)	(0.6)	(1.0)	(1.5)	(2.1)
Total Net capital employed	3.4	5.5	13.3	16.0	19.2	22.3
Net financial position/(Cash)	(0.6)	0.3	2.0	0.0	(4.0)	(11.3)
Total Shareholder's Equity	4.0	5.2	11.3	15.9	23.2	33.6
Cash Flow (EUR million)	2019A	2020A	2021E	2022E	2023E	2024E
Net operating cash flow	0.6	1.3	3.0	5.7	8.8	12.5
Change in NWC	(0.5)	(0.5)	(4.7)	(1.8)	(2.7)	(3.2)
Capital expenditure	(1.2)	(1.9)	(3.8)	(2.3)	(2.5)	(2.6)
Other cash items/Uses of funds	0.8	0.2	0.3	0.4	0.5	0.6
Free cash flow	(0.3)	(0.9)	(5.3)	2.0	4.1	7.3
Enterprise Value (EUR million)	2019A	2020A	2021E	2022E	2023E	2024E
Market Cap	n.m.	n.m.	90.7	90.7	90.7	90.7
Minorities	0	0	-	-	-	-
Net financial position/(Cash)	(0.6)	0.3	2.0	0.0	(4.0)	(11.3)
Enterprise value	n.m.	n.m.	92.7	90.8	86.7	79.4
Ratios (%)	2019A	2020A	2021E	2022E	2023E	2024E
EBITDA margin	12.6%	10.3%	11.4%	12.6%	14.1%	16.1%
EBIT margin	12.0%	9.5%	10.1%	10.8%	12.2%	14.1%
Gearing - Debt/equity	-15.7%	6.4%	17.9%	0.2%	-17.3%	-33.6%
Interest cover on EBIT	1.7%	1.8%	0.9%	0.5%	0.3%	0.2%
NFP/EBITDA	-63.3%	18.1%	50.4%	0.5%	-34.1%	-67.3%
ROCE	26.8%	30.7%	26.5%	41.0%	53.4%	65.9%
ROE	32.2%	26.5%	22.0%	29.0%	31.2%	31.0%
EV/Sales	11.5x	4.9x	2.5x	1.4x	1.0x	0.8x
EV/EBITDA	91.4x	47.8x	21.7x	11.4x	7.4x	5.2x
P/E	73.6x	66.4x	36.4x	19.6x	12.5x	8.7x
Free cash flow yield	-0.4%	-1.0%	-6.1%	2.3%	4.7%	8.4%
Growth Rates (%)	2019A	2020A	2021E	2022E	2023E	2024E
Sales	-	134.6%	98.4%	72.1%	38.3%	23.9%
EBITDA	-	91.5%	119.6%	90.1%	54.6%	42.3%
EBIT	-	85.5%	109.9%	84.9%	56.3%	43.7%
Net Income	-	11.0%	81.8%	85.7%	56.6%	43.8%

Source: Company Data, KT&P's Elaboration

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Investment Case

Disrupting traditional markets with proprietary technologies. Thanks to a great Information Technology experience and know-how, Vantea was able to develop a series of proprietary technologies innovating its internal processes and disruptively entering markets based on old and traditional models. So far, the company entered: a) **Business software market** through SuiteX, a proprietary cloud-native ERP based on micro-services easily combinable in multiple solutions, also allowing the integration of external software bought directly from SuiteX marketplace. Vantea is therefore the only Italian company providing this solution to SMEs; b) **F&B market** with a fully outsourced logistics - enabled by SuiteX which manages orders and operating flows - creating a lean and flexible structure, which also allowed Vantea to grow during COVID-19 pandemic while its competitors struggled because of the burden of fixed costs. Furthermore, SuiteX also enabled to develop the digital marketplace *menoo.com* expected to be launched in 2H21; c) **Concierge market** through a platform that expands the service to retail clients, while the market is traditionally addressed to luxury clients, enjoying a vast potential user base; d) **Cybersecurity market** thanks to the acquisition of ESC2 which developed Infosync, an innovative solution to evaluate and mitigate IT risk, included in Gartner's *Magic Quadrant* in 2018. The broad range of its offer allows Vantea to enjoy a unique competitive positioning.

Inbound and outbound synergies. Since 2014 Vantea applied a related diversification strategy, exploiting IT as a common thread to operate in different markets, enjoying a high revenue diversification and operating and cost savings synergies. The most significant inbound synergies are related to the internal development of proprietary software such as: i) SuiteX, which in turn enabled the logistic outsourcing of F&B business, the launch of B2B marketplace *menoo.com* and the development of Concierge app ii) Concierge structure which supports the group's services. On the commercial side, Vantea's services and products integration allows to set cross-selling strategies, as i) Cybersecurity, SuiteX and Ho.Re.Ca. clients can be target customers for Concierge solution ii) F&B Marketplace suppliers and small and medium clients are target customers for SuiteX and iii) Concierge corporate customers, Ho.Re.Ca. and SuiteX clients can be target customers for Cybersecurity.

Covid-19 as a growth opportunity. While many companies suffered from the pandemic, during the last year Vantea experienced remarkable growth: 2020 revenues amounted to €17.2mn, with a +131% growth YoY. Smart-working led many companies to focus on cybersecurity services, Cloud Business software, and corporate welfare policies. Furthermore, F&B Marketplace fully outsourced logistics allowed to operate with a flexible structure, unlike many operators which stopped their activities because of unaffordable costs.

ESG-oriented company. In 2021 the company published its first Sustainability Report, which highlights a strong commitment to environmental issues, as well as gender equality, legality, integrity and transparency. These principles are fully reflected by Vantea's activities such as collaborations with technical institutes and Universities and training campuses to invest in human capital, high quality of the workplace, and welfare-oriented policies aimed at a valuable work-life balance. Vantea's working environment quality is also confirmed by the low churn rate of Cybersecurity's employees: in the last 12 months Vantea enjoyed a 3.6% rate against a national sector average of 11.1%.

Statement of risks. Vantea may be affected by geographical concentration risk, as 100% of revenues are generated in Italy. We can reasonably assume that this risk is mitigated by the company sector diversification, and by the internationalization strategy settled by the company, starting from the Spanish market. Moreover, until 2019 company's revenues showed a high concentration risk among the top ten clients (that accounted for 40% of sales revenues), risk that significantly decreased in 2020, as the company expanded its activity into the F&B marketplace segment where – compared to cybersecurity – the Group has a larger portfolio of smaller-sized clients with lower percentage purchases, enabling strong client diversification and a significant reduction in concentration risk: top ten client's revenues amounted to less than 20% in 2020.

Company Overview

Vantea Smart S.p.A.

Headquartered in Rome, Vantea is a SME operating in the Information Technology field. The company's business is based on exploiting IT as a common thread to: i) operate in different markets, through a related diversification strategy, with a consequent benefit on revenues synergies, diversification and costs optimizations, ii) disrupt traditional markets with IT-based innovations iii) exploit several inbound synergies and outbound correlations (i.e. cross-selling opportunities).

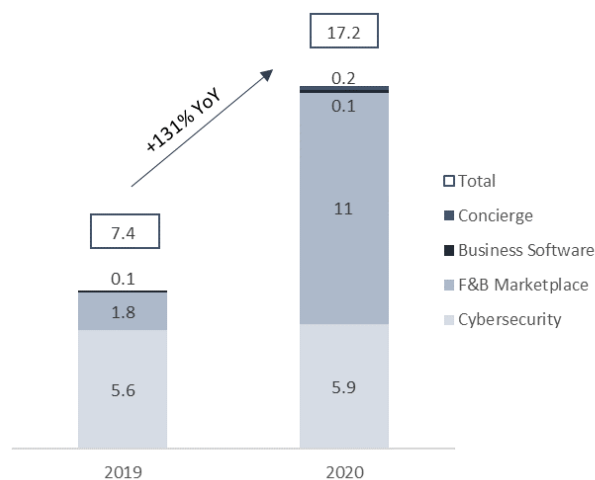
The company offers a wide range of services and solutions, leveraging on IT as: i) a **business purpose**, operating as a traditional IT company, offering cybersecurity consultancy services; and ii) as a **means of business**, combining IT skills with business expertise to develop proprietary technological solutions to innovate traditional markets. Vantea currently operates through four business lines:

1. **Cybersecurity:** the company offers consultancy services to large enterprises focusing on Identity and Access Management projects, along with the development of Security operator services and Cloud transitions of architectures and infrastructures, with a cybersecurity approach. Furthermore, following the M&A deal closed in June 2021, the company integrated its cybersecurity offer with ESC2 services of security consulting, security engineering, and security strategies.
2. **F&B marketplace:** the company operates as a 2.0 distributor offering its services and solutions to Ho.Re.Ca. and Large-scale distribution companies.
3. **Business software:** Vantea relies on its proprietary cloud-native ERP software, **SuiteX**, reaching mainly SMEs and microenterprises.
4. **Concierge:** the company operates in the concierge market through the 'Paspertù' App offering services to both business and retail customers.

Services and products integration allows Vantea to enjoy cross-selling opportunities, as often suppliers and clients of a business line, can become target clients for another segment.

Unlike many other companies, Covid-19 pandemic issues turned into opportunities for Vantea's growth: the company's sales revenues increased from €7.4mn in 2019 to €17.2mn in 2020, showing a +131% growth YoY. Moreover, despite 100% of FY20 revenues came from Italy, the company is expanding its activity towards foreign countries, starting from Spain thanks to the newly founded Vantea Digital.

Sales revenues 2019 – 2020 (€mn)



Source: Company Data

The push towards digital innovation that resulted from the pandemic (the company estimated a 10-year technological leap due to Covid-19) also brought Vantea management to decide to list on the stock exchange to fully capture new business opportunities: on January 27th, 2021, Vantea went public on AIM Italia market with a capital raise of €5.1mn.

Boosting Cybersecurity business through ESC2 acquisition

In June 2021, just a few months after the listing, Vantea acquired the 100% of ESC2, a provider of security consulting, security engineering and security strategies to both enterprises and public sector. ESC2 acquisition will allow Vantea to enter the Italian public sector, which is undergoing a cybersecurity transformation process, furtherly accelerated by the constitution of the National Cybersecurity Agency. The value of the transaction is €2.3mn, paid in cash and through Vantea shares (valued at €10.0ps). ESC2 in 2020 achieved revenues of €5.0mn, an EBITDA of €715k and a NFP of €2.0mn, implying a transaction multiple of 6x.

With the acquisition of ESC2, Vantea expands its cybersecurity team and offers, including **Infosync**, an integrated risk management platform developed by ESC2 and recommended by Gartner in 2018 in its *“Critical Capabilities for IT Risk Management Solutions”* report. Infosync, thanks to its innovative and cloud structure – that enables the integration with the most common Cyber-Risk Management systems - automatically run the assessment, detection and management phases of IT risk.

Vantea Smart Innovative Solutions

Vantea always offered to its customer new and exclusive solutions, continuously investing in research and development: R&D costs amounted to 11.4% of sales revenues in 2019 and 9% in 2020. Finally, we note that Vantea meets the requirements of an innovative SME with all the associated benefits (e.g. tax credit for investors).

Ongoing investment in research and development has enabled the company to exploit its know-how to develop several proprietary software, bringing disrupting innovations in new-reached markets, often based on old and traditional models:

- In the **Cybersecurity segment**, Vantea offers IAM solutions and security operations services in the field of end-point and SOC security countermeasures. Vantea services are based on a *“Security by Design approach”* starting at the beginning of a new project and continuing throughout its implementation. The company is recognized as one of the leading players in the Italian cybersecurity market, serving large-sized clients. Its high reliability enabled the company to create a consolidated relationship with many of its clients, among which primary customers ranging from Finance to Telco and Utilities sector. Vantea’s offer in the Cybersecurity field is furtherly enriched by the recent acquisition of ESC2, a highly specialized company that, besides consulting services, developed a solution for the analysis and management of risk at multiple levels.
- As for the **F&B marketplace segment**, thanks to innovations implemented throughout the years, the company succeeded in i) completely outsourcing the logistics activities, as a pioneer in Italy and ii) developing a new digital marketplace - **menoo.com** - to be launched in 2H21, also expected to support the company to expand towards non-food distribution. The company offers its services and solutions to Ho.Re.Ca. segment and, since 2020, to Large-scale distribution. Furthermore, at the end of March 2021 Vantea filed an application for a patent related to F&B sector for an auto vehicle innovation that will allow to deliver dry, fresh, and frozen products with a single shipping, bringing considerable benefit for the environment in terms of traffic and emissions reduction.
- In the **Business software segment**, Vantea internally developed a proprietary cloud-native ERP software – **SuiteX** - targeted mainly to SMEs and microenterprises. The solution, launched on July 1st, is based on microservices: thanks to its cloud-native structure, Vantea can integrate its own services on customer requests, in a short time and at a reduced cost, and external business software directly purchasable from SuiteX marketplace. Furthermore, SuiteX is the basis of Vantea’s other proprietary solutions,

from the outsourcing of logistics to the F&B digital marketplace menoo.com, and the Paspartù Concierge app.

- In the **Concierge field**, as a newcomer in the sector, the company brought innovation to Concierge service thanks to the development of the **Paspartù App** (launched in 1H21). Thanks to digitalisation and consequent more affordable costs, the app is suitable for both luxury and basic services, fitting the needs of both business and retail customers. The concierge app also includes a marketplace for external services making Paspartù a platform for buying products and services.

Vantea’s management continuously invest in human capital to support company innovation, the company set up Vantea SMART Academy, offering training to junior resources, also by collaborating with schools, universities and employment centers in Italy, to facilitate young people’s labour market entry.

Relationships with Universities



Source: Company Data

Strategic partnerships

To maintain high reliability, Vantea operates with the best suppliers, especially in the Cybersecurity and Business software sectors, signing long-term agreements with leading operators. Furthermore, the company has established partnerships with primary players to meet customers’ needs and requirements.

Partnership agreements are also fundamental in the Ho.Re.Ca. and Concierge sector, to offer on Vantea digital platforms a wide range of excellent products and services. Even in this area, the company established long-term relationships with operators of high standing.

Main Technological partnerships

Company	Partnership scope
	Identity, Access, API Gateway, SIEM, SOAR
	Safety telemetry, cloud
	Identity
	Anti-Virus, Cloud
	Identity, Access, Monitoring, API Gateway
	SIEM, IAM, Application Management
	Threat detection
	Monitoring
	Trouble ticketing
	Anti-Virus, Compliance management
	Identity
	SIEM, Datalake
	Threat intelligence platform

Source: Company Data

Main Commercial partnerships



Source: Company Data

Committed to ESG Agenda

Vantea keeps ESG as one of its key pillars. According to the company's CEO, ESG measures also supports the company's economic performance, ensuring long-lasting and sustainable growth. As evidence of its ESG commitment, just four months after IPO, the company acquired the status of *Benefit Company* and has drafted its first sustainability report. Vantea ESG strategy is built around:

- 1) A social-oriented working environment, that promotes people's mental and physical well-being through work-life balance measures and a range of health and welfare benefits;
- 2) Gender equality, starting from the top management level, with the Board of Directors composed of two women and two men of different ages and nationalities, ensuring a rich background of experiences;
- 3) Reduction of disparities and attention to young talents, encouraging their inclusion in the labor work through targeted training courses;
- 4) Environmental Sustainability through responsible consumption and production practices, monitoring and optimizing energy consumption. Furthermore, the company recently filed for a patent for an auto vehicle innovation that allows delivery of dry, fresh, and frozen products with a single shipping, significantly reducing CO₂ emissions.



To complete the picture, the company recently obtained two certifications linked to the ESG measures: ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems), which enrich the certifications already held by Vantea. Furthermore, the company filed for the B-Corp Certification, with the audit expected in 2H21.

Among its certifications, the group also obtained the "Cribis" certification, according to which Vantea is qualified as a maximum commercial reliability company. The evaluation shows: i) a failure score of 100/100 (lowest probability of ceasing the activity in the following 12 months); ii) a delinquency score of 100/100 (minimum possibility of payment with serious delays); iii) a Paydex Cribis D&B of 80 (the maximum score achievable in Italy), that certify regular payments on due date. In summary, the rating given is 1/4, indicating the minimal risk level of the company.

Vantea's certifications



Source: Company Presentation

Technological innovation's potentials: towards a new business model?

The company's future upsides are also represented by a potential shift in SuiteX and Concierge platform business, moving from a subscription-based model to a **free-use model**, to reach as many users/customers as possible and gain high distribution fees. Both SuiteX and Concierge app also represent a marketplace for third parties' services and products thus **positioning Vantea as an online distributor** of business software - SuiteX - and retail services - Concierge App.

To support the business model shift, Vantea would need to raise additional capital to undergo significant investments in the first years to support massive distribution, aiming at becoming a leader in markets which generate billions of revenues each year.

To make the potential of this choice more noticeable, it should be mentioned that in Italy at the end of 2018 the number of micro-enterprises amounted to 821,000 and the SMEs reached 209,000¹, all target customers for SuiteX. Considering that Vantea is the only Italian company offering cloud-native ERP software based on micro-services, to micro and SME companies, we are referring to a huge target market. Furthermore, 53% of companies put ERP as an investment priority, together with CRM², and 50% of companies announced their willingness to acquire or upgrade their ERP system. Moreover, ERP implementation led to business process improvement for 95% of companies, mainly on three aspects: i) reduced process time (when taking a decision, companies with ERP systems need 36% less time compared to companies without ERP³), ii) cost savings and iii) improved performance.

Looking at the concierge market, the exploitation of technology made it possible to reshape Concierge offer, traditionally associated with luxury services. Although it may seem an 'old-fashioned' role, the concierge is very up to date, both because it offers a resource difficult to find in recent years – time – and because, especially following the pandemic, people have reappraised the value of experience and the relevance of human relations.

In line with technological innovation, also Concierge sector had to evolve with providing increasingly digitized service. Vantea is the only company in Italy to provide Concierge service through an app, ensuring the same customer attention and tailor-made services, but at a lower cost. This makes the solution suitable even for several basic services (from wellness experience to home services) – and not only luxury ones - approaching the retail market, previously unreachable due to the lack of appropriate operators.

The service offered through the app will also bring the Italian market closer to the Concierge as a form of corporate welfare, already appreciated abroad: in the United States, according to a survey conducted by a Concierge company on a sample of ca. 7000 employees, the concierge service i) made them feel valued by their employer (98%), ii) helped reduce their stress level (99%), and iii) improved their focus on work-related tasks (97%)⁴.

¹ Source: ISTAT, Censimento Permanente delle Imprese 2019

² Source: Netsuite, 2020

³ Source: Aberdeen

⁴ Source: Best Upon Requests, 2019

Group's History

Founded in 1993, Vantea started a process of internal reorganization in 2014, with the entry of the current leading shareholder Simone Vegliani.

Vantea recent history runs through the following steps:

From 2014 an IT-based company

Operating in F&B segment since 2015...

... and developing a cloud-native ERP software since 2017

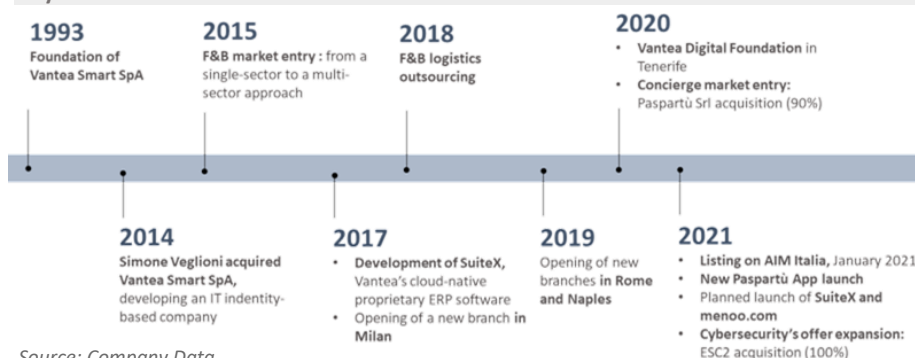
Expansion in Italy and abroad

New segments-entry through proprietary technology

Listing on AIM Italia Market and growing through M&A

- In 2014 Simone Vegliani acquired Vantea Smart to create an IT identity-based company. Since the change of leadership, the Company has been focused on exploiting IT as a common thread to develop a related diversification strategy, thus operating in different sectors.
- In 2015 Vantea acquired a traditional single-sector F&B company and then shifted its business model to a multi-sector approach – providing meat, fish, fruit and vegetables, etc. – taking care of its customers for the entire supply and distribution chain. After three years, in 2018, the company (that grew from €1.5mn of revenues to €20mn of revenues) was sold, and a new company – based on a complete outsourcing of logistics – was launched. The transition was made possible by the integration of the proprietary ERP system, which enables the company to manage a much larger customer base with a more efficient operating management.
- In 2015 the company acquired an On-premise ERP system, and in 2017 started its re-engineering process with the purpose to create a proprietary native cloud-based ERP software, the SuiteX. This solution strengthened the related diversification approach by applying ERP software to the F&B segment to completely outsource logistics.
- In 2017 the company started to expand its presence on the domestic market by opening new branches in Milan (2017), in Rome and in Naples (2019). In 2020 Vantea founded Vantea Digital, based in Tenerife, to start to expand its activity abroad, too.
- In 2019 Vantea started to develop its new marketplace platform for Ho.Re.Ca. segment – menoo.com –to introduce a strong innovation in the F&B sector, expected to be launched in 2021. In 2020 the company also started operating in the Concierge market, with the acquisition of a 90% stake in Paspardu Srl, with the aim to exploit IT to develop an innovative concierge service which instead of being based on the usual telephone helpline, is based on a digital platform (launched in the first months of 2021).
- Following the group development and with the aim of capturing new business opportunities, on 27th January 2021, Vantea went public on the AIM Italia market raising €5.1mn. Group’s main purposes are both to consolidate its business and to grow by exploiting internal and external channels: almost 50% of capital raise is allocated to develop new solutions to gain market share (expanding also in foreign countries), while the remaining 50% for M&A deals. In June 2021 Vantea settled its first post-IPO transaction, acquiring 100% of ESC2, a company operating in the cybersecurity field.

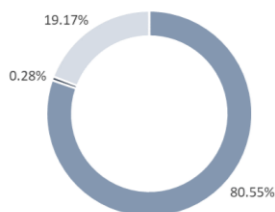
Key milestones



Source: Company Data

Ownership and Group Structure

Vantea's shareholders



Source: Company data

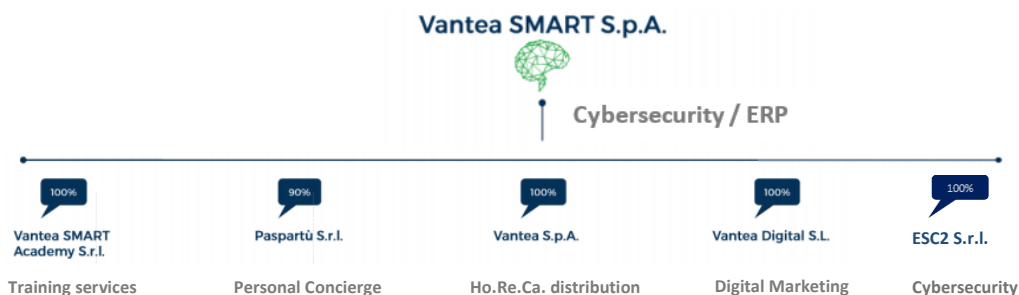
Vantea's main shareholder - with an 80.6% stake - is the CEO Simone Veglioni, who acquired the company in 2014. A 0.3% stake is held by TALIA 2015 S.r.l.s. and the remaining 19.2% is held by the market. The company's share capital is composed of 12mn of shares, 2mn of which were issued at the IPO on AIM Italia at the beginning of 2021, for a capital raised of €5.06mn. The greenshoe option, concerning 300,000 ordinary shares, was fully exercised.

At the IPO date, the company issued a 2,300,000 warrant exercisable in December 2021 (at a strike price of €3.08) or in October 2022 (at a strike price of €4.04).

Headquartered in Rome, Vantea offices are also based in Milan, Rome, and Naples. Furthermore, in 2020 the company established Vantea Digital in Tenerife (Spain) and in 2021 acquired ESC2. The group is structured as follows:

- **Vantea Smart S.p.A.:** is the holding company of the group which operates in the Cybersecurity and Business software markets. Company's offer range from i) the security of infrastructure, access, data, applications and processes ii) the management of structured services ensuring the correct and efficient operation of corporate systems and iii) the development and management of software solutions - whether mobile, web-based, stand-alone or cloud.
- **Vantea S.p.A.:** founded in 2018, it is an Italian company 100% owned by the holding. The company operates in the Ho.Re.Ca. and large-scale retail segments, acting as an intermediary between the F&B producer and the Ho.Re.Ca. players, exploiting a completely outsourced logistics process. Thanks to its industry know-how and collaboration with Group's IT specialists, it operates through an innovative business model, based on technology, which is expected to find further application following the launch of a new digital marketplace in the first months of 2021.
- **Paspartu S.r.l.:** founded in 2007 and based in Italy, in 2020 the company was acquired for a 90% stake by Vantea, to enter the Concierge market. The company is specialized in the provision of i) general and administrative services, telephone, and postal delivery, reception service, ii) marketing and advertising activities and iii) entertainment, leisure and hospitality services.
- **Vantea SMART Academy S.r.l.:** founded in 2018, the company is based in Italy and is 100% owned by Vantea. It offers training services for incoming junior resources, also by collaborating with schools and universities. The company also offers technical administrative assistance in the ICT field for products developed and services provided by the parent company.
- **Vantea Digital S.L.:** founded in 2020 and based in Tenerife (Spain) the company is 100% owned by Vantea and operating in the Digital market. Vantea aims is to exploit the company to enter more easily in the Spanish market, expanding its activity outside Italy.
- **ESC2 S.r.l.:** founded in 2012, the company is based in Italy and 100% owned by Vantea, after the takeover process occurred in June 2021. ESC2 is engaged in cybersecurity offering its consultancy services and its solutions for the analysis and management of risk to both enterprises and public sector.

Group Structure



Source: IPO Document, KT&P's Elaboration

Management Team

Simone Vegliani – CEO



Simone has 20+ years of professional experience working through the years as an entrepreneur mainly in SMEs, in the field of Information Technology, Food and Beverage and Fashion, as a consultant in Information Technology and Finance and Corporate Organization. Simone acquired Vantea in 2014. To combine theoretical and practical knowledges, he graduated with honors in Computer Science, Economics and Law. He also has a Ph.D. in Computer Science, from Oxford University.

Paola Lepre – Head of Delivery



Paola has 35 years' experience in the IT field, always being involved in business organization and performance monitoring. Over the years she gained proven experience in managing numerous groups of resources and dealing with enterprise customers. During her career, she has been Head of Large customers in Assioma SpA and Business Unit Manager in Nous Informatica Group. In Vantea since 2011, she is also a member of the board of directors.

Lara Lindozzi – Group's CFO and CEO of Vantea SpA



Despite her young age, she enjoys 18 years of experience in business administration (including 10 years as a manager), having started her working career during academic studies. She always worked in SMEs, and entered Vantea in 2013, also becoming a member of the board of directors.

Luciano Ricci – Head of Business Development, Sales, Innovation, Partnership



Luciano boasts 26 years of international experience in ICT solutions for leading Italian and foreign companies. Before joining Vantea he worked for leading companies including E&Y, Telecom Italia, and CISCO in the ICT field. Furthermore, over the period 2012–2019, he was CEO of In.Te.Ma.Co, a company specialized in Homeland Security, Artificial Intelligence and drone development.

Michele Santoro – CEO Paspартu Srl



Michele launched Paspартù, the first company offering Concierge service in Italy. Before that, he contributed to expanding the family law firm in Tirana and Tunisi, and he founded one of the five most innovative diary companies in North America, called "Dolce Usa LLC", focused on the distribution of Italian sweets to large-sized US distribution. Michele studied Economics and Finance in Italy, UK, and Spain.

Annalisa Bravi – Chief Human Resources



Working in the HR segment for 15 years, Annalisa has become Vantea's head of HR since 2019. After her studies in Philosophy, she obtained two masters (Business Administration, Organization and Human Resources Development) and two certifications (Assessor at Hogan Assessment and IFC Coach).

Claudio Ragno – CEO ESC2



Claudio boasts 30+ years of experience in the IT field, where he covered several leading roles during his career. Before the ESC2 foundation, he worked for leading companies like Capgemini and Ericsson (as a Project Leader) and Datamat SpA. He also covered the CEO role in Smetana Informatica. In December 2012, he cofounded ESC2, becoming CEO of the company. Claudio is also an Italian member of the European Cyber Security Organization (ECSO).

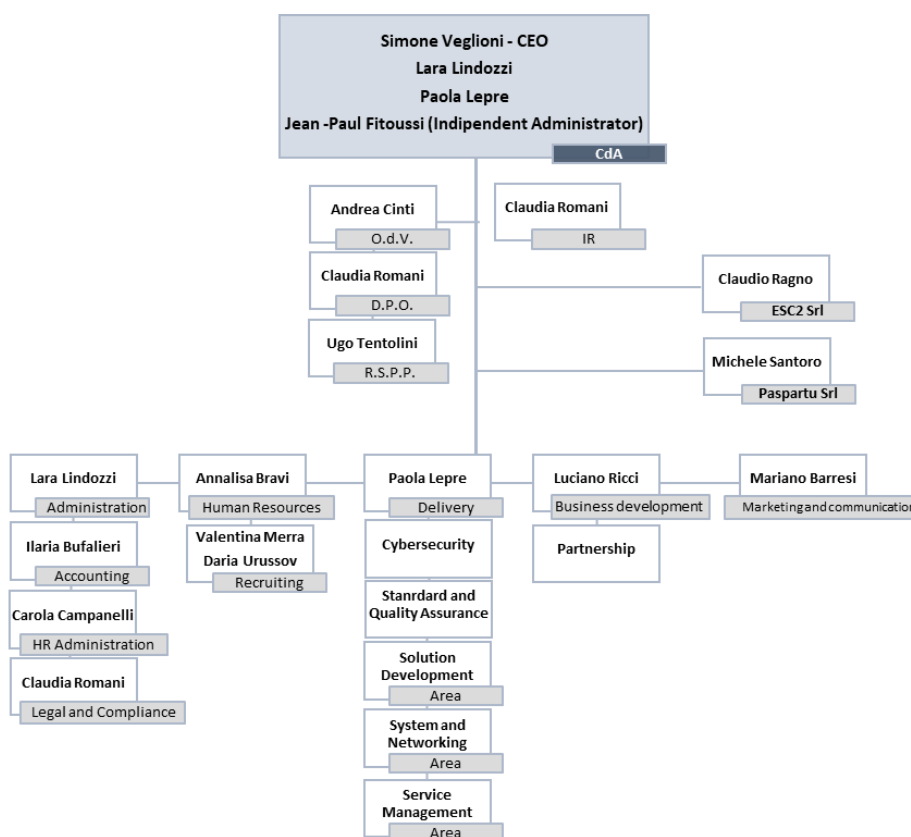
Group Organization

At the end of 2020, Vantea’s employed 95 professionals (+41 over 2019), of which 70 attributable to the holding company, 16 to Vantea SMART Academy, 4 to Vantea Digital, 3 to Vantea SpA and 2 to Paspertù. Staff amounted at 120+ people by also considering trainees and external personnel.

Since the beginning of 2021, the company has hired 25 new professional profiles, and to date, the staff is composed of 140+ people. The staff includes employees in administration (13), sales (8), R&D (5), Cybersecurity (90), F&B Marketplace (4), Business software (8), Concierge (2), and other external personnel. Considering the ESC2 acquisition (June 2021), the company expanded cybersecurity resources with ca. 70 new employees. Furthermore, Vantea has the aim to recruit additional resources by the end of the year.

As for cybersecurity, the lack of resources makes the market particularly competitive. In the light of this, Vantea for years has implemented a policy oriented to the development of its employees, through agreements with technical institutes and universities, training campuses, and a welfare system focused on work-life balance. This allows Vantea to have a churn rate on employees of 3.6%, against a sector average of 11.1%.

Group Organization Chart



Source: IPO Document

Business Model

Vantea's business strategy is based on a **related diversification** approach: exploiting the Information Technology as a common thread, the group, besides operating as a cybersecurity consultant, entered with disrupting proprietary technologies in different markets: F&B marketplace, Business software, and Concierge. The broad range of services allows a high degree of diversification – with benefits in terms of concentration risk – and high cross-selling synergies – with a consequent benefit in terms of revenue growth and profitability. Vantea exploits Information Technology both as a business purpose and as means of business.

IT as a business purpose

Vantea operates as a traditional IT company, offering cybersecurity consultancy services, the company's historical core business. The company's services are based on a *Security by design* approach, following the customer's IT projects from the product design phase until its completion. Furthermore, on significant clients' projects (for banks or large-corporations) Vantea often collaborates with big IT companies. For the future, the company strategy also foresees the expansion towards the developing SME market.

IT as a means of business

Vantea leverages on IT also as a means of business: the company combines IT skills with specific business process expertise to enter markets - based on traditional and old business models - with disrupting IT-based innovations, becoming a 2.0 operator. So far, the company developed:

- **SuiteX**, a proprietary cloud-native ERP software (launched on the market on 1st July 2021);
- A **fully outsourced logistic business model for F&B market**, leveraging on its proprietary ERP to manage order flows;
- **menoo.com**, a digital marketplace for the F&B segment (to be launched in 2H21), with the potential to be expanded in the non-food segment in the future;
- **Paspartù**, the Concierge App, launched in the first months of 2021.

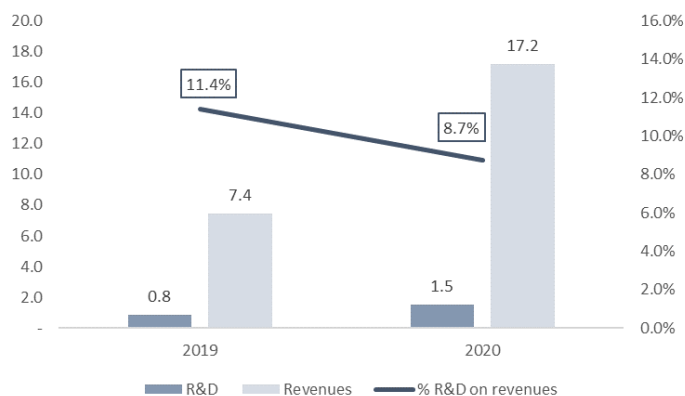
Research and Development activities

Vantea has always been committed to innovation, offering to its customer new and exclusive solutions. The company in the past preferred to reinvest in the company, mainly in R&D, the earnings generated. In 2019 R&D costs amounted to €0.8mn - 11.4% of sales revenues - while in 2020 the company invested €1.5mn in R&D projects (ca. 9% of sales revenues). Among 2020 investments, €300k were co-financed by public funds for 45%.

In the last two years the company invested:

- €1.1mn (€0.4mn in 2019 and €0.7mn in 2020) for the development of Suite X ERP cloud-native software;
- €1.0mn (€0.7mn in 2019 and €0.3mn in 2020) for the development of the digital marketplace in the F&B sector, to further expand its offer in the non-food segment;
- €0.15mn in 2020 for the development of the Concierge App.

% R&D Costs on Sales revenues 2019 – 2020



Source: Company Data

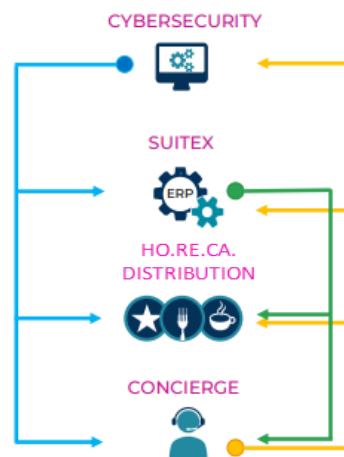
At the end of March 2021, Vantea filed an application for a patent related to F&B segment for a vehicle innovation entitled "Loading compartment equipped with a modular cold room", which will allow the delivery of dry, fresh, and frozen products in a single vehicle. Patent certification is expected within 9 months of application, so by the end of 2021. In addition to the undoubted benefits for couriers and restaurateurs, there will be also significant benefits in terms of environmental and social impact, thanks to the reduction of traffic, smog, and emissions.

Inbound correlation

Vantea’s IT nature allows the company to operate with several inbound synergies leading to operating improvements and significant cost reductions.

- **IT group’s skills enable the internal development of proprietary software:** SuiteX, Digital F&B marketplace, and Concierge App are all internally developed. Furthermore, all software are based on a cloud-native design and managed following cybersecurity principles.
- The proprietary ERP **SuiteX** is exploited in the F&B distribution segment both to i) outsource logistics (thanks to the full control on the IT platform) and ii) develop a digital e-commerce platform, to match supply and demand, with perfect integration between the platform and the company ERP. Furthermore, SuiteX is also at the base of concierge app services;
- the **Concierge** service oversees all the group activities, including cybersecurity monitoring.

Vantea’s inbound synergies



Source: Company Presentation

Vantea Offer

Vantea’s offer is composed of four main business lines supported by IT know-how and experience: Cybersecurity, F&B marketplace, Business software (SuiteX), and Concierge. The company seeks recurring and incremental revenues from each customer with a revenue model based on:

- Consultancy and recurring fees for Cybersecurity services;
- Consumable products for F&B market, related to recurring orders;
- SuiteX is offered on a subscription basis and also includes an online marketplace to integrate additional business software solutions;
- The Concierge app is offered on a subscription basis and also includes an online marketplace for retail products and services.

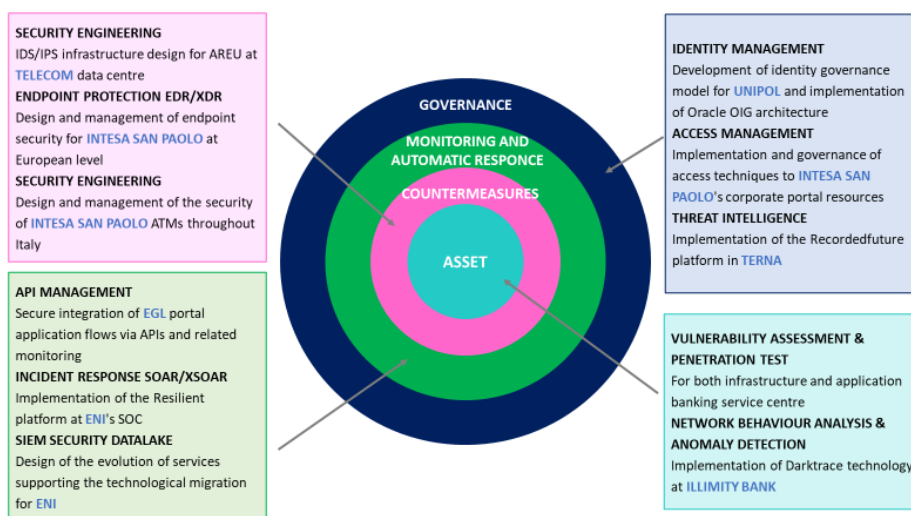
The subscription fees model (or the recurring orders placed for the F&B marketplace), allows i) to have recurring revenues, as opposed to a one-off license payment (or one-off purchases) and ii) to aim at incremental revenue per customer each year.

Cybersecurity

Thanks to its great reliability and expertise, Vantea among the few SMEs in the cybersecurity sector offering consultancy services to large companies in the private sector. The company positions itself in the cybersecurity sector with a broad offering, ranging from planning, implementation, management, and monitoring of the solutions offered:

- **Countermeasures services:** the company offers a “Security Engineering” service, projecting IDS/IPS infrastructure for AREU and management of ATM security for leading banks, and a “Endpoint protection” service, designing and managing endpoint security.
- **Asset services:** the main services offered in this segment are “Vulnerability assessment and penetration test” for the banking sector, both infrastructural and application level, and “Network behavior analysis and anomaly detection”, implementing darktrace technology.
- **Monitoring and Automatic Response services:** services that helps clients to integrate and monitor application flows through API (“API management”) and to transfer their services on-cloud (“Siem Security Datalake”).
- **Governance services,** that include “Identity Management” and “Access management” to implement and managing access techniques to corporate platforms and “Threat intelligence” to implement customized platforms for leading Italian companies.

Cybersecurity solutions



Source: IPO Document

Furthermore, the company provides services for projects developed by customers on their own, such as operational and technical support, threat analysis, and on-site specialist support.



Vantea's offer in the Cybersecurity field has been recently enriched thanks to the acquisition of ESC2 (June 2021), a highly specialized company that offers security consulting, security engineering and security strategy services to both enterprise and public sector, enlarging Vantea customer base. ESC2 also developed Infosync, an integrated IT risk management platform, offered as SaaS in Cloud, which supports Information Security and Privacy Risk management activities. Thanks to its innovative structure, the platform identifies a complete set of risk scenarios to support the IT security strategic decision process and to monitor the IT security status. Moreover, Infosync is designed on a flexible architecture able to support integration with the main Cybersecurity, IT and Network Operation solutions, allowing an automatic and real-time IT risk management.

F&B Marketplace

Vantea operates in the F&B sector through its subsidiary Vantea SpA, operating as a 2.0 distributor. The company mainly serves clients operating in Ho.Re.Ca. market, but it recently expanded its offer to Large-Scale retail clients. Specifically, Vantea's market is based on consumable products, covering not only food and drink but also other products such as cleaners or plastics, with the purpose for the future to expand to additional non-food segments. F&B is a mature market that allowed Vantea to **gain market share exploiting IT innovation**:

- 1) The first innovation was the entire **supply chain outsourcing** thanks to its proprietary ERP software SuiteX which manages order flows, setting to zero the required inventories, as goods are purchased only on actual orders. Moreover, by operating with a multi-sector approach, Vantea optimized orders and logistics deliveries, moving from a traditional single delivery for each type of product (fruit and vegetables, meat, beverage...) to two deliveries only, one for fresh and one for dry goods. A further development regards the recently filed patent, which will allow single delivery of dry, fresh, and frozen products, a revolution for the current F&B market. This business model allows Vantea to operate with a flexible cost structure.
- 2) The second innovation is the development of *menoo.com*, a **digital marketplace** for Ho.Re.Ca. segment that is expected to be launched in 2021. The multisectoral platform allows the clients to simplify the procurement phase, with daily "shopping" to be carried out in a single purchasing session. Vantea in this way can introduce itself to producers offering an important showcase to those who do not have easy access to the digital world and on to the customer as a single reference supplier. Furthermore, the integration of OneX ERP and *menoo.com* would allow the automatic reordering, saving time for the entire ordering phase. The launch of *menoo.com* is expected to boost company's profitability in the future.

Business software: SuiteX

Vantea entered the business software market by acquiring in 2015 a software that has been the base to develop a completely cloud-based infrastructure. In 2019 the new ERP software, SuiteX, has started its testing-phase, and its launch on the market occurred on July, 1st 2021. Vantea position as the only Italian company offering to SMEs a cloud-native ERP service based on microservices.

The main advantages of SuiteX are:

- 1) **Cloud-native software**, compared to On-premise solutions offered by competitors. Thanks to its cloud-native nature the solution is projected to respond on the cloud, making it easier to integrate other complementary services.

- 2) **Microservices-based solution:** Vantea offers the platform together with basic services included in the SuiteX fee. Furthermore, according to its needs, the customer can request the integration of additional services - also from external partners - which are paid on a consumption basis. The strength of Vantea's offer is the provision of 'micro' services that can be implemented in a short time thanks to the platform's cloud-native structure and at affordable costs, which makes it an attractive solution to SMEs.

SuiteX is composed of independent, but at the same time perfectly integrated software:



- **OneX** – the cloud-native ERP software organized in microservices with the integration of digital marketing tools and infrastructural services. Thanks to its microservices structure, the platform becomes an online marketplace to sell proprietary and third-parties services, expanding Vantea's offer and services.



- **OrderX** – an app for agent network to handle orders, commercial proposals, reporting and collections;



- **ClientX** – an app developed for business clients that automatically manages orders, simplifying delivery planning, and create automated reporting;



- **ExpeditionX** – developed to handle logistics activities, enables to track vehicles and to manage the collection cycle, returns and waybills signing.

To boost SuiteX commercial distribution, Vantea signed a strategic technological partnership with **Sixtema (Tinexta Group)** starting from July 1st, 2021, and with a two years' term. According to the agreement, Sixtema – a digital enabler of SMEs and industry associations – will include SuiteX among its offering, expanding its range of dedicated products for SMEs that increasingly need to simplify their operational processes.

Personal Concierge

Vantea operates in the Concierge segment through Paspартu S.r.l., a company acquired for a 90% stake in 2020.

A personal concierge - i.e. a personal assistant which helps people to find the best service or product for their needs - is traditionally associated with luxury services and clients. Vantea's aim is to expand the service also to retail clients, leveraging on IT innovations to reduce the cost of the service.

Vantea, leveraging on SuiteX, developed a platform – also available through mobile app – which digitalize the service, as opposed to the traditional phone assistance, optimizing its cost.

Furthermore, through the platform detailed customer data are collected, which can feed into a very accurate promotion of products and services, which can be bought directly through Paspартu, making the platform an e-commerce marketplace for whichever people needs.

Mid and large enterprises already showed interest to offer the service to their employees - as a form of corporate welfare - and to their clients - to build customer loyalty.

The service has been launched on the market in the first months of 2021 with a business model based on both subscription fees and revenues coming from the distribution of partner products and services through the online marketplace.

Vantea Customer Base

To date Vantea provides its services mainly to medium-large sized clients, but the company’s purpose is to widen its presence towards SME and retail customers also leveraging on the newly launched business lines. Company’s customer base has been enriched also thanks to the acquisition of ESC2 which offers its services to both large enterprises and the public sector.

Current and future expansion of Vantea’s customer base

	Cybersecurity	F&B marketplace	Business Software	Concierge
Actual	Large- sized companies and Public sector	Ho.Re.Ca. segment and Large-scale distribution	SMEs and micro-enterprises	Business segment
Expand to	SMEs	Non-food and Retail segment	-	Retail segment

Source: Company Data

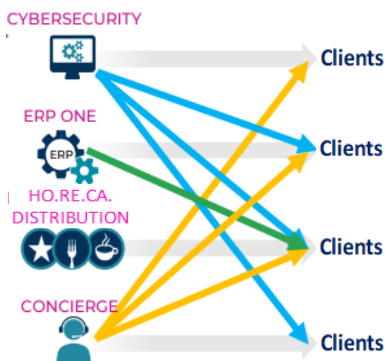
Outbound correlation: cross-selling activity

Vantea’s services and products integration generates strong cross-selling opportunities, as often suppliers and clients of a business line, can become target for other Vantea’s services.

- Cybersecurity, Business Software, and Ho.Re.Ca. clients are target customers for Concierge;
- Ho.Re.Ca. producers and small and medium-sized F&B marketplace clients are target customers for Business Software;
- Concierge corporate customers, and Ho.Re.Ca. and Business Software clients are target customers for Cybersecurity.

For example, the integration of *menoo.com* and SuiteX allows, for Ho.re.ca. players, time-saving and cost-cutting advantages thanks to the automatic management of orders.

Vantea cross-selling strategy



Source: Company Presentation

Current customer base

Vantea established a long-standing relationship with leading players, ranging from Finance to the industry sector. For instance, Cybersecurity is characterized by the high degree of reliability required in terms of security: therefore, once the client has verified the company’s expertise and innovation, it is more likely to develop consolidated relationship.

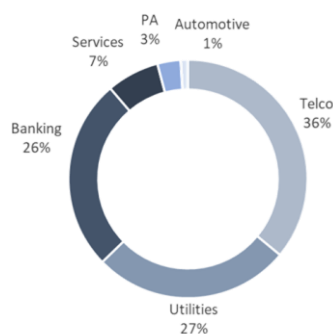
Vantea’s Cybersecurity main customers



Source: Company Presentation

Among the cybersecurity end-market served, Telco accounts for 36% of sales revenues, followed by Utilities and Banking, with respectively 27% and 26%.

Cybersecurity end-market served 2020



Source: Company Data

For the F&B marketplace segment customer base is wider. The company service is primarily addressed to restaurants, bars, hotels, and clubs; there is a growing component of large-distribution customers, which often have centralized purchasing. Furthermore, with the launch of the digital marketplace, the company could expand its reference target clients by reaching also retail customers, particularly those requiring professional products.

Vantea’s F&B marketplace main customers



Source: Company Presentation

In the Business software market, the potential customer base is in constant evolution as companies shows increasing interest in innovative products (such as integration of ERP system with social communication, digital marketing, and e-commerce platforms). The large number of micro-enterprises requires a high number of verticalization: the micro-services approach provided by Vantea is the ideal solution for these companies.

Vantea’s Business software main customers



Source: Company Presentation

Finally, for the Concierge segment the company provides its services to business clients (such as Corporate, Association and Enterprise segments), and retail customers (companies’ customers/employees or private clients). As for the latter category, Concierge service is used as an employer branding and customer retention tool.

Vantea’s Concierge main customers



Source: Company Presentation

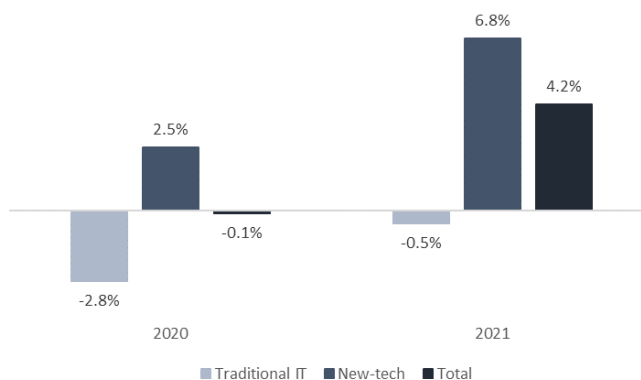
Vantea 2019 revenues showed a high client concentration with the top ten clients (mainly attributable to the Cybersecurity segment) accounting for more than 40% of sales revenues, and the first client accounting for 12.6%. However, in 2020 the Group, through its growth in the F&B marketplace business line, expanded its clients’ portfolio, enabling strong client diversification and a significant reduction in concentration risk. In 2020, the top ten clients accounted for almost 19% of sales revenues, while the first client accounted for 5.6%. Furthermore, the company is currently expanding its activity outside Italy: in 2020 it founded Vantea Digital, based in Tenerife, to enter the Spanish market.

Market Overview

Like many others, the European ICT market has been affected by the Covid-19 pandemic. The 2020 health crisis has wiped out the forecasted investment in ICT: the market increased by only +0.4% YoY (vs +2.8% expected) although showing resilience if compared to the economic trend. According to an IDC survey, companies that aimed to reduce their ICT investments have increased from 5% (in November 2019) to 50% in March 2020. Some companies, however, have only postponed these investments in the following years: for 2021 it is expected an ICT market slight recovery of +2%⁵ (mainly driven by the new-tech segment that will increase by +4%). The key drivers of the market are: i) growing need for cloud infrastructures to cope with increases in volume on e-commerce sites, and with devices for remote working; and ii) the demand for connectivity, for both videoconferencing as well as online gaming, and for the development of new online services.

Looking inside Italy, the ICT market dropped by 0.1%, mainly due to the “traditional” IT market that decreased by -2.8%, while new technologies segment (such as Cloud, AI, 5G, and Blockchain) increased by 2.5%⁶. For 2021 recovery perspective are bright: 49% of the surveyed companies believe that they will increase investments in IT for 2021, since the emergency had led to an acceleration in digitally transforming their businesses. By 2021 it is expected a growth of the ICT market of 4.2% (-0.5% for traditional IT segment, while +6.8% for new-tech one).

ICT market in Italy 2020-2021E



Source: Innovation Group

It is worth pointing out that while before pandemic ICT was a strong cyclical market (that overperformed GDP growth and underperformed GDP drop), during 2020 hi-tech market reacted oppositely, with strong increases in new digital technologies linked to smart working, which offset the structural decline in traditional technologies, allowing the sector to remain fairly stable compared to 2019. This leads analysts to believe that it is likely that the market will continue to grow significantly over the next three years⁷.

Through the paradigm of related diversification Vantea exploits IT know-how to launch innovative solutions in different markets:

- Cybersecurity market
- ERP market
- Food and Beverage market
- Concierge market

⁵ Source: IDC, March 2021

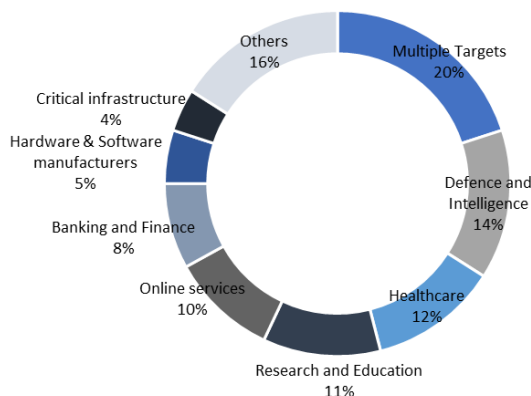
⁶ Source: The Innovation Group, March 2021

⁷ Source: The Innovation Group, March 2021

Cybersecurity market

In 2020 cybersecurity was put under strain with the highest number of attacks ever recorded. According to Clusit 2021 Report, during 2020 serious attacks were 12% higher than in the previous year, and 66% higher than in 2017. In 2020 damages generated by cybercrime reached globally \$945bn, and is expected that, with an annual growth of +15%, in 2024 losses caused by cybercrime will be around €20-25bn considering Italy only⁸. Furthermore, 56% of successful attacks had a 'high' and 'critical' impact, while 44% were of 'medium' severity. The highest number of attacks affected the United States (47%), followed by Europe (17%) and Asian countries (11%).

Cyber attacks by categories – 2020



Source: Clusit, 2021

To face the increasing risks, in 2020 countries globally invested \$150bn (+10% YoY), with Europe accounting for almost 20% of global cybersecurity⁹; a huge amount but still limited compared to the damage caused by cyberattacks.

In Italy, despite the pandemic, cybersecurity investment grew, compared to 2019 data, reaching €1.4bn but growing at a slower pace than the previous year (only 4% year-over-year compared to 11%)¹⁰. Despite the sector has held up even in such a difficult year, there is still much to be done: the ratio of cybersecurity to GDP is still very low (only 0.07% in 2019), about 4 to 5 times less than the most advanced countries. Indeed, Europe, although it accounts for 20% of the cybersecurity global market, still shows inadequate levels of funding, denying European companies from competing on equal terms with American and Israeli ones (Israel on its own attracts more investment than the entire EU in cybersecurity field).

To urgently address the funding gap in the European cybersecurity sector the European Cyber Security Organization (ECSO) in September 2020 started a negotiation with European Commission to set up a cybersecurity platform with the aim to reach funding for at least €1bn¹¹ thanks to the collaboration with eight major private European investors. The project is expected to allow cybersecurity start-ups and SMEs to i) attract larger international investors and ii) launch specialized European cybersecurity solutions. It is also in the light of this project that the European cybersecurity market is expected to grow at a CAGR20-25E of 22.6% (higher than the expected global growth of 14.5% over the same period)¹².

⁸ Source: Rapporto Clusit 2021, March 2021

⁹ Source: Agenda Digitale, December 2020

¹⁰ Source: Osservatorio Cybersecurity & Data Protection, February 2021

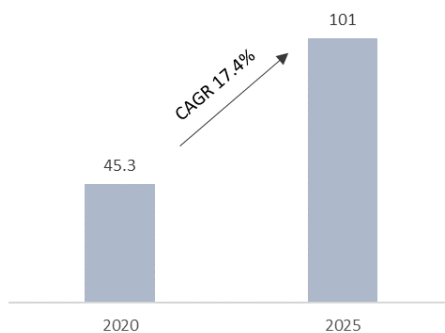
¹¹ ECSO, September 2020

¹² Source: Marketdataforecasts, MordorIntelligence

ERP market

The Global Enterprise Resource Planning market amounted to \$45.3bn in 2020 and is expected to reach a value of \$101bn by 2025, growing at a CAGR of 17.4%¹³. The pandemic pushed companies to improve their operational efficiency with the help of advanced technologies. Companies are moving to cloud solutions to develop resilient systems to both satisfy the remote workforce and to protect data and business application continuity and integrity.

ERP market outlook 2020 – 2025 (in \$bn)



Source: Marketsandmarkets

According to a Panorama Group report 2020, almost 85% of companies that in 2019 implemented an ERP system improved the business processes that needed an improvement (48% only key business processes, 37% most business processes). Furthermore ERP software allows companies to achieve significant cost-savings: for SMBs savings amounted to 27%, while for Large Enterprises saving went up to 39%.

In Italy, Osservatorio Digital Innovation and Assosoftware carried out a market research that focused on software houses and management software in our country: the research has taken into account 1346 Italian companies operating in the management application development field¹⁴. The results show that in Italy the ERP market generates almost €16bn of sales, with the majority of companies headquarter based in North Italy (68%) compared to the Centre and the South that count 24% and 8% respectively. It is worth noticing that 54% of software companies offer at least one Cloud solution, and in some cases cloud offer represents the only supply-mode: a positive signal for the innovative development of these solutions, since Italy is still lagging behind international software companies.

Food and Beverage market

In 2019, Italian Food and Beverage consumption was estimated to value €243bn, of which €83bn (34% of total) attributable to the “Away from home” (AFH) segment¹⁵. Italy is the 3rd European AFH market, after the United Kingdom and Spain, with a 14% share.

The AFH sector was certainly one of the markets most affected by the pandemic: despite the gradual recovery during summer, at the end of 2020 it amounted only to €54bn, -35% compared to the previous year¹⁶. This was partly caused by tourism demand contraction, which in 2019 accounted on its own for 22% of the AFH segment.

As a direct consequence of widespread lockdowns, in 2020 F&B market reinvented itself and started to distribute its products through the online channel: according to Statista in 2020 e-commerce for the food and beverage sector increased by 49.6% over the previous year,

¹³ Source: MarketsandMarkets, June 2020

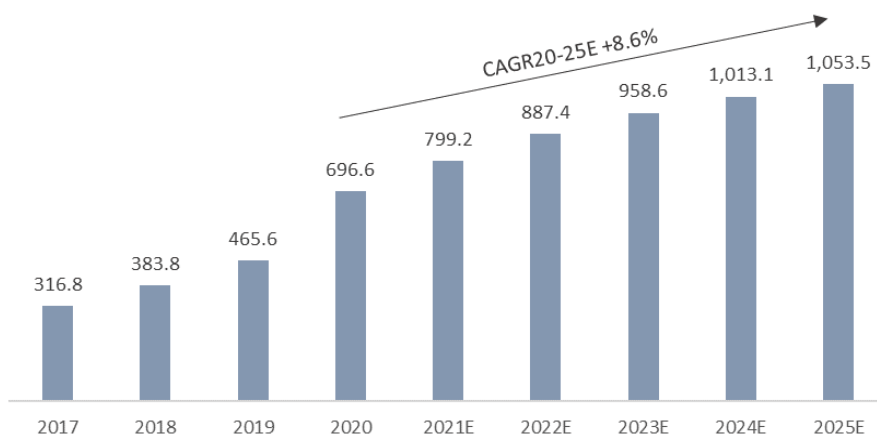
¹⁴ Source: smeup, July 2020

¹⁵ Source: TradeLab, February 2019

¹⁶ Source: TradeLab, December 2020

reaching \$697mn of value, with 2mn of new online customers. By 2025, this market will amount to \$1.1bn, growing at a CAGR20-25E of 8.6% (in line with global market growth).

Italian F&B e-commerce 2017-2025E (in \$mn)



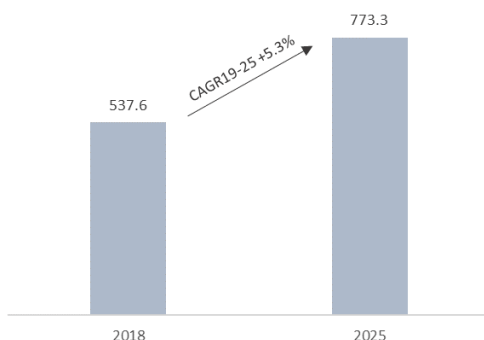
Source: Statista

Vantea's Food & Beverage area, in contrast to the market, has grown considerably. The negative economic situation has led to a deep crisis among competitors, enabling opportunities for Group's growth which, thanks to the complete outsourcing of logistics, has been able to operate with very few impacts on organization and costs.

Concierge market

The global Concierge market was worth \$537.6mn in 2018 and is expected to reach \$773.3mn in 2025, growing at a CAGR of 5.3%¹⁷. Transportation assistance is expected to grow at a CAGR of 5%, while Personal segment is estimated to grow at a higher CAGR of 6.1%, over the forecasted period. The corporate segment is anticipated to hold the largest market share due to rising demand in managing corporate events and parties, but the Personal segment is expected to increase its weight, thanks to a higher demand for personalized services from high-net-worth individuals.

Global Concierge market 2018 – 2025 (in \$mn)



Source: Million Insights

The global concierge market is quite different from solutions provided by Vantea, being typically associated with the luxury world, while Vantea's aim is to expand its offer to basic services and retail clients. So, Concierge market growth should be considered as an indication of the segment trend, taking also into account that Vantea will probably be able to perform better by expanding the number of end-users.

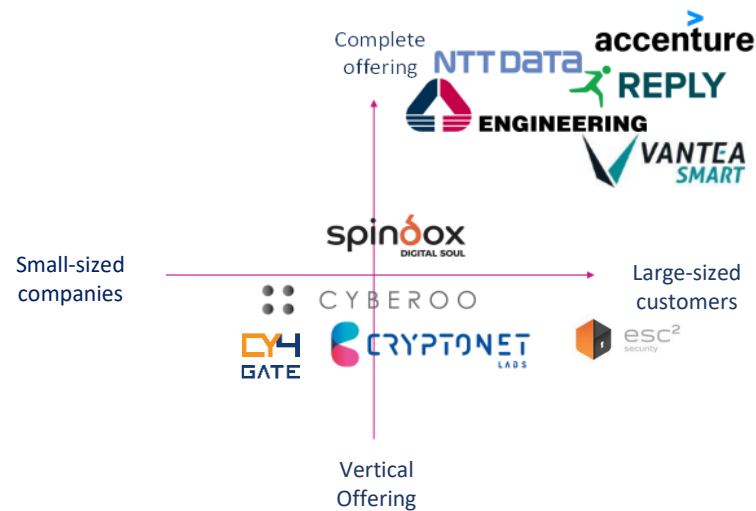
¹⁷ Source: Million Insights, December 2020

Competitive Arena

Vantea generates 100% of its revenues in Italy; despite that, related diversification allows the company to operate in different markets and at the same time to achieve a good competitive positioning leveraging on its technology.

In the Cybersecurity market, Vantea offers a wide range of services (ranging from design, implementation, management and monitoring of solution offered), aimed at large-sized clients. Considering the completeness of its offering and the size of customer served, Vantea is the only SME positioning next to major market players, such as **Accenture, Reply, NTT Data,** and **Engineering.**

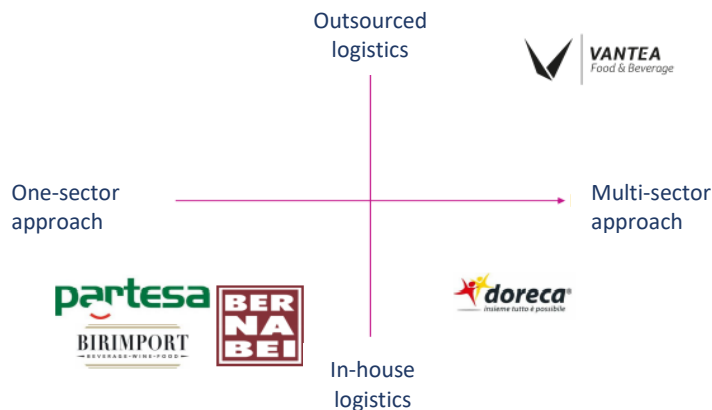
Vantea Competitive positioning in Cybersecurity market



Source: Company Presentation

In the F&B market, the company position itself in Ho.Re.Ca. and Large-scale distribution segment with three significant differences compared to competitors: i) Vantea operates on a multisectoral business, while competitors are focused on specific industry segments; ii) the company operates through a logistic chain completely outsourced; iii) for Ho.Re.Ca., it offers an online marketplace which serves as a showcase for producers, and that will allow the end-user to purchase through a single sales channel (and with automatic re-ordering thanks to the integration of OneX and digital marketplace). Vantea is the only Italian company that operates through a B2B e-commerce, with a multi-sector approach and with the complete outsourcing of logistics, enabling the company to have a unique positioning for both F&B distribution and digital marketplace.

Vantea Competitive positioning in F&B distribution



Source: Company Presentation

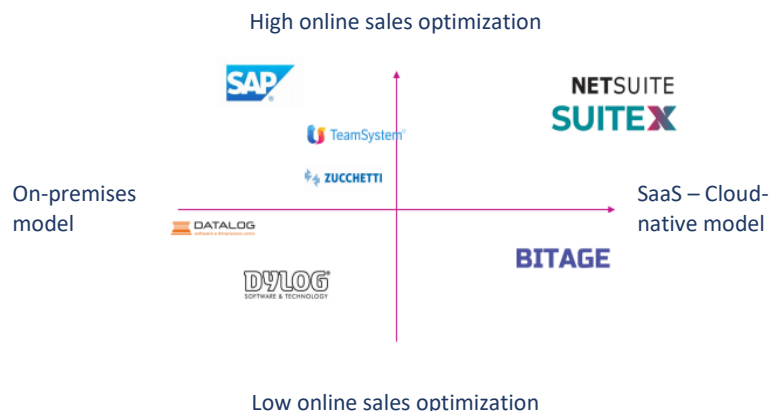
Vantea competitive positioning in F&B Ho.Re.Ca. marketplace



Source: Company Presentation

As for the Business software market, Vantea offers its services (software and cloud-native solutions SaaS-based) mainly to SMEs and micro-enterprises. If we consider just the proprietary cloud-native platform SuiteX, the only company that offers a similar solution is Oracle **Netsuite**, which however is targeted at a higher-sized customer base.

Vantea' Competitive positioning in Business software market



Source: Company Presentation

Finally for the Concierge market, Vantea's purpose is to innovate the sector by i) offering a high customized concierge service through an App (instead of phone assistance) that will become a layer to offer other products or services and ii) widening its customer base, making concierge service accessible for both basic and luxury services and at a cheaper price than competitors thanks to digitization. With Paspartù, Vantea is expected to be the only company offering high-customized services to both luxury and mass market.

Vantea Competitive Positioning in Concierge market



Source: Company Presentation

Historical Financials

Vantea's key financial for 2020 are the following:

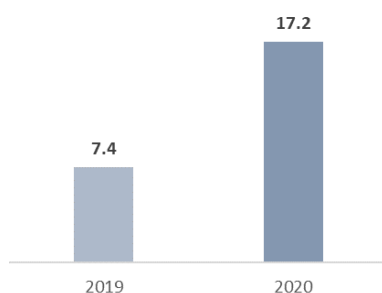
- Sales revenues at €17.2mn vs €7.4mn in FY19, +131% YoY;
- EBITDA at €1.8mn (+91% YoY), with an EBITDA margin of 10.3%;
- EBIT at €1.7mn, +85% YoY;
- Net income at €1.4mn, +11% YoY;
- Net Financial Position at €0.3mn (vs -€0.6mn in FY19).

Revenues Breakdown

In 2020 Vantea has experienced a significant growth, with its revenues reaching €17.2mn, growing by +131% YoY. This growth was mainly attributable to: i) the stable contribution of the Cybersecurity segment and ii) the strong boost in Food & Beverage segment.

Vantea revenues came entirely from Italy, but the company aims to expand its activity abroad, starting from the Spanish market where, in 2020, Vantea Digital was founded.

2019-2020 Sales Revenues (€mn)

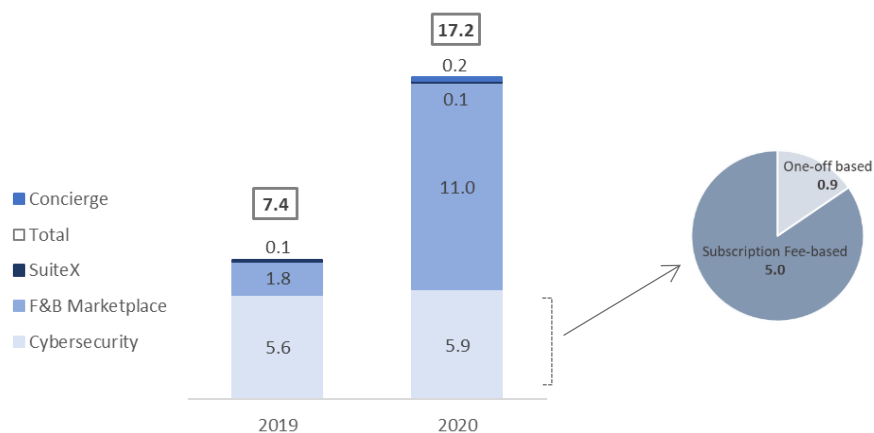


Source: Company Data

Looking at revenues' breakdown, Vantea's business is based on four revenues streams:

- Cybersecurity – providing IAM solutions and security operations services in the area of endpoint and SOC security countermeasures – accounted in 2020 for €5.9mn of sales revenues (+5% YoY), of which 15% represented by one-off payments.
- F&B Marketplace – operating in both Ho.Re.Ca. and large-scale distribution – reached €11mn of sales revenues in 2020 experiencing a +518% YoY, in contrast to the market trend. This was mainly thanks to the innovation process brought into the sector with a complete outsourcing of logistics process, that enables the company to operate with a more flexible operational structure and lower fixed costs as opposed to its competitors. Vantea consequently gained F&B market shares thanks to difficulties for many competitors to operate.
- Business Software – based on SuiteX, Vantea's ERP proprietary cloud-native solution – in 2020 accounted for €0.1mn of FY20 sales revenues, being still in an early-stage phase dedicated to field testing. The service will be on the market starting from July 1st, 2021.
- Concierge – focused on Personal concierge service through a mobile app – amounted to €0.2mn in 2020, attributable to the new company acquired Paspартu S.r.l.. Even in this case 2020 was dedicated to shaping the new business model, which is expected to generate revenues starting from 2021.

2019 – 2020 Revenue streams (in €mn)



Source: Company Data

Profitability Analysis

Together with triple-digit revenue growth, the company experienced an increase in Gross Profit, from €5.9mn in 2019 to €7.5mn in 2020 (+27% YoY). FY20 Gross margin was at 42.1%, -36pp YoY, mainly due to a strong increase in Product and raw materials costs (+516%), following the company expansion in the F&B segment. In fact, in 2019 only €0.8mn were attributable to purchases of F&B goods for resale, while in 2020 the cost reached almost €10mn.

FY20 EBITDA reached €1.8mn, recording a growth of +91% YoY. EBITDA margin stood at 10.3% (-2.3pp compared to FY19) following: i) the reduction of Gross margin and ii) the increase in Personnel Costs, from €0.7mn to €1.9mn (+161%), due to the recruitment of new resources: in FY20 workforce grew by 41 units, increasing from 54 to 95 employees. Service Costs decreased by ca. €400k (-8%), mainly due to the lower reliance on external staff for cybersecurity services.

FY20 EBIT amounted to €1.7mn, with an increase of +85% over FY19, with an EBIT margin equal to 9.5% (-2.5pp compared to 2019). The rise in D&A was mainly due to i) an increase in amortization of intangible assets of €55k and ii) an increase in depreciation of receivable of ca. €30k.

Both in FY19 and FY20 the company registered positive extraordinary items for respectively €0.7mn and €0.3mn, attributable to legal disputes.

Finally, Net income stood at €1.4mn, registering a +11% YoY growth, mainly attributable to Vantea’s business expansion towards new markets.

2019 – 2020 Consolidated Income Statement

€ Millions	FY19A	FY20A	YoY 19-20
Cybersecurity	5.6	5.9	5%
F&B Marketplace	1.8	11.0	518%
Business software	0.1	0.1	10%
Concierge	-	0.2	n.m.
Sales Revenues	7.4	17.2	131%
<i>Growth %</i>	<i>n.a.</i>	<i>130.8%</i>	
Other Revenues	0.1	0.6	356%
Total Revenues	7.6	17.7	135%
<i>Growth %</i>	<i>n.a.</i>	<i>134.6%</i>	
Products and Raw materials	(1.7)	(10.3)	
Gross Profit	5.9	7.5	27%
<i>Gross Margin</i>	<i>78.0%</i>	<i>42.1%</i>	
Cost of Services	(4.8)	(4.4)	
Rental Costs	(0.2)	(0.2)	
Personnel Expenses	(0.7)	(1.9)	
Other Operating Expenses	(0.0)	(0.3)	
Capex	0.8	1.2	
EBITDA	1.0	1.8	91%
<i>EBITDA margin</i>	<i>12.6%</i>	<i>10.3%</i>	
<i>Growth %</i>	<i>n.a.</i>	<i>91.5%</i>	
D&A and Provisions	(0.04)	(0.1)	
EBIT	0.9	1.7	85%
<i>EBIT margin</i>	<i>12.0%</i>	<i>9.5%</i>	
<i>Growth %</i>	<i>n.a.</i>	<i>85.5%</i>	
Financial Income and Expenses	(0.02)	(0.03)	
Extraordinary items	0.7	0.3	
EBT	1.6	1.9	22%
Taxes	(0.3)	(0.6)	
<i>Tax Rate</i>	<i>22.0%</i>	<i>29.1%</i>	
Net Income	1.2	1.4	11%
<i>Net margin</i>	<i>16.3%</i>	<i>7.7%</i>	
<i>Growth %</i>	<i>n.a.</i>	<i>11.0%</i>	
Minorities	-	0.0	
Net Income attributable to the Group	1.2	1.4	11%
<i>Net margin</i>	<i>16.3%</i>	<i>7.7%</i>	
<i>Growth %</i>	<i>n.a.</i>	<i>10.9%</i>	

Source: Company Data

Capital Structure Analysis

In FY20 Fixed assets amounted to €3.2mn, mainly composed of Intangibles assets (€2.9mn). Among intangibles the most meaningful are assets under construction and advances, going from €1mn in FY19 to €2.3mn in 2020, attributable to i) SuiteX software development for €1.2mn; ii) F&B digital marketplace development for €1mn; and iii) Concierge App development for €0.15mn.

Net working capital increased by €0.4mn year-over-year reaching €2.6mn in 2020, mainly due to an increase in Other assets (Tax receivables).

Finally, FY20 Net financial position worsened by €0.9mn from 2019, touching a net debt of €0.3mn, mainly due to the tax receivables arisen during the year.

2019 – 2020 Consolidated Balance Sheet

€ Millions	FY19A	FY20A
Intangible	1.1	2.9
Tangible	0.1	0.1
Other LT Assets	0.3	0.1
Fixed Assets	1.5	3.2
Trade receivables	4.8	5.8
Inventory	0.2	0.3
Trade Payables	(1.8)	(4.3)
Trade Working Capital	3.1	1.8
Other assets and liabilities	(1.0)	0.8
Net Working Capital	2.2	2.6
Other Provisions	(0.3)	(0.3)
Net Capital Employed	3.4	5.5
Group shareholders' equity	3.8	5.2
Minority shareholders' equity	0.2	0.0
Total shareholders' equity	4.0	5.2
Short-term debt / Cash (-)	(1.5)	(0.8)
Long-term liabilities	0.9	1.1
Net Financial Position	(0.6)	0.3
Sources	3.4	5.5

Source: Company Data

Group Strategy

The group aims to growth through internal and external lines, with different approaches according to the different sectors and keeping exploiting the related diversification potential.

Organic growth and launch of new solutions

- Cybersecurity is expected to grow following the cybersecurity market trend: the company aims to keep growing in Italy, strengthening its team by recruiting new professionals and expanding its offer also to SMEs. Vantea's expected growth is furtherly strengthened by the acquisition of ESC2 (June 2021), which through its 10+ years of experience in the sector of cybersecurity will be able to expand Vantea's offers - also thanks Infosync, an integrated IT risk management platform – and client base including both large enterprise and public sector.
- Business software market entry thanks to the launch on 1st July 2021 of SuiteX, the proprietary ERP and business software marketplace addressed to SMEs. The entry into the new market is supported by the offering of a solution that brings innovation and responsiveness to customer needs and which already received the interests of many companies;
- F&B marketplace business line is expected to grow through the acquisition of new clients, also thanks to the Digital marketplace launch in 2H21 which is expected to i) expand F&B's company offer and to ii) extend offer also to non-food segment in the future. We note that the current business model could evolve into a wider B2B distribution;
- Concierge market entry thanks to new Paspertù App launched in 1H21;
- An increase in digital marketing investment, leveraging on Vantea Digital, to foster growth especially in Ho.Re.Ca. and Concierge segment.

Reaching new end-customers

- In the cybersecurity market starting offering its services to SMEs, leveraging on cross-selling opportunities between the different business lines, with the further option to also develop and offer Cybersecurity solutions;
- In the F&B marketplace segment, thanks to the launch of the digital marketplace, expected to expand the customer base reaching new SMEs and Retail customers;
- In the Concierge sector thanks to the newly launched Paspertù App and the expansion of target customers towards retail segment.

Internationalization and M&A

- The company is planning to expand in Spain (Cybersecurity, Business software and Ho.Re.Ca. markets) and South-East Europe (only for Ho.Re.Ca. market);
- The company included M&A within its IPO Use of Proceeds. The company is considering acquisitions aiming at i) companies operating in cybersecurity, covering complementary markets with respect to Vantea's; ii) players that have developed consumption-based services to be integrated into SuiteX hub; or iii) companies offering complementary Concierge services (such as network marketing) to support Vantea's offer and growth.

Deconstructing Forecasts

Our financial projections over the 2021-24 period consider Vantea's business model and growth strategy, together with the ESC2 acquisition that occurred in June 2021. Even though the company strategy is to keep growing also through external lines, no impact from future M&As has been taken into account in our projections.

Starting from the top line, we anticipate sales revenues growing at a CAGR20-24 of 56% (organic growth CAGR20-24 of 54%), reaching €102.8mn in FY24. Breaking down revenues into Vantea business lines:

- **Cybersecurity revenues** are expected to reach €17.4mn in FY24, growing at a CAGR20-24 of 31% (organic growth 15%, in line with Cybersecurity market growth). Cybersecurity expansion will be mainly driven by: i) an expected increase in the number of customers, also supported by the potential expansion toward the SMEs; and ii) the contribution in terms of both revenues and cross-selling synergies from the recently acquired company ESC2.
- We anticipate **F&B marketplace revenues** to amount to €78.5mn in 2024, growing at a CAGR20-24 of 63%, mainly thanks to an increase in the number of customers following i) the launch of *menoo.com*, whose revenues in the first years are expected to be composed of both gross merchandise value (high volume and lower profitability) and distribution fees (with gross margin over 90%). We note that we expect the company to move towards a 100% distribution fees model within 2024; ii) the expansion in other Italian cities and ii) the expected expansion towards the non-food segment, making Vantea the only reference supplier for many Ho.Re.Ca. and large-scale retail companies. We further note that the company in February signed an agreement with two clients for the distribution to ca. 1'500 stores. The company expects at least €400k revenues per week coming from these clients.
- **Business software revenues** are expected to grow at a CAGR20-24 of 196%, reaching €6.9mn in 2024. Boost in revenues will be driven by i) planned launch on 1st July 2021 (in 2020 the product was still in the testing phase) ii) an increase year over year of customer base, being Vantea the only company that to date offers this service to SMEs and micro enterprises (at an affordable cost). Besides subscription fees, revenues are also generated from the distribution of external business software through SuiteX online marketplace.
- **Concierge revenues** are expected to reach €3.3mn in 2024, growing at a CAGR20-24 of 96%, also thanks to cross-selling synergies which should allow Vantea to quickly expand its customer base. Concierge business line revenue model is based on both subscription fees and on revenues from the online marketplace, available in the app, which offers retail services and products.

Looking at the company profitability we note that it will be affected by the changing revenue mix expected in the future. Strong profitability is expected from *menoo.com* distribution fees, concierge and business software services, mixed with a stable profitability from cybersecurity consultancy and the *offline* distribution of F&B marketplace.

Looking at the gross profit, we expect a CAGR of 54% over the period considered. As for gross margin, we forecast a slight reduction from 2021 to 2023 leveling at ca. 39% over the period, following the higher incidence on revenues of the F&B marketplace *offline* distribution and a bounce back in 2024 to 41% thanks to the growth of *menoo.com*, SuiteX, and Paspertù.

At the EBITDA level, we expect i) growth in Personnel Expenses less proportional than revenues growth, considering economies of scale enabled by IT innovations; ii) a reduction of Cost of services incidence on revenues, due to an expected reduction in third-party processing, and cost efficiency due to exploitation of technology; iii) a decrease in Capex (increases in fixed assets for internal work) investment incidence.

We thus foresee an EBITDA that will reach €16.8mn in 2024, growing at a CAGR21-24 of 74%, with an EBITDA margin higher improving from 2020, reaching 16.1% in 2024 (+5.8pp).

Looking at the bottom line, we projected FY21 net income to reach €2.5mn, with a net margin of 7.1%. At the end of 2024, we foresee a net income of €10.4mn growing at a CAGR20-24 of 66%, with a net margin of 10%.

2019 – 2024 Consolidated Income Statement

€ Millions	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E	CAGR 20A-24E
Cybersecurity	5.6	5.9	9.4	13.7	15.5	17.4	31%
F&B Marketplace	1.8	11.0	24.9	44.9	64.2	78.5	63%
Business software	0.1	0.1	0.6	1.4	3.3	6.9	196%
Concierge	-	0.2	0.3	0.7	1.6	3.3	96%
Sales Revenues	7.4	17.2	34.9	60.0	83.0	102.8	56%
Growth %	n.a.	130.8%	103.1%	72.1%	38.3%	23.9%	
Other Revenues	0.1	0.6	0.3	0.6	0.8	1.0	15%
Total Revenues	7.6	17.7	35.2	60.6	83.8	103.8	56%
Growth %	n.a.	134.6%	98.4%	72.1%	38.3%	23.9%	
Products and Raw materials	(1.7)	(10.3)	(21.3)	(37.2)	(51.4)	(61.7)	
Gross Profit	5.9	7.5	13.9	23.4	32.4	42.2	54%
Gross Margin	78.0%	42.1%	39.6%	38.6%	38.6%	40.6%	
Cost of Services	(4.8)	(4.4)	(7.0)	(11.1)	(14.5)	(18.0)	
Rental Costs	(0.2)	(0.2)	(0.5)	(0.9)	(0.8)	(1.0)	
Personnel Expenses	(0.7)	(1.9)	(3.8)	(5.4)	(7.1)	(8.2)	
Other Operating Expenses	(0.0)	(0.3)	(0.2)	(0.3)	(0.3)	(0.4)	
Capex	0.8	1.2	1.6	1.9	2.2	2.3	
EBITDA	1.0	1.8	4.0	7.6	11.8	16.8	74%
EBITDA margin	12.6%	10.3%	11.4%	12.6%	14.1%	16.1%	
Growth %	n.a.	91.5%	119.6%	90.1%	54.6%	42.3%	
D&A and Provisions	(0.04)	(0.1)	(0.5)	(1.1)	(1.6)	(2.1)	
EBIT	0.9	1.7	3.5	6.5	10.2	14.7	72%
EBIT margin	12.0%	9.5%	10.1%	10.8%	12.2%	14.1%	
Growth %	n.a.	85.5%	109.9%	84.9%	56.3%	43.7%	
Financial Income and Expenses	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	
Extraordinary items	0.7	0.3	-	-	-	-	
EBT	1.6	1.9	3.5	6.5	10.2	14.7	66%
Taxes	(0.3)	(0.6)	(1.0)	(1.9)	(3.0)	(4.3)	
Tax Rate	22.0%	29.1%	29.0%	29.0%	29.0%	29.0%	
Net Income	1.2	1.4	2.5	4.6	7.2	10.4	66%
Net margin	16.3%	7.7%	7.1%	7.6%	8.6%	10.0%	
Growth %	n.a.	11.0%	81.8%	85.7%	56.6%	43.8%	
Minorities	-	0.0	-	-	-	-	
Net Income attributable to the Group	1.2	1.4	2.5	4.6	7.2	10.4	66%
Net margin	16.3%	7.7%	7.1%	7.6%	8.6%	10.0%	
Growth %	n.a.	10.9%	82.1%	85.7%	56.6%	43.8%	

Source: Company Data, KT&Partners' Elaboration

As for the balance sheet, we expect NWC to increase from €2.6mn in 2020 to €15.1mn in 2024, mainly due to an increase in Receivables higher than Payables, and an increase in Inventory.

We foresee an increase in fixed assets, mainly in intangibles, reaching €9.3mn in 2024, also due to ESC2 takeover. Consequently, we expect a relative increase in Capex over the period examined. We expect NFP to progressively improve over the 2020-24 period, going from net debt of €0.3mn in FY20 to a net cash position of €11.3mn in FY24.

2019 – 2024 Consolidated Balance Sheet

€ Millions	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Intangible	1.1	2.9	6.3	7.5	8.4	9.0
Tangible	0.1	0.1	0.2	0.2	0.2	0.2
Other LT Assets	0.3	0.1	0.1	0.1	0.1	0.1
Fixed Assets	1.5	3.2	6.5	7.8	8.7	9.3
Trade receivables	4.8	5.8	14.3	21.6	29.0	36.0
Inventory	0.2	0.3	0.6	1.0	1.4	1.7
Trade Payables	(1.8)	(4.3)	(8.3)	(14.3)	(19.4)	(23.4)
Trade Working Capital	3.1	1.8	6.5	8.4	11.1	14.3
Other assets and liabilities	(1.0)	0.8	0.8	0.8	0.8	0.8
Net Working Capital	2.2	2.6	7.4	9.2	11.9	15.1
Other Provisions	(0.3)	(0.3)	(0.6)	(1.0)	(1.5)	(2.1)
Net Capital Employed	3.4	5.5	13.3	16.0	19.2	22.3
Group shareholders' equity	3.8	5.2	11.3	15.9	23.2	33.6
Minority shareholders' equity	0.2	0.0	-	-	-	-
Total shareholders' equity	4.0	5.2	11.3	15.9	23.2	33.6
Short-term debt / Cash (-)	(1.5)	(0.8)	0.9	(1.1)	(5.1)	(12.4)
Long-term liabilities	0.9	1.1	1.1	1.1	1.1	1.1
Net Financial Position	(0.6)	0.3	2.0	0.0	(4.0)	(11.3)
Sources	3.4	5.5	13.3	16.0	19.2	22.3

Source: Company Data, KT&Partners'Elaboration

Valuation

Following the projections of Vantea's future financials, we carried out the valuation of the company by applying the DCF and market multiples methods:

1. EV/EBITDA and P/E multiples, which returns a value of €104.2mn or €8.69ps;
2. DCF analysis based on WACC of 6.5% and 2% perpetual growth, returns a value of €140.4mn or €11.70ps.

The average of the two methods yields a fair value of €10.19ps or an equity value of €122.3mn.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	100.3	8.36
P/E	108.1	9.01
Average - multiples	104.2	8.69
DCF	140.4	11.70
Average	122.3	10.19

Source: FactSet, KT&Partners' Elaboration

Peer Comparison

In order to define Vantea's peer sample, we carried out an in-depth analysis of listed companies active in the Information technology market (with a focus on cybersecurity) and companies operating in the F&B market. In selecting potential peers, we consider Vantea's offering, business model, growth, and profitability profile.

For peer analysis, we built a sample of 13 companies which includes companies operating in the IT or F&B market:

IT market

- **FireEye Inc:** listed on NASDAQ stock exchange with a market capitalization of €4.1bn, FireEye provides intelligence-based cybersecurity solutions that allow organizations to prepare for, prevent, respond to and remediate cyberattacks. It operates through the following segments: Enterprise Security, Managed Security, Threat Intelligence, and Industry Solutions. In FY20, FireEye reached €0.8bn of sales revenues.
- **CY4Gate SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €0.14bn, CY4Gate provides solutions for cyber intelligence, cyber security, and cyber electronic conflict. It operates through the Cyber Intelligence division (creating programs that collect and analyze information from open sources on the Internet or social media) and Cyber Security business division (specialized in products and services which protect information technology systems). In FY20, CY4Gate revenues amounted to €7mn.
- **F-Secure Oyj:** listed on OMX Helsinki stock exchange with a market capitalization of €0.66bn, F-Secure engages in the provision of internet and mobile security software solutions. It also offers data and content security. The company operates through the following segments: Consumer Security, Cybersecurity Consulting, and Corporate Security products. In FY20, company's revenues amounted to €220mn.
- **Qualys, Inc.:** listed on NASDAQ stock exchange with a market capitalization of €3.4bn, Qualys provides cloud security and compliance solutions. Its products enable organizations to identify security risks to information technology infrastructures and help protect information technology systems and applications from cyberattacks. In FY20 the company reached €318mn of revenues.
- **Verint Systems Inc.:** listed on NASDAQ stock exchange with a market capitalization of €2.4bn, Verint Systems engages in providing actionable intelligence. It operates through

the following segments: Customer Engagement Solutions and Cyber Intelligence Solutions. In FY20 the company reached €1.1bn of revenues.

- **Tinexta SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €1.6bn, Tinexta engages in the provision of information technology solutions and services for the dematerialization and digitalization of document processes with legal value. Through its subsidiaries, Tinexta operates in four business areas: Digital Trust, Credit Information & Management, Innovation & Marketing Services and Cyber Security. In FY20, company's revenues amounted to €269mn.
- **Reply S.p.A.:** listed on Borsa Italiana stock exchange with a market capitalization of €5.5bn, Reply provides solutions based on the new communication channels and digital media. It supports the main European industrial groups in defining and developing new business models utilizing big data, cloud computing, customer relationship management, mobile, social media and Internet of Things paradigms. In FY20, company's revenues amounted to €1.3bn.
- **NCC Group plc:** listed on the London stock exchange with a market capitalization of €1.1bn, NCC Group is engaged in the provision of information technology assurance, security software, and consultancy services. It operates through the Escrow segment (business software applications for the protection of end-users and software suppliers) and the Assurance segments (security consulting, and website performance and load testing). In FY20, the company reached €300mn of revenues.

Food & Beverage market

- **MARR SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €1.3bn, MARR is specialized in the distribution of food products for out-of-home or foodservice consumption. It operates through the following business sectors: Street Market, National Account, and Wholesale. The company distributes its products – groceries, seafood, meat, fruit and vegetables, and equipment – to the Ho.Re.Ca. businesses and to canteens. In FY20, the company reached €1bn of revenues.
- **Sligro Food Group N.V.:** listed on the Euronext Amsterdam stock exchange with a market capitalization of €1.1bn, Sligro Food Group engages in the management and operation of supermarkets and grocery stores. It operates through the Foodservice segment, which involves in operating cash and carry delivery service outlets for hotels, restaurants, companies, caterers, and retail businesses. In FY20, company's revenues amounted to €1.9bn.
- **Longino & Cardenal SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €30mn, Longino & Cardenal provides products for catering. The company is one of Italy's leading "food globetrotters", continually searching for the best raw materials, in order to satisfy the new trends in consumer behavior who are looking for products of excellence, until now reserved only for restaurants and hotels, making them available to all gourmet enthusiasts. In FY20, company's revenues amounted to €19mn.
- **Premium Brands Holdings Corp:** listed on the Toronto stock exchange with a market capitalization of €3.7bn, the company operates in the manufacture and distribution of a variety of specialty food products. It operates through the Specialty Foods (that includes the specialty food manufacturing businesses) and the Premium Food Distribution segment (including the differentiated distribution and wholesale businesses, and certain seafood processing businesses). In FY20, company's revenues amounted to €2.6bn.
- **Bid Corporation Limited:** listed on Johannesburg stock exchange with a market capitalization of €6.2bn, Bid Corporation engages in the foodservice business. The profile of the customer base is strategically targeted to fully service the foodservice industry's needs. It operates through the following geographical segments: Australasia, UK, EU, Emerging Markets and Corporate. In FY20, company's revenues amounted to €7bn.

We first analyzed growth rates over the period 2019-23 of peer companies compared with Vantea: looking at revenues, Vantea shows an expected CAGR19-23, equal to +82.7% against +3.8% of the average sample; on the EBITDA side, peers show a more interesting expected growth (CAGR19-23 equal to +15.9%), that however keeps far below that of Vantea (+87.5%).

Peer comparison – Sales and EBITDA growth 2019-23

Company Name	Sales					CAGR 2019-'23
	2019	2020	2021	2022	2023	
FireEye, Inc.	794	825	862	930	1,024	6.6%
CY4Gate SpA	7	n.a.	21	29	37	51.3%
F-Secure Oyj	217	220	235	250	265	5.1%
Qualys, Inc.	287	318	341	379	412	9.4%
Verint Systems Inc.	1,168	1,109	729	775	853	-7.5%
Tinexta SpA	259	269	372	414	457	15.3%
Reply S.p.A.	1,183	1,250	1,427	1,587	1,738	10.1%
NCC Group plc	301	n.a.	376	407	438	9.8%
MARR SpA	1,651	1,048	1,424	1,725	1,803	2.2%
Sligro Food Group N.V.	2,395	1,946	2,098	2,445	2,572	1.8%
Longino & Cardenal SpA	34	19	29	40	46	8.0%
Premium Brands Holdings Corp	2,457	2,661	3,166	3,437	3,617	10.1%
Bid Corporation Limited	7,987	6,993	7,307	8,060	8,472	1.5%
Peers Average	1,442	1,514	1,414	1,575	1,672	3.8%
Vantea Smart S.p.A.	7.44	17.16	34.85	60.00	82.95	82.7%

Company Name	EBITDA					CAGR 2019-'23
	2019	2020	2021	2022	2023	
FireEye, Inc.	-86	-28	137	150	190	n.m.
CY4Gate SpA	3	n.a.	8	12	14	46.6%
F-Secure Oyj	17	33	37	42	48	29.6%
Qualys, Inc.	95	113	141	154	175	16.6%
Verint Systems Inc.	160	180	195	219	248	11.5%
Tinexta SpA	71	79	98	113	129	16.2%
Reply S.p.A.	168	189	235	262	287	14.3%
NCC Group plc	51	n.a.	79	88	87	14.2%
MARR SpA	70	-6	89	121	128	16.3%
Sligro Food Group N.V.	113	71	103	144	169	10.5%
Longino & Cardenal SpA	1	-1	0	2	3	25.1%
Premium Brands Holdings Corp	207	204	295	337	373	15.9%
Bid Corporation Limited	493	408	447	560	610	5.4%
Peers Average	105	113	144	169	189	15.9%
Vantea Smart S.p.A.	1.0	1.8	4.0	7.6	11.8	87.5%

Source: FactSet, KT&P'S Elaborations

Secondly, we compared the peers' marginalities with Vantea's historical and expected financials. In comparing profitability, it is important to highlight that Vantea shows a business model that combines IT with more traditional sectors (such as F&B), indeed: average peer's EBITDA margin for FY20 was 16% (22% for IT companies and 6% for F&B peers), compared with Vantea's EBITDA margin equal to 10.3%. For the next few years, Vantea's marginality is expected to increase, reaching 14.1% in 2023 (vs 26% and 7% of IT and F&B peers, respectively).

Peer Comparison – Profitability

Company Name	EBITDA Margin					Net margin				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
FireEye, Inc.	neg	neg	15.9%	16.1%	18.6%	neg	neg	9.6%	10.5%	13.5%
CY4Gate SpA	42.9%	n.a.	36.6%	39.7%	37.8%	26.2%	n.a.	19.5%	20.7%	n.a.
F-Secure Oyj	7.9%	15.1%	15.7%	16.7%	18.2%	1.5%	5.9%	6.8%	7.4%	8.9%
Qualys, Inc.	32.9%	35.6%	41.4%	40.6%	42.5%	21.6%	25.3%	27.2%	26.6%	28.2%
Verint Systems Inc.	13.7%	16.2%	26.7%	28.2%	29.1%	2.2%	neg	19.7%	21.4%	22.4%
Tinexta SpA	27.3%	29.2%	26.3%	27.3%	28.2%	10.9%	13.9%	12.4%	13.5%	14.3%
Reply S.p.A.	14.2%	15.1%	16.5%	16.5%	16.5%	9.6%	9.9%	9.6%	9.9%	10.1%
NCC Group plc	17.1%	n.a.	21.1%	21.6%	19.9%	4.4%	n.a.	11.7%	11.5%	11.7%
MARR SpA	4.2%	neg	6.3%	7.0%	7.1%	4.0%	neg	2.5%	3.6%	4.0%
Sligro Food Group N.V.	4.7%	3.6%	4.9%	5.9%	6.6%	1.4%	neg	0.5%	1.8%	2.6%
Longino & Cardenal SpA	3.1%	neg	1.0%	4.4%	5.7%	2.8%	neg	neg	2.1%	3.0%
Premium Brands Holdings Corp	8.4%	7.7%	9.3%	9.8%	10.3%	2.3%	2.1%	4.1%	4.5%	n.a.
Bid Corporation Limited	6.2%	5.8%	6.1%	6.9%	7.2%	3.7%	1.3%	2.5%	3.7%	3.8%
Peers Average	15.2%	16.0%	17.5%	18.5%	19.0%	7.6%	9.7%	10.5%	10.5%	11.1%
Vantea Smart S.p.A.	12.6%	10.3%	11.4%	12.6%	14.1%	16.6%	7.7%	7.1%	7.6%	8.6%

Source: FactSet, KT&P'S Elaborations

Market Multiples Valuation

Following the comps analysis, we proceeded with the definition of market multiples for each peer group, focusing on 2020-23 data.

Peer Comparison – Market Multiples 2020-2023

Company Name	Exchange	Market Cap	EV/SALES 2020	EV/SALES 2021	EV/SALES 2022	EV/SALES 2023	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBITDA 2023	EV/EBIT 2020	EV/EBIT 2021	EV/EBIT 2022	EV/EBIT 2023	P/E 2020	P/E 2021	P/E 2022	P/E 2023
FireEye, Inc.	NASDAQ	4,095	5.1x	4.9x	4.5x	4.1x	n.m	30.8x	28.1x	22.2x	n.m	n.m	39.5x	27.6x	n.m	n.m	45.1x	33.2x
CY4Gate SpA	Milan	138	n.a.	6.8x	4.8x	3.8x	n.a.	18.5x	12.1x	9.9x	n.a.	27.8x	17.4x	13.9x	n.a.	38.0x	24.8x	19.4x
F-Secure Oyj	OMX Helsinki	660	2.9x	2.7x	2.6x	2.4x	19.5x	17.5x	15.4x	13.4x	36.7x	27.4x	23.6x	19.1x	n.m	39.8x	34.5x	27.2x
Qualys, Inc.	NASDAQ	3,381	9.8x	9.2x	8.2x	7.6x	27.6x	22.2x	20.3x	17.9x	37.1x	27.2x	24.8x	21.7x	43.9x	37.7x	34.9x	30.7x
Verint Systems Inc.	NASDAQ	2,442	2.6x	4.0x	3.7x	3.4x	16.1x	14.8x	13.2x	11.6x	30.1x	16.7x	14.9x	13.0x	n.m	19.9x	17.5x	15.4x
Tinexta SpA	Milan	1,572	6.4x	4.7x	4.2x	3.8x	22.1x	17.7x	15.3x	13.4x	30.8x	24.4x	20.3x	17.6x	41.5x	30.9x	25.9x	22.2x
Reply S.p.A.	Milan	5,492	4.3x	3.7x	3.4x	3.1x	28.3x	22.7x	20.4x	18.6x	36.5x	28.0x	24.4x	22.0x	44.0x	40.1x	35.2x	31.5x
NCC Group plc	London	1,125	n.a.	3.1x	2.9x	2.7x	n.a.	14.7x	13.3x	13.3x	n.a.	19.1x	17.1x	16.7x	n.a.	25.8x	23.2x	21.5x
MARR SpA	Milan	1,344	1.5x	1.1x	0.9x	0.9x	n.m	17.8x	13.2x	12.4x	n.m	31.7x	16.7x	15.1x	n.m	45.2x	22.6x	20.7x
Sligro Food Group N.V.	Euronext Amsterdam	1,093	0.8x	0.7x	0.6x	0.6x	21.0x	14.4x	10.4x	8.9x	n.m	n.m	24.9x	15.9x	n.m	n.m	21.6x	14.2x
Longino & Cardenal SpA	Milan	30	1.6x	1.0x	0.8x	0.7x	n.m	n.m	17.6x	11.8x	n.m	n.m	24.6x	15.0x	n.m	n.m	37.1x	22.4x
Premium Brands Holdings Corp	Toronto	3,746	1.9x	1.6x	1.5x	1.4x	24.6x	17.0x	14.9x	13.5x	n.m	23.5x	20.6x	n.a.	n.m	29.0x	23.5x	20.3x
Bid Corporation Limited	JSE	6,180	1.0x	0.9x	0.8x	0.8x	16.3x	14.9x	11.9x	10.9x	24.2x	23.6x	15.6x	14.5x	n.m	35.2x	21.1x	19.6x
Average peer group		2,408	3.4x	3.4x	3.0x	2.7x	21.9x	18.6x	15.8x	13.7x	32.6x	24.9x	21.9x	17.7x	43.1x	34.2x	28.2x	23.0x
Median peer group		1,572	2.6x	3.1x	2.9x	2.7x	21.5x	17.6x	14.9x	13.3x	33.6x	25.8x	20.6x	16.3x	43.9x	36.4x	24.8x	21.5x
Vantea Smart S.p.A.	Milan	90.7	5.1x	2.5x	1.5x	1.1x	n.m	21.7x	11.4x	7.4x	n.m	24.6x	13.3x	8.5x	n.m	36.4x	19.6x	12.5x

Source: FactSet, KT&Partners' Elaboration

We based our evaluation upon 2021, 2022, and 2023 EV/EBITDA and P/E multiples and our estimates of Vantea's EBITDA and Net Income over the period 2021-23. Our valuation also includes a 15% liquidity/size discount, and takes into consideration FY20 Net Debt (equal to €0.3mn) adjusted for i) IPO capital increase, net of listing costs, and ii) ESC2 acquisition.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E	2023E
EV/EBITDA Comps	18.6x	15.8x	13.7x
Vantea EBITDA	4.0	7.6	11.8
Enterprise value	74.4	120.7	161.2
Vantea FY20 Net Debt Adjusted	0.7	0.7	0.7
Equity Value	73.7	120.0	160.4
Average Equity Value		118.0	
Size/Liquidity Discount		15%	
Equity Value Post-Discount		100.3	
Number of shares (mn)		12.0	
Value per Share €		8.36	

Source: FactSet, KT&Partners' Elaboration

P/E Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E	2023E
P/E Comps	34.2x	28.2x	23.0x
Vantea Net Income	2.5	4.6	7.2
Equity Value	85.0	130.5	166.1
Average Equity Value		127.2	
Size/Liquidity Discount		15%	
Equity Value Post-Discount		108.1	
Number of shares (mn)		12.0	
Value per Share €		9.01	

Source: FactSet, KT&Partners' Elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 6.8% cost of equity, 3% cost of debt and a D/E ratio of 6.55% (Damodaran for Software (System Application)). The cost of equity is a function of the risk-free rate of 0.81% (Italian 10y BTP), 5.39% equity risk premium (Damodaran for a mature market - March 2021) and a premium for size and liquidity of 2% (source: Duff&Phelps). We, therefore, obtained 6.5% WACC.

We discounted 2021E-24E annual cash flows and considered a terminal growth rate of 2%; to obtain the company's equity value we also considered an NFP adjusted for IPO capital raise and listing costs; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation				
€ Millions	2021E	2022E	2023E	2024E
EBIT	3.5	6.5	10.2	14.7
Taxes	(1.0)	(1.9)	(3.0)	(4.3)
D&A	0.5	1.1	1.6	2.1
Change in Net Working Capital	(4.7)	(1.8)	(2.7)	(3.2)
Change in Funds	0.3	0.4	0.5	0.6
Net Operating Cash Flow	(1.5)	4.3	6.6	9.9
Capex	(3.8)	(2.3)	(2.5)	(2.6)
FCFO	(5.3)	2.0	4.1	7.3
g	2.0%			
Wacc	6.5%			
FCFO (discounted)	(5.2)	1.8	3.5	5.8
Discounted Cumulated FCFO	6.0			
TV	163.3			
TV (discounted)	130.8			
Enterprise Value	136.8			
NFP/(Cash) FY2020 Adj.	(3.6)			
Equity Value	140.4			
Current number of shares (mn)	12.0			
Value per share (€)	11.70			

Source: Company Data, KT&Partners' Elaboration

Sensitivity analysis

€ millions		WACC				
		7.0%	6.8%	6.5%	6.3%	6.0%
Terminal growth Rate	1.5%	114.4	120.3	126.9	134.0	142.0
	1.8%	119.6	126.1	133.3	141.2	150.1
	2.0%	125.4	132.5	140.4	149.2	159.1
	2.3%	131.7	139.6	148.3	158.2	169.4
	2.5%	138.8	147.5	157.3	168.4	181.0

Source: Company Data, KT&Partners' Elaboration

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IN THIS STUDY DCF AND MULTIPLE VALUATION MODELS HAVE BEEN USED. RECOMMENDATIONS FOLLOW THE FOLLOWING RULES:

- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% o > -15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < -15% ON CURRENT PRICE



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