



Research Report (Initial Coverage)

RedFish LongTerm Capital S.p.A.

**Portfolio shows impressive growth momentum
-
Clear upside on portfolio valuation**

Price target: 2,40 €

Rating: Buy

IMPORTANT NOTE:

Please note the disclaimer/risk note
and the disclosure of possible conflicts of interest pursuant to section 85 WpHG and article 20 MAR from page 44

Note according to MiFID II Regulation for Research "Low non-monetary benefits": The research in question meets the requirements for classification as "Minor non-monetary benefits". For more information, please refer to the disclosure under "I Research under MiFID II".

Date and time of completion of the Research Report: 05.02.2024 (07:20)

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Validity of the target price: until 31.12.2025

RedFish LongTerm Capital S.p.A. *5a,6a,11

Rating: Buy

Price target: 2,40 €

Current exchange

rate : € 1,41

10.01.24 12:36

Euronext Milan

Master data:

ISIN: IT0005549354

WKN: A3ETH6

Bloomberg: RFLTC

Number of shares³: 19.13

Market capitalization³: 26.97

EnterpriseValue³:

30.17 in m/ in EUR m

Free float: 39.34%

Market segment:

Euronext Growth Milan

Accounting Standard:

IFRS or OIC

Designated Sponsor:

WITH Sim S.p.A.

Fiscal year: 31.12.

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Profile of the company

Industry: Investment companies

Focus: Rail, Marine & Aerospace, Industry & Machining, 3D Printing, Telecommunications, Made in Italy, Healthcare & Medical, ICT, Food

Employees: 3 as at 31.12.2022

Established: 2020

Head office: Milan, Italy

Verwaltungsrat: Paolo Pescetto (Präsident), Andrea Rossotti (CEO), Francesca Bazoli, Ernesto Paolillo, Luigi Pacella Grimaldi, Lorenza Castelli, Raffaella Viscardi



RedFish LongTerm Capital S.p.A., founded in 2020 by Paolo Pescetto and Andrea Rossotti in partnership with the Bazoli and Gitti families, is a Milan-based industrial holding company. It focuses on the acquisition of family-owned Italian medium-sized enterprises (SMEs). RFLTC focuses on mature companies with an EBITDA of more than € 2 million who are seeking a new phase of strong development and want to enter the acquisition market both in Italy and in international markets. RFLTC makes investments with a long-term approach and prefers transaction structures geared to qualified minority interests, but also carries out majority participation transactions.

GBC Rating

Portfolio companies	50,1
Net debt	2,5
Warrants & Options	0,4
Equity	47,2
Holding-Kosten	1,26
Fair value of the company	45,9
Number of outstanding shares	19,14
Fair value per share	2,40

Financial calendar

24.04.2024 Annual Report 2023

29.10.2024 Half-year report 2024

**latest research reports by GBC:

Date: Publication/ Price target in EUR/ Valuation

** The research studies listed above can [be requested](#) at www.gbc-ag.de or at GBC AG, Halderstr 27, D86150 Augsburg.

* Catalogue of possible conflicts of interest on page 45

EXECUTIVE SUMMARY

- RedFish LongTerm Capital (RFLTC) is an investment holding founded in 2020 by Paolo Pescetto, Andrea Rossotti and the Bazoli Gitti family, specializing in industrial SMEs. Since June 2023, the company has been listed on the Milan Stock Exchange in the Euronext Growth Milan. RFLTC is focussing on the acquisition of Italian, family-run SMEs with a EBITDA of over € 2 million. The investments are long-term and include qualified minority or majority stakes, also in the form of club deals. RFLTC invests in leading companies in niche markets.
- RFLTC has a cost structure focused on value preservation and a compensation system for managers, which is mainly based on the appreciation of shares and the possible distribution of dividends to shareholders.
- RFLTC has made nine acquisitions in leading Italian companies, seven of which remain in the portfolio. The companies are Convergenze S.p.A., Tesi S.r.l., Solid World S.p.A., Expo Inox S.p.A., Movinter S.r.l., Six Italia S.p.A., PureLabs S.p.A.gien, 3D digital integration as well as manufacturing and diagnostics.
- The determination of the fair value of the RFLTC includes the various investments and their valuations. We used a sum-of-parts rating, which is mainly based on multiple ratings.
- **We calculated a NAV of €50.1 million for the portfolio companies. Net of net debt of €2.5 million and the value of warrants and options of €0.4 million we have calculated an equity value of € 47.2 million. Minus the holding costs of € 1.26 million, we believe that the fair value of the company is € 45.9 million, which is € 19.14 million. Shares corresponds to a fair value of € 2.40 per share. Against the background of the clear upside potential, we award the rating Buy.**

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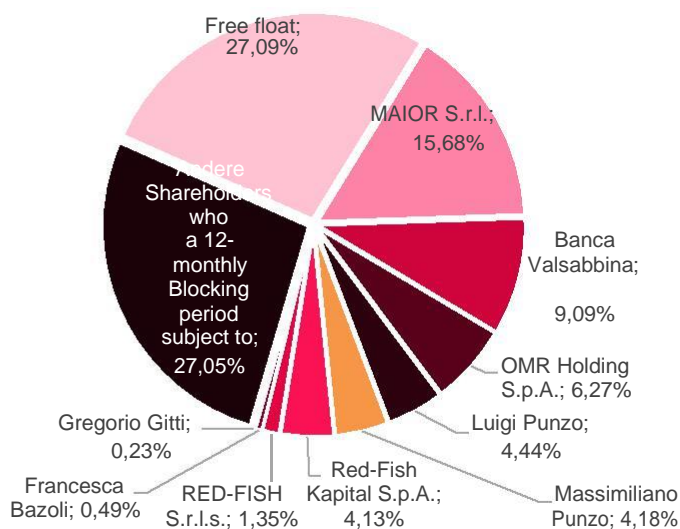
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Overall rating..... 42
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UNDERTAKING

Shareholder structure

Shareholders	Share
Free float	27,09%
MAIOR S.r.l.	15,68%
Banca Valsabbina	9,09%
OMR Holding S.p.A.	6,27%
Luigi Punzo	4,44%
Massimiliano Punzo	4,18%
Red-Fish Kapital S.p.A.	4,13%
RED-FISH S.r.l.s.	1,35%
Francesca Bazoli	0,49%
Gregorio Gitti	0,23%
Other shareholders who are 12-month blocking period subject to	27,05%

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG



Enterprise

RedFish LongTerm Capital S.p.A., founded in 2020 by Paolo Pescetto and Andrea Rossotti in partnership with the Bazoli and Gitti families, is a Milan-based industrial holding company. It focuses on the acquisition of family-owned Italian medium-sized enterprises (SMEs). RFLTC focuses on mature companies with an EBITDA of more than € 2 million who are seeking a new phase of strong development and want to enter the acquisition market both in Italy and in international markets. RFLTC makes investments with a long-term approach and prefers transaction structures geared to qualified equity investments, but also carries out majority investment transactions.

Board of Directors

Paolo Pescetto, Founder & Chairman of the Board of Directors



Paolo Pescetto, born on 27 April 1969 in Savona, Italy, is an experienced executive with extensive academic and professional experience. Since 2019, he has been a lecturer in corporate finance at the Politecnico di Milano and the University of Bocconi. Between 2006 and 2018 he taught as a contract professor for corporate strategies at the MIP (Master d'Impresa Politecnico) and from 2001 to 2014 he was professor

at the University of Genoa. He holds a Masters in Managerial Decisions and Public Ethics from Politeia (1994) and a degree in Business Administration from Bocconi University (1993).

Professionally, Pescetto has been President of Redfish LongTerm Capital S.p.A., since 2018 President of Innovative-RFK S.p.A., and since 2014 Managing Director of Red FishFrom 2007, he headed Arkios Italy S.r.l., holding various senior positions in other companies, including as General Manager of an Italian luxury cosmetics company from 2006 to 2007. Between 2000 and 2006 he worked at Value Partners and from 1994 to 2000 he was a consultant at large consulting companies such as BCG and Bossard Consultants.

During his career, he has conducted numerous high-profile financial transactions for private equity funds and investment companies, including acquisitions, capital gains and company valuations.

Andrea Rossotti, Founder & CEO



Andrea Rossotti, born on 27 February 1980 in Genoa, Italy, is an experienced manager and financial expert. He completed his studies in Management Engineering at the University of Genoa with top marks and participated in further MBA courses at the Luiss Guido Carli University in Rome, with a focus on M&A and project financing.

Rossotti has held several management positions in various companies. Since September 2022, he has been the CEO of RedFish LongTerm Capital S.p.A., previously the sole managing director of Red-Fish Management & Advisory S.r.l., and has held several board positions in companies such as RFLTC S.r.l., and Asco Filtri S.p.A.

In his professional career, he founded RedFish LongTerm Capital S.p.A., and worked as a portfolio manager. He was also responsible for Transaction Services at Kayak S.r.l., and was the founder and investment manager of Innovative-RFK S.p.A., a holding specializing in in-novative SMEs. Other professional positions include roles at Arkios Italy, Italia-Mobile S.r.l., and Evolution Investment S.p.A.

Francesca Bazoli, Founder & Member of the Board of Directors



Francesca Bazoli, born in Brescia on February 7, 1968, is an experienced lawyer and a respected leader in business. She graduated from the Liceo Cesare Arici in Brescia in 1986 and graduated in law from the Università Cattolica del Sacro Cuore in Milan in 1991, each with top marks. From 1992 to 1995

Research fellow in the field of constitutional law at LIUC University in Castel-lanza. Since 1994 she has been admitted to the bar in Brescia and founded a law firm specializing in civil, corporate, commercial, insolvency, financial market and banking law.

During her career, Bazoli has held numerous administrative roles in various companies and organizations. She has been a member of the Board of Directors and President of several prestigious companies, including Editoriale Bresciana SPA, Business Bridge SRL, Edi-toriale Teletutto Bresciasette SRL, Centro Stampa Quotidiani SPA, UBI Leasing SPA, Microsrl, Banco di Brescia SPA, GZ Corporate Finance SRL, ALBA SPA, UBI Sistemi e Servizi S.C.P.A., Editrice Morcelliana SRL, Panariagroup Industrie Ceramiche SPA, Pistacchio FISH SPA and Red LongTerm Capital SPA. She was also involved with Innovative-RFK SPA and Red Fish Long Term SRL.

In addition to her work in the private sector, Bazoli was also active in various non-profit organizations, including the Cooperativa Cattolica Democratica di Cul-tura, the Fondazione Banca S.Paolo di Brescia, the Fondazione Accademia Cattolica di Brescia, the Fondazione Cattolica di Assicurazione and the Fondazione Brescia Musei. She has also published scientific articles on topics such as media freedom in the US and antitrust legislation.

Ernesto Paolillo, Founder & Member of the Board of Directors



During his career, Ernesto Paolillo has held various important positions. This includes his work as a lecturer in business and business management in sports at LIUC University in Castellanza from 2012 to 2018 and his membership in the Financial Fair Play Committee of the Union of European Football Associations (U.E.F.A.) from 2008 to 2012. He was also Director General of Banca Po

polare di Milano from 1997 to 2004 and co-director from 1994 to 1997. From 1993 to 1994 he was Director General at Interbanca Milano and from 1979 to 1993 he held the position of Co-General Director and Head of Finance at Banco Lariano (San Paolo Institute Group). Previously, he gained extensive operational experience in various cities worldwide for Banca Commerciale Italiana (CO-MIT) from 1964 to 1979.

Ernesto Paolillo has also held advisory and supervisory board positions in various companies including BE Consulting, Juniper, Iquii, Innovative Red Fish Kapital, Fondazione Pirelli Hangar Bicocca, Red Fish Kapital Long Term, Think Global Investments London and Fondazione Pierlombardo.

Ernesto Paolillo holds a degree in economics from the Università Cat-tolica del Sacro Cuore in Milan.

Des Weiteren war er Mitglied in verschiedenen Aufsichtsräten, darunter Banco Santander Italia, UBS Italia, Alerion S.p.A., European Club Association Nyon, Internazionale Milano Football Club, Prima Sgr, Anima Sgr, Banca Popolare di Garanzia, Banca Popolare di Intra, Società Esercizi Aeroportuali (S.E.A.), Università Cattolica di Milano, Fiera Milano S.p.A., Dexia-Crediop, Banca Akros, Akros Securities Inc. N.Y., Istituto Centrale Banche Popolari, Bipiemme Vita, Bipiemme Gestioni Sgr und Forex Club Italiano.

Luigi Pacella Grimaldi, Partner & Member of the Board of Directors



During his career, Luigi Pacella Grimaldi has held various positions, including Operations and Commercial Manager at Grimaldi Group in Naples, Italy, Analyst in DCM Corporate at Mediobanca in London, United Kingdom, as well as an analyst at Welton Hazz Group, a company in the shipping and financial investment sector, in Shanghai, China.

His academic education includes a semester as part of the IE BBE Program at Tongji University in Shanghai, China, a Master in International Management from the IE Business School in Madrid, Spain, and a Bachelor of Science in Business Administration and Management of Bocconi University in Milan, Italy.



Lorenza Castelli, Member of the Board of Directors & Investment Manager

Her professional career includes various stations. Since May 2022, she has held the position of investment manager in the holding company for industrial interests REDFISH LONGTERM CAPITAL S.p.A., where she is responsible for the management and development of the investments as well as the valuation of new investment opportunities

lich. Until April 2022, she was Managing Director of Milan Image Art Photo Fair, MIA Photo Fair, an international contemporary art photography fair in Italy. After 15 years of experience in corporate finance and strategic consulting, she founded this company together with her father in 2011 and developed it into the third largest photo art fair in Europe. In 2021, she personally led the transaction that enabled MIA Fair to join the Fiere di Parma S.p.A.

Prior to joining MIA Fair, she worked in both M&A transactions and strategic planning projects (business development/planning, due diligence, restructuring) and worked for a leading company for strategic consulting. She also had experience in capital markets, especially in IPOs (for example Cairo Communication), while working for a leading Italian investment bank and listed companies (HdP - RCS Media Group).

She has also completed a variety of studies and educational programs, including the Master for Executives at Harvard Business School in Strategic Financial Analysis for Business Evaluation and a Bachelor's degree in Business Administration from the Università Luigi Bocconi in Milan.



Raffaella Viscardi, Independent member of the Board of Directors

Raffaella Viscardi is an experienced expert in the financial sector with more than two decades of expertise in asset management and finance. She currently holds the position of CFO and CIO at Viris S.p.A., based in Milan. It is responsible for managing bank relationships and negotiating financing agreements on behalf of the group.

Prior to joining Viris S.p.A., Raffaella was a private banker at Banca Sella spa in Milan, where she worked in asset management

for High Net Worth Individuals. She also gained experience as a credit analyst at Centrobanca in Milan, where she conducted balance sheet analyses for lending.

Apart from her main activity at Viris S.p.A., Raffaella Viscardi is an independent member of the Board of Directors of various companies, including La Doria Group S.p.A., Brioschi Sviluppo Immobiliare S.p.A., Guala Closure S.p.A., Snaitech S.p.A., EPS, Yard S.p.A., 3Marys Entertainment Srl, Biomedical Technology Consulting Srl, Base Srl and Pisa Sporting Club.

She obtained her Executive MBA from SDA Bocconi in Milan in 2013-2014 and graduated cum laude from Università L.Bocconi in Milan in 1998.

Business activity

Company history at a glance

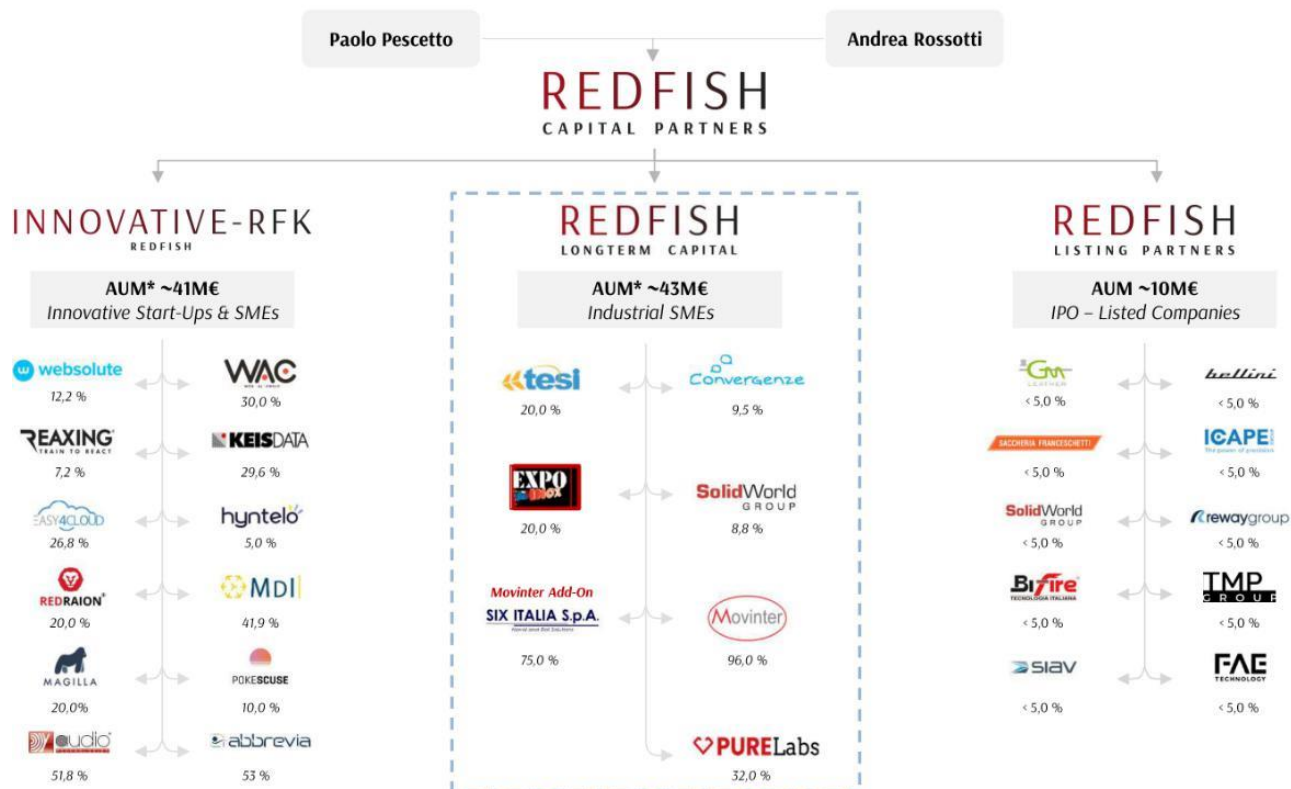
Date	Development
March 2020	RFLTC was run by Paolo Pescetto, Andrea Rossotti (RedFish), Francesca Bazoli and Gregorio Gitti (Castello di Perno) founded.
July 2020	The first capital increase of € 6.2 million, shortly after which RFLTC First investment by acquiring a 12.5% interest in Convergenze S.p.A. € 1.1 million acquired.
September 2020	On 30 September, RFLTC invested € 5.1 million in MaticMind S.p.A. Participation of 4.2%.
H1 2021	RFLTC closed the second capital increase of € 4.7 million, to a share capital course from 1,15 €, from.
October 2021	On October 13, RFLTC acquired a 20% interest in Tesi S.r.l. Mio. €.
Q4 2021	As part of the third capital increase, a further € 5.3 million, to a Share price of 1.25 €, collected.
December 2021	On 27 December, the company invested €1 million in Solid World S.p.A. by signing a convertible bond.
February 2022	RFLTC completed its fifth investment and acquired a 20% stake to Pistacchio S.p.A., for 1 million euros (this share was 2022 sold for € 1.1 million).
June 2022	RFLTC issued a €3 million convertible bond with an interest rate of rate of 6%, a maturity of 12 months and an exercise price speaking the IPO price (1,50 €).
October 2022	CVC Capital Partners and CDP Equity acquired 100% of MaticMind S.p.A., whereby RFLTC's 4.25% share for € 12 million (acquired for 5.1 million. €) exchanged for cash.
November 2022	RFLTC acquires a 20% stake in Expo Inox S.p.A. Mio. €.
April 2023	RFLTC completed its first 100% share acquisition and invested €11.5 million for the acquisition of Movinter S.r.l. € 8.8 million in debt in the form of a shareholder loan.
June 2023	On 30 June 2023, RFLTC completed its IPO, achieving approximately 4 € million by issuing new shares at a price of € 1.50 per share tie. At the time of the IPO, RFLTC achieved a of € 28.7 million, with a free float of 27 rung also includes the conversion of a Convertible bond of € 3 million at the IPO price. In addition to the output The IPO included the issue of around 4.9 million new shares Warrants with a conversion ratio of 1:2 notes have different exercise prices of €1.65, €1.82 and €2.00 for the exercise periods 2023, 2024 and 2025.
November 2023	RFLTC acquires approximately 26% of PureLabs S.p.A., for € 4 million, to health sector. PureLabs specializes in the acquisition of Management and integration of clinical diagnostic centers. Purelabs is a buy and-build project focused on healthcare.
December 2023	RedFish LongTerm Capital (RFLTC) and its subsidiary Movinter S.r.l. have a pre-contract to acquire 75% of the shares in Six Italia S.p.A., a company specialized in fire protection, sound insulation protection and ground systems for shipping and rail transport market, signed. The €1.8 million transaction is part of RFLTC's strategy for horizontal integration into related markets. Six Italia, founded in 1994, has established itself as a major player in its sector and has offices in Genoa and the United States is planned for the end of January 2024 and is financed by Equity of RFLTC.

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

The business model

RFLTC is an industrial holding company specializing in the acquisition of shares in Italian SMEs. The aim is to initiate a new phase of growth for the companies and to further increase margins.

Group structure of RFLCP with its sister companies Innovative-RKF and RedFish Listing Partners



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

RFLTC acquires qualified minority or majority interests with the aim of holding them for a long period of time. This is done either through own investments or through club deal structures involving other investors. RFLTC focuses on target companies with the following characteristics:

Niche positioning: These companies have specific products and a high level of expertise.

Strong growth and financial stability: Companies with a EBITDA of over € 2 million, an expected profit margin of more than 10% and Ability to generate liquid funds efficiently.

Family-run companies: A strong commitment of the founding families to corporate growth is a key criterion.

Potential for growth: These companies should be able to expand both organically and through internationalization and M&A activities.

The preferred sectors of RFLTC are precision engineering, railway, aerospace, food, ICT (information and communication technology) and telecommunications. The aim is to implement two to three club deals each year with a value of around €10 million.

After participating in a company, RFLTC works closely with the entrepreneurs and management to jointly design a detailed growth plan. This plan focuses mainly on three key areas:

Operational Performance Enhancement: RFLTC leverages the extensive know-how and resources of its network to strengthen the business of its holdings. These include the introduction of advanced management methods, the optimization of production processes and the implementation of new technologies. The aim is to make central business processes more efficient and competitive.

Promoting external growth: RFLTC actively supports the company in the search and acquisition of target companies. This strategy aims to expand the range of products or services and to open up new markets. Through this diversification, the company aims for a more stable and broader market presence.

Optimisation of the financial structure: RFLTC's contacts with financial institutions strengthen the financial basis of the investment. This may include debt restructuring, securing favourable financing conditions or access to additional capital for growth projects. The aim is to create a stable and sustainable financial basis for the company, which enables it to pursue growth opportunities with confidence and adequate means.

Overall, RFLTC pursues an integrative approach that goes beyond pure equity participation. By actively contributing expertise, networks and resources, RFLTC contributes significantly to the value creation and long-term success of the companies involved.

Investment process

The investment process of RFLTC is characterized by a series of well-considered steps carried out by a team of experienced professionals. This process begins with identifying new investment opportunities using internal resources and external partnerships. At this stage, the RFLTC management team works closely with a specialized panel to thoroughly assess the potency of each opportunity.

Once a potential investment has been identified, a detailed analysis is carried out by the RFLTC panel and industry experts, examining the target company's business model for suitability. At this stage, the services of consultants like Kayak are crucial for a comprehensive analysis.

After a positive preliminary analysis, the actual investment phase begins. The Board of Directors reviews the Letter of Intent (LOI) and evaluates the business strategically. This is followed by a due diligence review and the preparation of the investment agreement. Following approval by the Board of Directors, the RFLTC team will report on the completion of the transaction.

RFLTC's commitment does not end with the investment. It actively supports each subsidiary in strategy implementation and value creation by providing resources such as human capital and expertise. RFLTC provides services in areas such as M&A and international expansion.

Lean Management

The remuneration for RFLTC investors comes from operating income and the value of the company. For the founding shareholders, there is a variable remuneration linked to the increase in value of RFLTC and a mechanism for the conversion of class x shares.

RFLTC has an efficient cost structure with variable compensation for founders and management, mainly consisting of dividends and stock options. This structure offers investors the advantage of minimising value losses and sets RFLTC apart from other market participants.

Discontinued projects - SICAF Investmentgesellschaft

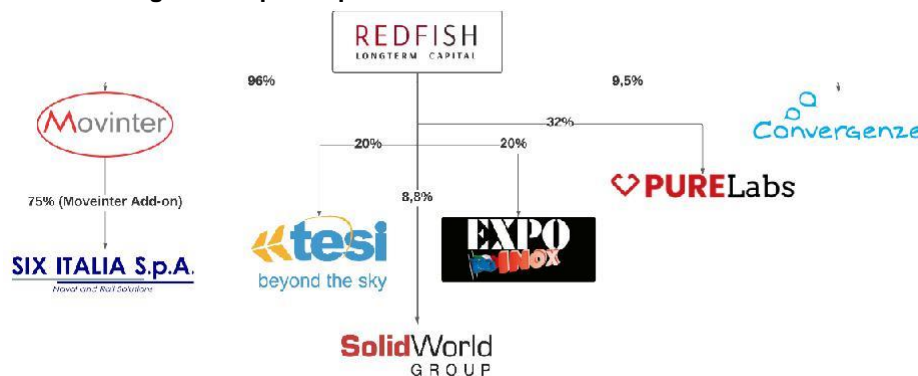
In June 2022, RFLTC entered into an investment agreement with Banca Profilo S.p.A., to establish a fixed income investment company (SICAF). The focus of SICAF is on investments in minority interests in companies that are either ready for a listing in the Milan market Euronext Growth or are looking for acquisition business. These companies should have a turnover of less than € 200 million.

Due to changing market conditions and geopolitical and financial developments that do not meet the expectations of strategic investors, it was decided not to pursue the SICAF project. Instead, the parties plan to reconsider their cooperation and hold talks on further strategic decisions, while maintaining the existing agreements. RFLTC now intends to reallocate the IPO proceeds for the SICAF project in order to strengthen its growth strategy through external investments. This is intended to accelerate the development of the portfolio companies and expand their presence in neighbouring markets.

Shareholdings

RFLTC currently has seven shareholdings: Convergenze (utilities), Expo Inox (smoke extraction and metal exhaust systems), PureLabs (clinical diagnostics), So-lid World (technology), Tesi (aerospace), Movinter (railway equipment) and as an add-on acquisition Movinter Six Italia (fire protection for the railway and shipping sector). Of these, Movinter and Six Italia are majority shareholdings, with shareholdings of 96% and 75% respectively. In addition, RFLTC has already successfully sold two companies: MaticMind and Pistacchio.

RedFish LongTerm Capital S.p.A.



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Participation	Status	Sector	Investment date	Exitdatum	Investment high*	Equity high	Sales proceeds*	
Convergenze	Continuously	Utilities	Jul 20			1,1	12,5%	
Tesi	Continuously	Aerospace	Oct 21			5,0	20,0%	
Solid World	Continuously	Technology	Dec 21			1,0	6,1%	
Expo Inox	Continuously	Smoke extraction systems and Metallabgassystemen	Nov. 22			6,0	20,0%	
PureLabs	Continuously	Clinical diagnostics	Nov. 23			4,0	26,0%	
Movinter	Continuously	Bahnausrüstung	Apr. 23			11,5	96,0%	
Six Italia	Continuously	Bahnausrüstung	Dec 23			1,8	72,0%	
MaticMind	Exit	Technology	Oct 20	Oct 22		5,1	4,2%	12,0
Pistacchio	Exit	Food	Feb. 22	Dec 22		1,0	20,0%	1,1

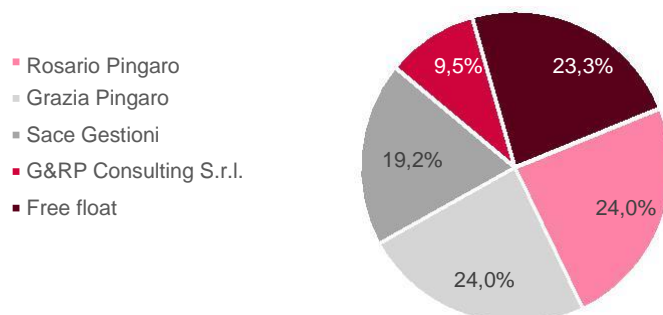
Quellen: RedFish LongTerm Capital S.p.A.; GBC AG; *in Mio. €

Convergenze S.p.A., (€1.1 million, 12.5% stake - Current: 9.6%)

On 27 July 2020, RFLTC acquired a 12.5% stake in Convergenze via G&RP Consulting for € 1.1 million corresponding to an EV/EBITDA multiplier of 5.8x for the financial year 2019. In 2019, Convergenze achieved adjusted EBITDA of €1.6 million with net debt of €0.5 million. In addition, RFLTC was granted the right to appoint a member to both the Board of Directors and the Board of Auditors of Convergenze. Furthermore, RFLTC concluded a consulting contract with Convergenze, which includes about 30,000 euros annually. This agreement aims to support Convergenze in exceptional financial transactions such as mergers, acquisitions and financings. An example of this is the purchase of the add-on investment Positivo S.r.l., in June 2022.



Convergenze S.p.A., Germany - RFLTC has a stake in Convergenze S.p.A., through the 100% participation vehicle G&RP Consulting S.r.l.



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Founded in 2005 and based in Capaccio Paestum, Italy, Convergenze S.p.A., is a multi-utility company that has been active for over 15 years in internet and voice services (34% of sales) and since 2015 also in energy and natural gas (66% of sales). The company was originally founded to bridge the "digital divide" in the Cilento region and has since maintained a strong regional presence. The IPO of Convergenze S.p.A took place on Euronext Growth Milan on 30 December 2020 with a market capitalization of € 12 million RFLTC was subject to a lock-up agreement until the end of 2023. The share is currently trading around 50% below its issue price.

Share price of Convergenze S.p.A.



Source: GBC AG

Telecommunications Segment (TLC): In this segment, the company offers voice and data packages at national level. As of June 30, 2023, the Company has developed and expanded an approximately 8,600 km long proprietary fiber optic network. Convergenze also manages over 100 Wi-Fi bridges.

Energy segment: Since 2015, this division has been providing energy and natural gas services, partly from renewable energy sources. The company promotes electromobility through its patented EVO (Electric Vehicle Only) network, with 18 charging stations and two EVO hospitality facilities in different provinces, as well as 18 EVO solution stations in commercial areas. Further installations are underway in Tuscany and Kam-panien.

(in Mio. €)	FY 2020	FY 2021	FY 2022	H1 2022	H1 2023
Sales	16,30	18,37	28,14	12,53	10,42
EBITDA	2,15	1,79	1,37	0,49	1,35
EBITDA margin	13,2%	9,7%	4,9%	3,9%	13,0%
Net result	0,69	0,24	-0,80	-0,43	0,47
Net debt	0,10	2,30	6,10	5,00	6,50

Quelle: Convergenze S.p.A., GBC AG

In the past financial years, Convergenze was able to significantly expand its revenue base to € 28.14 million (FY 2022). Sales growth of 53.2% year-on-year was achieved in both business segments, but mainly in the Energy segment, which was influenced by the dynamic conditions on the electricity and natural gas market. However, this is a volatile business, which explains the decline in sales in the first half of 2023. This is due to the decline in raw material costs, which burdened the Energy segment. The TLC hinge-gen segment benefited from an increase in customer numbers and recorded revenue growth.

The high profit margins of the growing TLC segment led to EBITDA at the level of the full year 2022 on a half-year basis in 2023. The Energy segment, which is characterized by high procurement costs, almost reached the EBITDA threshold.

Tesi S.r.l. (€ 5.0 million, 20% participation)

On 13 October 2021, in partnership with Invitalia Fondo Cresci al Sud, RFLTC made an investment in Tesi, through which it acquired a 20% interest for a total of €5.0 million acquired – including transaction costs, the price amounts to € 5.1 million. Furthermore, RFLTC paid an earn-out of €400 thousand in 2022 based on the results of the 2021 financial year. Up to and including the year 2024, additional earn-out

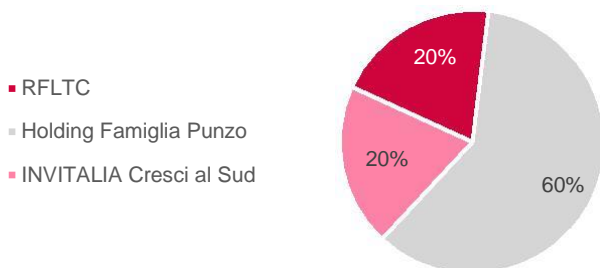
Payments up to a total amount of € 3 million planned. RFLTC also received the following



Right to appoint one member to the Board of Directors and the Board of Auditors of Tesi.

RFLTC has also entered into a consultancy contract of €15,000 per half year to support Tesi in two key areas: first, the identification and acquisition of companies that provide complementary products and services in the aerospace industry, Offer composite materials, helicopter production as well as railway and military components; and secondly, in implementing an effective management control system.

Participation structure of Tesi S.r.l.



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Tesi S.r.l., originally founded in 1973 as "Moderna Meccanica" by Gabriele Punzo, has become an important player in the aerospace industry over the years.

Today, Tesi operates according to a verticalized production model that focuses on aluminum, titanium and steel alloys. Through this specialization, the company has achieved a high level of efficiency in the areas of cost, quality and delivery optimization, which contributes significantly to financial sustainability. Tesi's facilities enable a variety of processes, including sheet metal forming, machining, heat treatments, surface treatments, assembly and quality control. Tesi offers a wide range of services, including design, tooling, fixture construction, light metal, steel and titanium alloy machining, 5-axis machining and various heat and surface treatments. The company also carries out extensive quality tests and has its own chemical laboratory.

Tesi is very active in research and development and participates in innovative projects such as Door 4.0, part of the European Clean Sky project, More Electric Air-craft and All Electric Aircraft. These projects focus on reducing environmental impact through the use of innovative technologies.

The company is also working on a number of space projects in collaboration with Thales Alenia Space. These projects include ORION MPCV, MDPS CYGNUS, Bepi Colombo and Ara Frame Project, where Tesi is responsible for the design, production and certification of metal components. In addition, Tesi's ongoing initiatives include projects such as MATHSPACE, which is engaged in the construction of satellite structures, the HAPS project for a high-level platform system, and the OPUS 4.0 project, which is dedicated to the development of a robot for world armsdedicated to space applications.

(in Mio. €)	FY 2020	FY 2021	FY 2022
Sales	22,50	14,70	15,60
EBITDA	4,70	4,00	4,10
EBITDA margin	20,9%	27,2%	26,3%
Net debt	-4,30	-2,20	2,10

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

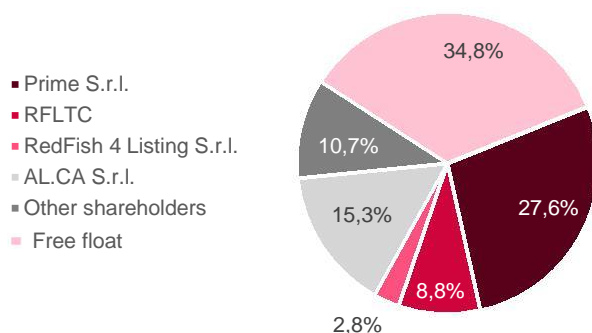
In the coming years, the company will have the opportunity to use its solid cash flow for acquisitions in order to further strengthen its market position. After the last two years have been affected by the Covid-19 pandemic and the resulting expansion in the civil aviation sector, a positive development was seen in the fiscal year 2022. With a growth of 6.1% compared to the previous year, the company generated revenues of € 15.6 million (previous year: €14.70 million) and an EBITDA of €4.10 million (previous year: €4.00 million) and an EBITDA margin of 26.3% (previous year: 27.2%).

Solid World S.p.A., (Initial: € 1 million, 6.13% stake - After conversion Warrants: Total of €2.15 million for 8.8%)



On 27 December 2021, RFLTC was the main investor in an investment of €1.05 million in a convertible bond from Solid World. In addition, RFLTC was given the right to appoint one member to the Board of Directors and the Audit Committee.

Investment structure of Solid World S.p.A.



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

In July 2022, the company was listed on the Euronext Milan Stock Exchange. Following the IPO and conversion of the convertible bond, RedFish held a 6.13% interest in Solid World. After the IPO, the price is now around 66% above the IPO price.

In July 2023, RFLTC converted 1,044,697 warrants into common shares, increasing the shareholding ratio to 8.8%.

In September 2022, RFLTC signed a €30,000 contract with Solid World to assist the Company in seeking suitable acquisition candidate data to complete its offering and expand its market share, as well as in raising capital.

Solid World Group, founded in 2004, is the leading Italian 3D digital system integrator in the field of digital 3D innovation. It consists of companies that cover all phases of the digital 3D manufacturing chain and is controlled by the holding company So-lid World Group S.p.A. With 14 facilities and 3 technology centres throughout Italy, the Group offers 3D printing, training and

integrated services for industries such as automotive, aerospace, mechanics, mechatronics, sports, home design and fashion. Through its subsidiaries BIO3DMODEL and BIO3DPRINTING, the group is also active in the biomedical sector and in the production of bioprinters.

Share price performance of Solid World S.p.A.



Sources: GBC AG

The Group relies on connectivity as the main pillar of its activities, as it covers the entire technology chain for the digital factory. These include 3D modeling software, scanning systems, 3D printers and additive manufacturing services. Its comprehensive service portfolio includes hardware such as 3D printers, scanners, measuring arms, additive manufacturing services and proprietary software solutions. The software is developed and distributed by group companies, while licenses can be installed both in the cloud and on-premises.

The Group's operating companies are diverse and cover various areas, including Energy Group (3D printer sales), SolidCAM Italia (Distributor of SolidCAM and iMACHINING), Design Systems (Solution Partner for CATIA) Tecnologia & Design S.c.a.r.l., (3D Digital Design Laboratory), SolidEngineering S.r.l., (SolidWorks Distribution), SolidFactory S.r.l., (Digital Innovation and Industry 4.0), Bio3DModel S.r.l., (Advanced Medical Technologies and Services) Bio3DPrinting (production of bioprinters), SolidInnovation (Industry 4.0 applications in data management) and SolidWorld Middle East DMCC (technology and automation support in the Middle East and Dubai).

As of 30 June 2023, the Group has an average of 172 employees at its 14 sites and 3 technology centres. Your customers, mainly from the aerospace, automotive, home design and fashion industries, benefit from 3D technology to increase their innovation rate and reduce time to market.

(in Mio. €)	FY 2021	FY 2022	H1 2022	H1 2023
Sales	55,08	57,75	30,31	33,14
EBITDA	3,82	4,02	2,76	2,47
EBITDA margin	6,9%	7,0%	9,1%	7,5%
Net result	-0,16	0,11	0,32	0,43
Net margin	-0,3%	0,2%	1,0%	1,3%
Net debt	15,30	12,30	14,30	12,80

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

The company, which has been listed in the Euronext Growth Milan segment since 2022, has grown by an average of 5.9% per year in the past three financial years and

an EBITDA margin in the mid single-digit range. The increase in sales is attributable to both organic and inorganic growth.

In the past fiscal year 2022, Solid World Group S.p.A.'s positive business development with revenues of € 57.75 million continue and thus record a moderate increase in sales of 4.8% (previous year: € 55.09 million). EBITDA increased disproportionately by 18.8% to € 4.02 million (previous year: € 3.82 million). In the first half of 2023, the growth course continued with a sales increase of 9.3% to € 33.14 million (previous year: € 30.31 million). This was also supported by a smaller company acquisition (purchase price: € 2.6 million). EBITDA rose to € 2.76 million (previous year: € 2.48 million), which corresponds to a constant EBITDA margin of 8.3 % (previous year: 8.2 %).

Expo Inox S.p.A. (6 million € investment, 20% participation)

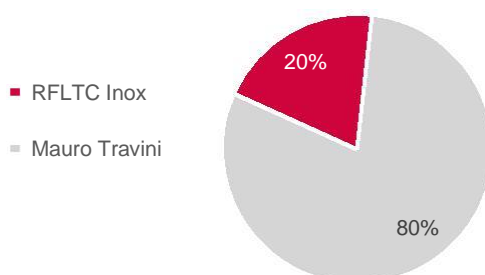
On 15 November 2022, through its subsidiary RFLTC Inox S.r.l., RFLTC acquired a 20% interest in Expo Inox S.p.A., a renowned Italian company dedicated to the research, development, production and distribution of stainless steel specialized in exhaust systems. The purchase price was € 6 million.



In addition, RFLTC signed a €48,000 consulting contract with Expo Inox. This agreement aims to support the company in various strategic initiatives. This includes identifying and acquiring companies to further increase market share in Europe, particularly following recent successful acquisitions in France and Turkey. RFLTC also supports Expo Inox in raising debt and opening new international subsidiaries.

RFLTC is currently negotiating the purchase of a branch of an Italian competitor from Expo Inox and is advising the company on the establishment of a subsidiary in the UK.

Investment structure Expo Inox S.p.A - RFLTC holds a 100% stake in Expo Inox S.p.A.



Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Expo Inox S.p.A., which has been manufacturing chimney systems since the early 1990s, is now known for its cutting-edge production technology. This technology is used to develop innovative solutions in all smoke extraction and extraction systems. The company offers a wide range of products, including rigid or flexible metallic exhaust systems made of stainless steel, polypropylene (especially for condensing boilers) and painted or enamelled carbon steel to meet all installation requirements.

Expo Inox S.p.A., has a 20,000 square metre logistics centre on the outskirts of Milan. A particular strength of the company is the in-house technical office with its own test laboratory, which is always up to date on the latest developments in

the chimney industry is informed. With a presence in 11 countries of the European Union and production facilities in Italy, France and Turkey, the company is internationally diversified.

The production line of Expo Inox S.p.A. includes a variety of flue gas extraction products made of materials such as stainless steel, copper, iron, aluminum and plastic. These products are certified and guarantee quality and durability. The range ranges from simple to tailor-made solutions and includes, among others, single-wall systems, double-walled rock wool insulated systems, double-walled air-gap systems, concentric systems, biomass chimneys, chimneys for roof penetration: flexible stainless steel systems, single-walled systems made of different materials and single-walled aluminum channels.

(in Mio. €)	FY 2020	FY 2021	FY 2022
Sales	35,00	50,20	67,20
EBITDA	4,20	6,80	8,80
EBITDA margin	12,0%	13,5%	13,1%
Net debt	20,80	14,10	14,10

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Expo Inox recorded significant growth and increased sales by 33.9% in 2022 to € 67.20 million (previous year: € 50.20 million). EBITDA increased almost equally well to € 8.80 million (previous year: € 6.80 million) the E-BITDA margin was 13.1% (previous year: 13.5%).

Movinter S.r.l. (€ 11.5 million, 96% stake)

On 20 April 2023, RFLTC, through its subsidiary Rail Fish S.r.l., acquired a 100% permanent interest in Movinter. Movinter is a company in the iron railway equipment industry and acts as a Tier 1 partner for OEM operators. The purchase price amounted to a total of € 11.5 million, divided into € 8.5 million paid on the closing day, € 1.5 million which are due until March 2023 and a further €1.5 million to be paid by March 2024. It should be noted that after the acquisition, RFLTC sold 4% of the shares in IC8 S.r.l., or the Movinter management. The company also plans to expand its activities to include acquisitions in the railway and shipping industries.



Movinter, with over 20 years of experience, has established itself as a leading supplier in the railway supply industry, specializing in carpentry, piping systems and maintenance. It has a production area of 36,000 m², of which 17,000 m² is covered, and is permitted with two rails connected to the national railway network.

The company has two business areas: Light carpentry, which is approx. 64% of the turnover is concentrated on the production of complex and standardized components for trains and locomotives, and pipeline construction, of which approx. 36% of the turnover and specializes in bending and pre-assembly of pipelines. Movinter develops a third business unit for larger joinery equipment. Mo-vinter uses state-of-the-art CNC bending machines and optical control systems for the pipe lines and offers various processing options for pipelines. The production and storage of these components takes place on an area of 3,500 m².

With a team of 100 employees and support from external partners, Movinter is able to manage all phases of the production process. This

includes the development of orders, the procurement of raw materials, production, assembly and distribution of products.

Movinter has already established itself as a Tier 1 partner for OEM operators and is about to receive POA certification. This certification will allow Movinter to also acquire orders from a major OEM operator in the aerospace sector. A POA certification, short for "Production Organization Approval", is a permit issued by the relevant aviation authority (such as the EASA in Europe or the FAA in the USA) to companies active in the aerospace industry. This certification confirms that a company meets the required standards and regulations to produce, modify or maintain aircraft parts and equipment.

(in Mio. €)	FY 2020	FY 2021	FY 2022
Sales	16,00	17,00	22,80
EBITDA	1,40	2,30	3,30
EBITDA margin	8,8%	13,5%	14,5%
Net debt	5,20	3,50	3,80

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

In fiscal year 2022, Movinter was able to increase its sales revenues by 34.1% to € 22.80 million (previous year: € 17.00 million). At the same time, EBITDA was above-average of 43.5% to € 3.30 million (previous year: €2.30 million), which led to an improvement in the EBITDA margin to 14.5% (previous year: 13.5%).

Six Italia S.p.A., (€1.80 million, 75% stake)

On 6 December 2023, the Board of Directors of RedFish LongTerm Capital approved the signing of a preliminary agreement by its subsidiary Movinter S.r.l., which is the acquisition of 75% of the shares in Six Italia S.p.A. Since RFLTC holds only 96% of Movinter, RFLTC has a 72% stake in Six Italia. Six Italia, a company based in Genoa, Italy, is a leader in the design and manufacture of sophisticated fire protection, sound insulation and flooring systems, used in both critical industry and rail, including high-speed trains, Find application.

SIX ITALIA S.p.A.
Naval and Rail Solutions

Movinter intends to acquire 75% of Six Italia for a purchase price of €1.80 million while the remaining 25% of the capital will remain with the current owners Fabio Raffaghello (15%) and Fortunato Guida (10%). The completion of this transaction, which is scheduled for the end of January 2024, is subject to certain conditions, including the failure of the Italian government to exercise its right of veto. In addition, a profit-sharing arrangement based on the results of Six Italia's 2024 financial statements is foreseen for the selling shareholders.

The acquisition is financed by own funds from RFLTC, including a shareholder loan of € 1.90 million to Rail Fish S.r.l., a 96% owned company by RFLTC, which in turn holds all shares in Movinter.

In addition, a five-year shareholder agreement will be concluded between Movinter and the minority shareholders. This contract includes a lock-up period until the end of 2027 and management agreements with Fabio Raffaghello and Fortunato Guida. Mo-vinter will have the right to appoint the CEO and two other directors, while the minority shareholders will have the right to appoint the two remaining directors.

This acquisition marks a strategic step in the horizontal integration of RFLTC in the aerospace, rail and marine sectors. This initiative started at the end of 2021 with the acquisition of Tesi S.r.l., and continued in April 2023 with the acquisition of a majority stake in Movinter. The aim of these efforts is to expand and optimize the portfolio of pre-assembled assemblies in order to make the mining processes more efficient.

Six Italia S.p.A., founded in 1994 by Fabio Raffaghello and Fortunato Guida, has become a leading company in Italy in the field of fire protection and sound insulation. Six Italia has made a name for itself with its extensive know-how and expertise in the manufacture of products for major railway and marine projects. The projects include trains ETR1000, AEMR, Caravaggio, Masaccio and Traxx as well as U212 submarines, Fremm class ships, PPA, LHD and LPD.

The company, based in Genoa and with a production site in Silvano d'Orba (AL), employs around 105 people. It also operates a branch in Miami, USA, specializing in the assembly of acoustic and thermal insulation kits to serve the American market.

In the maritime sector, Six Italia offers a variety of specialized products with high mechanical and thermal performance. These include technical floor coverings, solutions for vibration treatment, thermoacoustic insulation and fire protection systems, Life Lines as well as specialized fiberglass work for the Italian Ma-rine. These products are specifically designed for the maritime sector to meet the highest safety standards and performance requirements.

In the railway sector, Six Italia has established itself as a leading provider of structural fire protection for light metal and steel rail vehicles. The company is particularly known for its innovative solutions and products aimed at increasing the safety and functionality of railway vehicles.

(in Mio. €)	FY 2020	FY 2021	FY 2022
Sales	10,8	14,7	16,5
EBITDA	-0,40	1,10	1,30
EBITDA margin	-3,7%	7,5%	7,9%
Net debt	3,7	4,0	4,2

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Six Italia successfully ended 2022 with impressive sales of € 16.5 million, EBITDA of € 1.3 million and a net debt of €4.2 million. At the time of signing the contract with Movinter, Six Italia recorded a significant order backlog totalling €33 million.

PureLabs S.p.A., (€4 million, 26% stake)

On 27 November 2023, RedFish LongTerm Capital acquired a capital increase of € 4 million from PureLabs S.p.A., a company in the field of clinical diagnostics approved. RFLTC will finance this transaction from its own resources. This investment is part of a larger capital increase totaling €15 million.



After the existing shareholders of PureLabs S.p.A. the total capital increase, including the investment of RFLTC, amounts to up to € 15 million. As a result, RFLTC acquires a minority stake of around 26% in PureLabs.

As part of a consulting agreement with PureLabs S.p.A., RFLTC will contribute its extensive expertise in structuring mergers and acquisitions, raising new funds for such transactions and in the process of company growth. RFLTC is committed to actively integrating PureLabs S.p.A.'s existing acquisition process to establish one of the leading providers of multi-specialized diagnostics in Italy. This provider is to offer an innovative service model that fully exploits the possibilities of digital channels and offers patients personalized approaches in the areas of prevention, wellness and longevity.

As a lead investor, RFLTC plans to advance PureLabs' industrial development project through organic growth and synergies and strategic acquisitions. The goal is to generate annual sales of €50 million for PureLabs S.p.A. and achieve a leading market position. PureLabs S.p.A. is working on an acquisition pipeline covering the entire national territory.

The reference market for PureLabs shows considerable development potential, as it still consists of many medium-sized, often family-run companies and is characterized by a high degree of fragmentation. With the support of RFLTC, PureLabs S.p.A., aims to contribute to the consolidation of the entire sector. The development strategy includes the acquisition and strengthening of these companies in order to integrate them into a single group, while retaining the founding partners of the laboratories as minority shareholders. This is intended to increase local professionalism and develop modern health services nearby. The plan to consolidate and digitise services will make it possible to increase the efficiency of the services offered and to promote synergies and economies of scale.

PureLabs S.p.A., founded in December 2022 by Nino Lo Iacono, focuses on the acquisition, management and integration of clinical diagnostic centers. The company aims to develop a comprehensive platform that not only creates major advantages and synergies, but also generates value. Another goal is to generate income by selling the investments to strategic or financial investors or on the market.

Since its foundation, PureLabs S.p.A. has received support from renowned entrepreneurial families, family offices and investment companies. An important step was the entry of Kayak Family Office S.r.l., which also owns 49.8% of RedFish Kapital S.p.A. and is indirectly linked to the founding partners of RedFish LongTerm Capital S.p.A., Paolo Pescetto and Andrea Rossotti. On 21 November 2023, Kayak Family Office sold its stake of approximately 12% in PureLabs S.p.A. to Maior S.r.l. for EUR 650,000.

(in Mio. €)	GJ 2022	GJ 2023e
Sales	9,20	10,00
EBITDA	1,30	1,50
EBITDA-Marge	14,1%	15,0%
Net debt	3,10	nicht bekannt

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Since its foundation, PureLabs S.p.A. completed the acquisition of the VivoLab Group in July 2023 and acquired a 70% stake. VivoLab, a company in the eastern region of Liguria, has 12 diagnostic centers and is expected to generate consolidated pro forma revenue of over € 10 million for 2023 and EBITDA of around € 1.5 million. This represents an increase compared to the consolidated pro forma figures as at 31 December 2022, which showed sales of € 9.2 million, EBITDA of around

EBITDA of around € 1.3 million and net debt of € 3.1 million.

Former investments

RFLTC has already successfully sold two investments: MaticMind S.p.A. and Pistacchio S.p.A.

MaticMind S.p.A. (€ 5.1 million, 4% stake - sold for € 12.0 million)

On September 30, 2020, RFLTC acquired a stake in MaticMind together with Fondo Italiano d'Investimento, the anchor investor, and acquired a 4% stake via Elettra S.p.A. for a total of € 5.0 million (€ 5.1 million including transaction costs), which corresponds to 3.4 times EV/EBITDA for the 2020 financial year. In October 2022, MaticMind was sold to the private equity funds CVC Capital Partner and Cdp Equity for around € 320 million. RFLTC used a co-sale clause to follow the sale for € 12.0 million. By selling its stake, RFLTC achieved a return of 52% on the invested capital, which corresponds to 2.4 times the invested capital. It should be noted that RFLTC may receive additional income and profit sharing under certain conditions.



MaticMind, founded in 2006 as a spin-off of the Italian company Ascom AG, is a leading Italian value-added reseller offering solutions and services in the areas of networks, cybersecurity, cloud and data centers. The company employs over 700 people, works with more than 150 partners and generated revenue of € 349 million in the 2021 financial year (previous year: € 290.70 million) with EBITDA of € 37.90 million (previous year: € 27.40 million) and an EBITDA margin of 10.9% (previous year: 9.4%).

(in Mio. €)	GJ 2020	GJ 2021	GJ 2022
Sales	300,40	290,70	348,90
EBITDA	26,80	27,40	37,90
EBITDA-Marge	8,9%	9,4%	10,9%
Net debt	40,20	-28,40	66,00

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

RFLTC has supported MaticMind in mergers and acquisitions, which has led to a doubling of revenue and improved margins within two years. In the second half of 2021, MaticMind acquired Megamind (formerly New Charger), and two mergers and acquisitions were completed in the first quarter of 2022: SIND and ITI Sistemi.

Pistacchio S.p.A. (€ 1 million, 20% stake - sold for € 1.1 million)

€ In February 2022, RFLTC acquired a 20% stake in Pistacchio S.p.A., known under the Marullo brand. Due to the fact that the company was in a turnaround phase and had a risk profile that did not match RFLTC's portfolio, RFLTC decided to sell the stake to KayakFO in October 2022 for a total of € 1.1 million.

This transaction generated a return of around 10% on the invested capital in just eight months, plus €24,000 from advisory services.



Pistacchio is a food company specializing in the production and processing of pistachios, hazelnuts and other nuts into semi-finished products for the ice cream industry and finished products for the wholesale trade. The company operates in a highly cyclical segment, as the famous pistachios from Bronte are only ready for harvest every two years.

(in Mio. €)	GJ 2020	GJ 2021	GJ 2022
Sales	16,70	13,30	27,40
EBITDA	1,70	1,80	2,30
EBITDA-Marge	10,2%	13,5%	8,4%
Net debt	7,90	7,80	11,20

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

For the 2022 financial year, based on the period from September 2021 to August 2022, revenue amounted to € 27.40 million (previous year: € 13.30 million). EBITDA reached € 2.3 million (previous year: € 1.80 million), which corresponds to a margin of 8.4% (previous year: 13.5%).

MARKET AND MARKET ENVIRONMENT

RFLTC is a generalist holding company with a particular interest in the following sectors: railroads, shipping & aviation, industry & engineering, 3D printing, telecommunications, "Made in Italy" products, healthcare & medical technology, information & communication technology (ICT) and food. RFLTC is currently represented with its portfolio in the following markets: Telecommunications and Energy (Convergenze S.p.A), Aerospace (Tesi S.r.l.), 3D Digital System Integration (SolidWorld Group S.p.A.), Exhaust Pipes (Expo Inox S.p.A.), Rail Transportation (Movinter S.r.l.), Railway and Marine (Six Italia S.p.A.) and Diagnostics (PureLabs S.p.A.).

Family business in Italy

Family businesses are the driving force behind the Italian economy. These companies are also a significant source of employment, as more than 3.1 million employees work in family businesses with a turnover of over €20 million. At the end of 2021, the provinces of Milan and Rome had the highest number of family businesses with 2,696 and 896 companies respectively.

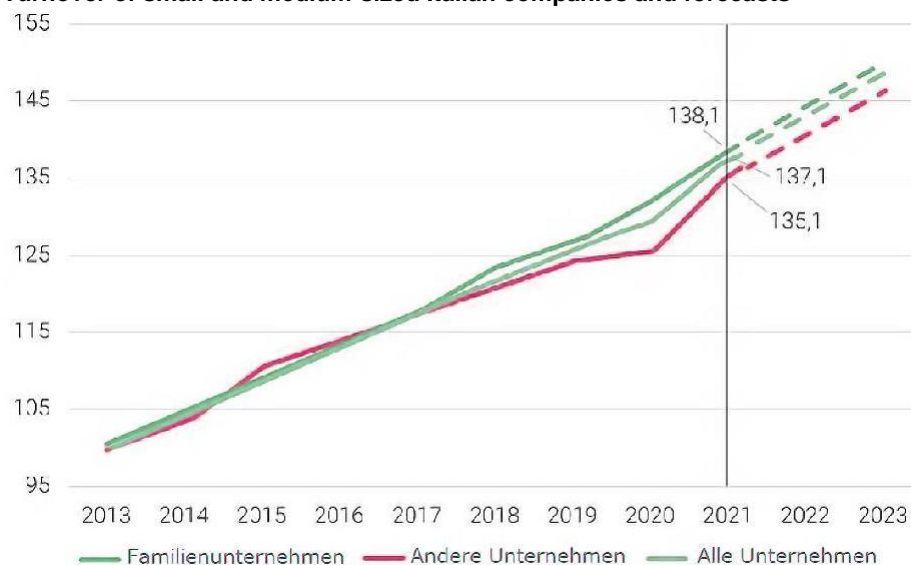
The RFLTC generally sees the concept of the "family business" as a sub-category of the "general business" with special characteristics that allow it to be differentiated. However, the identification of family businesses is not simple and unambiguous. Italy has around 2.3 million unlisted companies. Of these, around 18,000 had revenues in excess of €20 million at the end of 2021. Of the 18,000 companies, around 12,500 of these companies were family-owned, which corresponds to a share of around 70%.

A total of 57.3% (7,161) of family businesses were small to medium-sized (with a turnover of between € 20 and 50 million), while 42.7% of family businesses (5,339 companies) were classified as "large" (with a turnover of more than € 50 million).

In terms of turnover, Italian small and medium-sized family businesses performed above average between 2013 and 2021 with a cumulative growth of 38.1% (compared to 35.1% of other small and medium-sized enterprises). It should also be noted that in 2020, all Italian small and medium-sized enterprises showed remarkable resilience due to the Covid-19 pandemic shock.

In contrast, the large Italian family businesses, which recorded higher sales growth than the small and medium-sized companies until 2019, recorded a significant decline in 2020, which was then fully recovered in 2021. In fact, all large Italian companies recorded a decline in turnover of 9.5% between 2019 and 2020, which was slightly higher for large family businesses (-10.3%). However, the cumulative turnover of large Italian family businesses has increased significantly since 2013 (+62.5%), albeit slightly less than that of other companies with a different ownership structure.

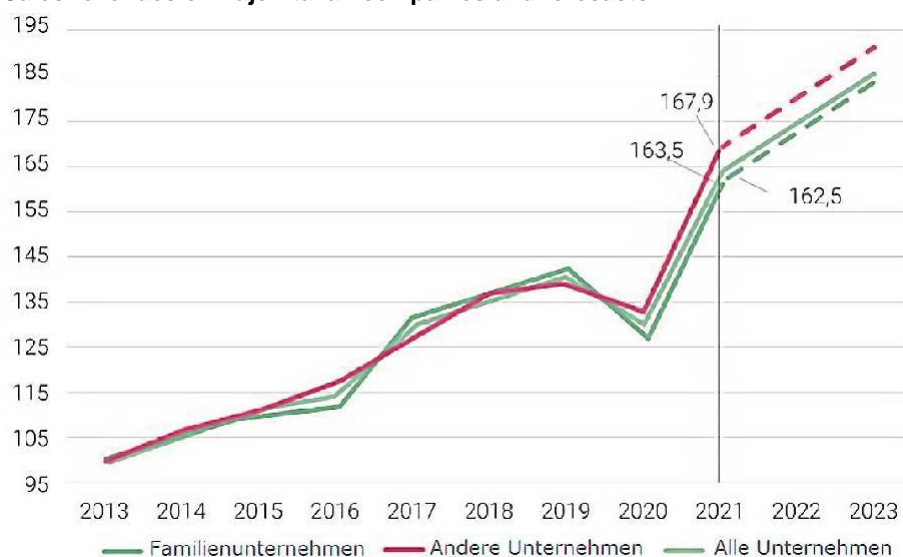
Turnover of small and medium-sized Italian companies and forecasts



Quelle: AIDA-Daten (Bureau Van Dijk), Rome Business School

On the other hand, large companies outperformed family businesses, with turnover growth of 67.9% compared to 62.5% for family businesses.

Sales revenues of major Italian companies and forecasts



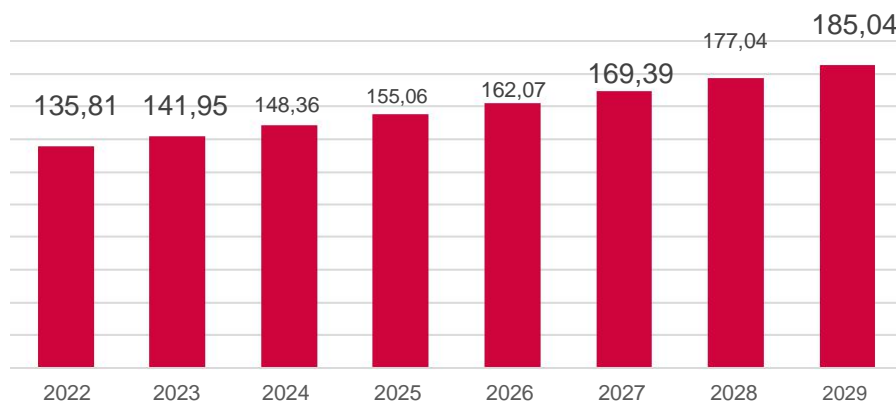
Quelle: AIDA-Daten (Bureau Van Dijk), Rome Business School

The distribution of Italian family businesses throughout the country shows a strong homogeneity, particularly in the various Italian provinces. Only a few provinces are an exception. The provinces of Milan and Rome have the highest number of family businesses, namely 2,696 in the province of Milan and 896 in the province of Rome. Family businesses in the provinces of Milan and Rome alone account for more than a quarter of all Italian family businesses, namely 28.74%. As expected, the presence of family businesses is high in the northern Italian provinces, particularly in Turin (494), Brescia (460) and Bergamo (412), as well as in Bologna (370), Vicenza (365), Verona (323) and Treviso (321). In the south and on the islands, on the other hand, only the province of Naples, with 294 family businesses, has similar figures to the largest provinces in the north of the country, while the other southern Italian provinces have a low presence of family businesses.

Railroad infrastructure market

The European rail infrastructure market was estimated at USD 135.81 billion in 2022 and is expected to grow to USD 185.04 billion by 2029. This corresponds to a CAGR of around 6.0% for the forecast growth.

Outlook for the European rail infrastructure market



Quelle: Fortune Business Insights

The overall demand for freight transportation in Europe has increased significantly in recent years. Nevertheless, rail freight transport has lost market share to trucks, with the exception of some countries where deregulation and investment have helped to increase rail's market share. In some new member states, the rail market has shrunk following the abolition of rail monopolies.

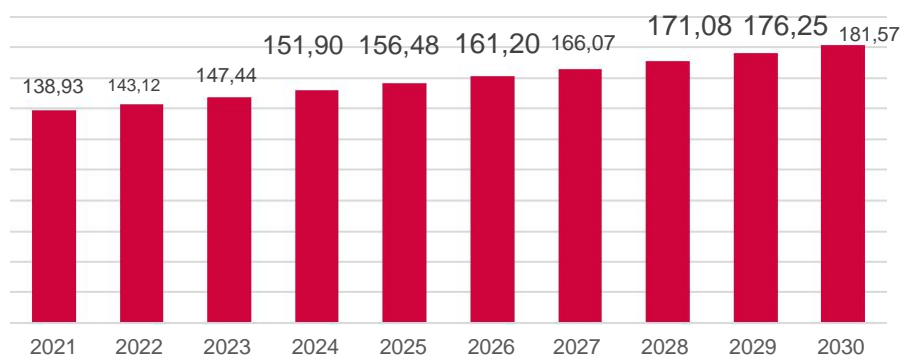
Most forecasts assume an increase in total freight demand of 60% by 2050, with rail's market share remaining relatively constant in a business-as-usual scenario. In order to achieve the goals of the EU white paper (Roadmap to a single European transport area: towards a competitive and resource efficient transport system), rail's market share must double from 18% in 2011 to at least 36% by 2050. To achieve this goal, the quality, capacity and cost competitiveness of rail freight transport must be improved. A systematic approach is required that takes into account the critical development aspects along the transport chain. Modern locomotives with higher tractive power can handle longer and heavier trains, which can potentially reduce the number of locomotives needed. Achieving the EU's goals will require significant investment in the rail sector. However, this sector will increase simply due to the rising demand for freight. This sector could grow even more strongly as a result of the planned shift of transportation to rail.

Global shipbuilding market

The global shipbuilding market was valued at USD 138.93 billion in 2021 and is expected to grow to USD 181.57 billion by 2030, at a projected compound annual growth rate (CAGR) of 3% during the forecast period (2022-2030). Europe is expected to grow at a CAGR of 4.8% during the forecast period.

Global trade has been a key driver of the shipbuilding market in recent decades, as maritime transportation forms the backbone of international trade. Around 90% of all freight is transported by sea, making maritime transport essential for globalized trade and supply chains. The expansion of supply chains and the development of new markets through maritime transportation have driven economic growth in many countries around the world.

Global shipbuilding market (in € billion)



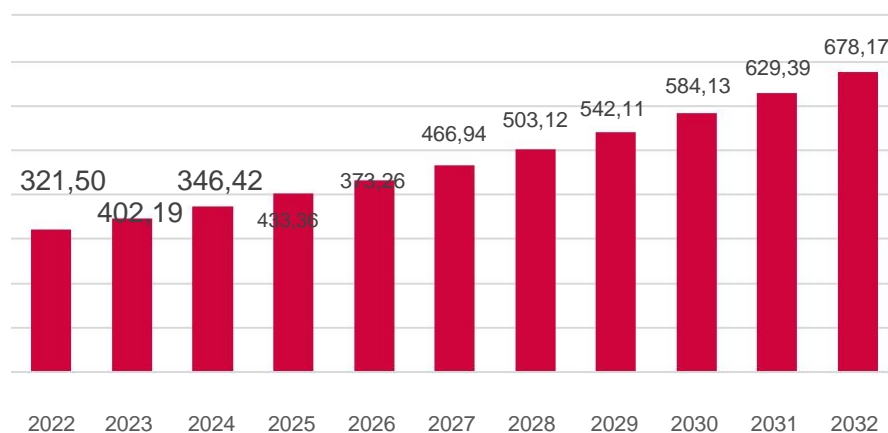
Quelle: straitsresearch

The volume of trade has risen at an annual growth rate of over 10% over the last ten years. The stronger growth in import volumes can be explained primarily by rising demand in emerging markets. The demand for maritime transportation has increased over the years, which has led to an increase in global import and export activities. Around 75% of European goods arrive in the region by sea from external partners.

Aerospace market

The global aerospace market, which was estimated at USD 321.5 billion in 2022, is set for strong growth. It is expected to reach a volume of around USD 678.17 billion by 2032. This corresponds to a compound annual growth rate (CAGR) of 7.8% in the period from 2023 to 2032. Various factors are contributing to this dynamic development.

Forecast for the global aerospace market (in USD billion)



Quelle: precedence research

First and foremost are the technological advances. Breakthroughs in materials science in propulsion systems and avionics have significantly improved the performance, safety and efficiency of aircraft. Of particular importance here are developments towards more environmentally friendly aircraft that meet global sustainability efforts. These innovations are attracting a great deal of interest from both operators and regulatory authorities.

Another growth driver is the increasing demand for air travel. In developing countries in particular, increasing prosperity means that more people can afford to travel by air. This calls for an expansion of aircraft fleets. The expansion of low-cost airlines and the development of new routes are also promoting this trend.

Defense spending is also important. In view of geopolitical tensions and the need for modernized defence systems, many countries are increasing their military budgets. A significant proportion of these funds is being invested in the aerospace industry, particularly in the development of advanced fighter jets, drones and reconnaissance aircraft.

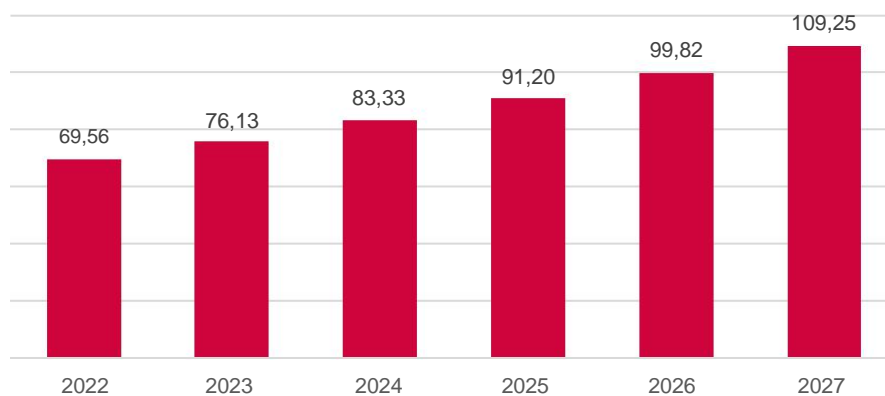
The field of space research and satellite technology is also a growth area. The renewed interest in space research and the increasing demand for satellite technology for communication, navigation and earth observation are opening up new market segments.

However, the industry is also facing challenges. Disruptions in supply chains caused by events such as the COVID-19 pandemic or geopolitical conflicts lead to delays and cost increases. The strict regulation of the aerospace industry is another hurdle, especially when it comes to introducing new technologies. Added to this is the lack of qualified specialists, which could restrict the industry's growth.

Information and communication technology (ICT) market

In 2022, the Italian ICT market was estimated to be worth USD 69.56 billion and is expected to grow at a compound annual growth rate (CAGR) of 9.45% to reach USD 109.25 billion by 2027. This growth will be driven by the increased use of digital technologies and advanced technologies such as cybersecurity, artificial intelligence and robotics. ICT investments are increasing across the country, particularly in hardware and software services, further driving market growth.

Forecast of the ICT market



Quelle: globaldata

The ICT sector includes both the IT and telecommunications markets, and demand is expected to increase significantly over the next five years.

The COVID-19 pandemic has led to increased demand for secure cloud services. Increasing government investments, the growing population and the need for advanced technologies are driving the growth of the Italian ICT market. The telecommunications industry is benefiting from the increasing spread of broadband services and is also contributing to market growth.

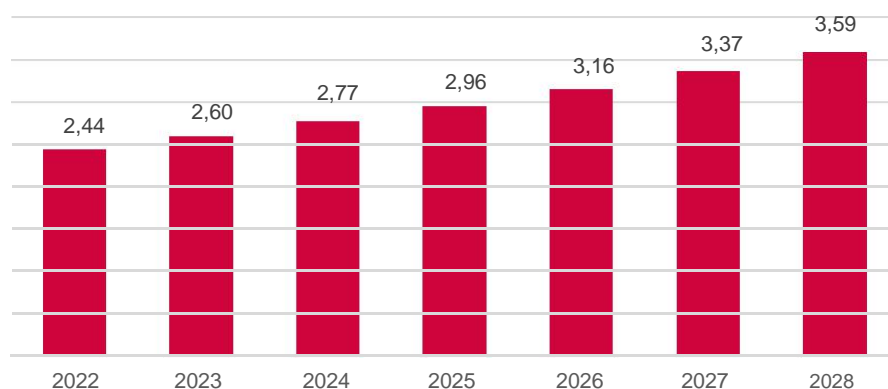
Italian market for in-vitro diagnostics

PureLabs operates in the medical and diagnostic sector, which is an important part of the Italian healthcare system.

Italy's population is ageing, a trend that is having a profound impact on the medical and diagnostics sector. According to recent data, Italy is one of the countries with the highest proportion of elderly people in the world, which has led to an increased demand for healthcare services, particularly in the areas of chronic disease management, geriatric care and home healthcare solutions. This demographic shift is driving the growth of the diagnostics segment, with a notable increase in demand for diagnostic imaging, in-vitro diagnostics and telemedicine services that can provide efficient and effective care for the elderly population.

One sub-segment in which PureLabs is active is the in-vitro diagnostics market. The Italian market for in-vitro diagnostics is expected to reach a volume of USD 3.59 billion in 2028. The market value of the Italian in-vitro diagnostics market is estimated at USD 2.44 billion in 2022. The Italian in-vitro diagnostics market is expected to grow at a compound annual growth rate (CAGR) of 6.65% during the forecast period from 2022 to 2028.

Forecast for the Italian market for in-vitro diagnostics (in € billion)



Quelle: Renub Research

The term "in vitro" means "in glass" and refers to the fact that these tests are carried out under controlled laboratory conditions and not in a living organism. In vitro diagnostics (IVD) are medical tests that are carried out on samples such as blood or urine in the laboratory. They are used to diagnose diseases, monitor the course of treatment and provide health information. IVD includes various types of tests, including clinical chemistry, immunoassays, molecular diagnostics, microbiology, hematology and histopathology. Examples of this are

Blood glucose testing, cholesterol testing, pregnancy testing, HIV testing, genetic testing and cancer biomarker analysis. IVD plays a crucial role in disease screening, early detection, patient care and treatment monitoring, leading to better outcomes and personalized medicine.

The rising number of cases of chronic and infectious diseases and the ageing population are contributing significantly to the growth of the Italian in-vitro diagnostics market. In addition, technological advancements, government initiatives, healthcare reforms, increasing emphasis on personalized medicine and growing patient awareness and empowerment will further strengthen the Italian in-vitro diagnostics market in the future.

Infectious diseases are the fastest growing application in the Italian in-vitro diagnostics market. Various applications are of great importance in the Italian in-vitro diagnostics market, including infectious diseases, diabetes, cardiology, oncology, nephrology, autoimmune diseases, drug testing and others. The increase in global travel and migration has favored the cross-border spread of infectious diseases and made Italy vulnerable to their introduction and transmission. Antimicrobial resistance also plays an important role, emphasizing the need for accurate diagnosis to ensure appropriate treatment decisions. Outbreaks and epidemics such as influenza, measles and COVID-19 have increased the need for rapid and accurate diagnosis for timely intervention and public health management.

CORPORATE DEVELOPMENT

Key financial figures at a glance

(in Mio. €)	GJ 2021	GJ 2022	1. HJ 2023
RFLTC	0,03	0,08	0,12
Movinter	0,00	0,00	4,75
Sales revenue	0,03	0,08	4,88
Change in inventories of work in progress	0,00	0,00	0,11
Own work capitalized	0,00	0,00	0,10
Other income and revenue	0,00	0,00	0,06
Total income	0,03	0,08	5,14
Cost of raw materials, consumables and supplies	0,00	0,00	-1,90
Expenses for purchased services	-0,29	-0,46	-1,54
Costs for the use of third parties	0,00	-0,02	-0,14
Personnel expenses	0,00	-0,03	-0,98
Change in inventories of raw materials and supplies	0,00	0,00	0,00
Other operating expenses	0,00	-0,02	-0,07
EBITDA	-0,26	-0,45	0,52
Depreciation and amortization	-0,01	-0,02	-0,34
EBIT	-0,27	-8,16	0,17
Financial result	0,01	0,21	-0,08
Value adjustments/revaluations on investments	0,58	17,48	0,13
EBT	0,31	9,53	0,22
Income taxes	0,00	0,00	-0,14
Net result	0,31	9,53	0,08
Sales revenue	0,03	0,08	4,88
EBITDA	-0,26	-0,45	0,52
<i>EBITDA-Margin</i>	<i>n.d.</i>	<i>n.d.</i>	10,6%
EBIT	-0,27	-8,16	0,17
<i>EBIT-Margin</i>	<i>n.d.</i>	<i>n.d.</i>	3,5%
Net result	0,31	9,53	0,08
<i>Net margin</i>	953,3%	11916,7%	1,6%

Quellen: GBC AG, RedFish LongTerm Capital S.p.A.

Business development

Analyzing the company solely on the basis of the income statement and balance sheet only provides a limited insight into its development. This is due to the fact that only a small proportion of sales revenue is generated within the holding parent company. The significant developments mainly take place in the individual associated companies. In addition, the 96% stake in Movinter is included in the consolidation, which considerably limits the informative value of both the income statement and the balance sheet for the holding company as a whole. Pro-forma reporting shows how the entire financial year would have developed if Movinter had been consolidated.

Business development 2022

GuV (in Mio. €)	GJ 2021	GJ 2022	Pro forma GJ 2022
Sales revenue RFLTC	0,03	0,08	0,08
Sales revenue Movinter	-	-	19,96
Total sales revenue	0,03	0,08	20,04
EBITDA	-0,26	-0,45	2,39
EBITDA-Margin	<i>nd.</i>	<i>nd.</i>	11,7%
EBIT	-0,27	-0,47	0,46
EBIT-Margin	<i>nd.</i>	<i>nd.</i>	2,3%
Net income for the year	0,31	7,06	7,20

Quellen: RedFish LongTerm Capital S.p.A., GBC AG

In the 2022 financial year, revenue amounted to € 80,000, a significant increase compared to € 33,000 in the 2021 financial year. This revenue was mainly generated from consulting services for subsidiaries. If Movinter (acquisition in April 2023) had already been part of the group of companies in the 2022 financial year as part of a pro forma consolidation, total revenue would have amounted to € 20.04 million, of which € 19.96 million would have been attributable to Movinter.

In 2022, total expenses rose to € 532,000, a significant increase compared to € 295,000 in the previous year 2021. These costs were mainly incurred for the support and management of the subsidiaries and the legal support of RedFish Management. EBITDA amounted to € -452,000 (previous year: € -262,000). Including the results of Movinter, EBITDA in the 2022 financial year would have totaled € 2.39 million, which corresponds to an EBITDA margin of 11.7%.

In 2022, RFLTC's financial result was positively influenced by around € 7.61 million from subsidiaries. This includes gains from the sale of the company MaticMind (€ 6.90 million) and value adjustments to other investments (€ 0.70 million), mainly at Tesi and Expo Inox. The net result for the 2022 financial year therefore amounted to € 7.06 million, a significant increase compared to € 0.30 million in the 2021 financial year. Including the contributions from Movinter, the pro forma net result would have amounted to € 7.20 million. This includes Movinter's net profit of € 1.17 million and around € 1.13 million in amortization of goodwill from the acquisition of Movinter, spread over ten years.

Business performance in the first half of 2023

in Mio. €	1. HJ 2022	1. HJ 2023		
Sales revenue	0,02	4,88		
EBITDA	-0,32	0,52	0,79	1,60
EBITDA-Margin	nd.	10,6%	8,4%	12,7%
EBIT	-0,32	0,17	-0,22	0,68
EBIT-Margin	nd.	3,5%	nd.	5,4%
Net result	-0,12	0,08	-0,32	0,23

Quellen: RedFish LongTerm Capital S.p.A., GBC AG; *pro forma

Movinter has been included in the consolidated financial statements since the transaction in April 2023. In order to enable better comparability, pro forma financial statements were also prepared in which Movinter's contributions for the full year 2022 and 2023 are included.

The Group generated consolidated sales of € 4.88 million, a significant increase compared to € 23,000 in the first half of 2022. Movinter accounted for € 4.79 million of this turnover. Pro forma revenue amounted to € 12.15 million (previous year: € 9.13 million), which corresponds to growth of 33.1% compared to the previous year. Movinter reported a robust order backlog of € 22.8 million at the end of June, of which around € 15 million is attributable to orders that are expected to be fulfilled in the 2023 financial year and the remainder in the 2024 financial year.

The Group's EBITDA for the first half of 2023 amounted to € 0.52 million, compared to a loss of € 315,000 in the first half of 2022, which corresponds to a margin of 10.6%. Pro forma EBITDA increased by a remarkable 104% year-on-year to € 1.6 million, with an EBITDA margin of 12.7%. This 4.3 percentage point improvement in profitability is primarily due to a 4.6 percentage point increase in the gross margin compared to the previous year, as well as a reduction in rental costs and personnel costs. However, these savings were partially offset by higher expenses for purchased services.

The Group's net result in the first half of 2023 amounted to € 61,000 on a consolidated basis and € 229,000 on a pro forma basis, which represents a turnaround compared to the losses of € 122,000 and € 322,000 respectively in the first half of 2022.

Balance sheet and financial situation

in Mio. €	31.12.2021	31.12.2022	30.06.2023
Equity capital	16,71	23,79	31,10
EK-Quote (in %)	98,5%	66,5%	55,1%
Operating fixed assets	0,00	0,19	4,13
Working Capital	-0,17	-0,32	2,84
Net Debt (neg. = Net cash)	-4,35	-9,20	3,20

Quellen: RedFish LongTerm Capital S.p.A.; GBC AG

Balance sheet situation as at 31.12.2022

As at December 31, 2022, the RFLTC Group had equity of € 23.79 million (December 31, 2021: € 16.71 million), which corresponds to an equity ratio of 66.5% (December 31, 2021: 98.5%). Equity increased primarily due to the net profit of € 7.06 million in the 2022 financial year. This resulted primarily from the sale of MaticMind.

RFLTC's balance sheet has a typical structure for investment companies. On the assets side, non-current financial assets of € 15.33 million dominate as at December 31, 2022 (December 31, 2021: € 10.27 million), which mainly reflects the carrying amount of the investments received. The Group carried out extensive transactions: In October 2022, the company sold its stake in MaticMind for € 12 million and acquired a 20% stake in Expo Inox for € 6 million in November 2022. In addition, RFLTC acquired and sold a 20% stake in Pistacchio for € 1 million and sold this shortly afterwards for € 1.1 million.

The expansion of the investment portfolio was financed from equity on the one hand and from borrowed capital on the other. To this end, RFLTC issued debt capital in the form of a bond in the amount of € 4.50 million, issued a convertible bond in the amount of € 2.99 million and took out bank loans in the amount of € 4.00 million. The convertible bond was later converted into shares at the time of the IPO in June 2023, with the conversion price corresponding to the original IPO price.

As at December 31, 2022, the company's net cash amounted to € 9.20 million (December 31, 2021: € 4.35 million). Of this, € 16.13 million was attributable to cash and cash equivalents and € 4.56 million to other securities.

Balance sheet situation as at 30.06.2023

The subsidiary Movinter S.r.l., which was acquired on 20 April 2023 and included in the calculations for the months of May and June 2023, was consolidated as at 30 June 2023. Consolidated equity totaled around € 31.10 million (31.12.2022: € 23.79 million). Equity increased mainly due to the IPO. Issue proceeds of € 4.47 million were generated from the IPO on June 30, 2023. In addition, the admission to trading led to the conversion of the convertible bond worth € 2.99 million into ordinary shares at the IPO price of € 1.50 per share.

Despite the conversion of the convertible bond in the amount of € 2.99 million, the equity ratio fell to 55.1% as at 30.06.2023 (31.12.2022: 66.5%). This reduction is primarily due to two reasons. On the one hand, RFLTC increased its liabilities to banks to € 8.36 million (31.12.2022: € 4.00 million) and on the other hand

due to the consolidation of Movinter S.r.l., trade payables increased to € 6.12 million (31.12.2022: € 0.44 million).

Non-current financial assets increased to € 15.33 million as at 30.06.2022 (31.12.2022: € 14.48 million). Cash and cash equivalents amounted to € 6.15 million, with a further € 4.56 million in other current securities. Net financial debt therefore amounted to € 3.20 million.

SWOT-Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <input type="checkbox"/> Experienced management • Proven skills in capital procurement and investments • Focus on long-term Investments and value creation <input type="checkbox"/> Introduction of industry-specific knowledge and financial skills in investments • Proven growth and Margin improvements for associated companies • Commitment to ESG principles: integration of Environmental, Social and Governance factors in the investment processes • Strong network for club deal investments • Positive track record at the Execution of Transactions and Exits • Lean cost structure with variable remuneration for managers • Consistent focus on profitable and growing companies • Consulting contracts with added value for the Portfolio companies 	<ul style="list-style-type: none"> <input type="checkbox"/> Investors have little information on the detailed developments of the Associated companies <input type="checkbox"/> Dependence on the selected sectors • Limited size: As a smaller player could be challenges in competition with larger, established companies exist <input type="checkbox"/> Dependence on key persons <input type="checkbox"/> Limited liquidity of the share <input type="checkbox"/> Integration risks for takeovers <input type="checkbox"/> Relatively young company with limited history (founded in 2020) <input type="checkbox"/> Focus on the Italian market • Risks in connection with the Acquisition of majority shareholdings • Dependence on development of a few key investments
Opportunities	Risks
<ul style="list-style-type: none"> • Multiple expansion in particular with regard to possible IPOs of the portfolio companies • Investment in new technologies, especially in the area of 3D printing and digitalization <input type="checkbox"/> Supporting portfolio companies with digital transformation initiatives <input type="checkbox"/> Growing investment opportunities in Italian SMEs • Potential for international expansion • Potential for larger exits through IPOs • Tapping new sources of capital and Investor networks 	<ul style="list-style-type: none"> • Increasing competition: from other investment firms, especially in lucrative sectors • Market risks: Including interest rate fluctuations and inflation-related pressure • Economic volatility with an impact on SMEs • Risk of insufficient performance of the investments • cyclical of the market, which affects the portfolio companies • Risks in connection with the acquisition of large shareholdings • Challenges in maintaining high investment standards

RATING

Investment valuation

In the valuation of the holding company RFLTC, we use a sum-of-parts valuation to determine the total value of the company. As we only have limited information on the non-listed companies, we largely limit ourselves to a multiple valuation. We are guided by the EV/EBITDA multiples as at 30.06.2023 from Kroll (a risk consulting firm). The Kroll multiple analysis "Industry Multiples in Europe - Q2 2023" is based on the components of the STOXX® Europe Total Market Index, which covers around 95% of the free float in Europe. This index covers various industries and sectors in accordance with the definitions of the Global Industry Classification Standard (GICS).

Convergenze S.p.A.

On July 27, 2020, RFLTC acquired a 12.5% stake in Convergenze S.p.A. via the G&RP Consulting vehicle for a total price of € 1.1 million. This corresponded to an EV/EBITDA multiple of 5.8x in the 2019 financial year, with adjusted EBITDA of € 1.6 million and net debt of € 0.5 million.

Convergenze was admitted to trading on the AIM segment of the Italian stock exchange on December 28, 2020. The investment in Convergenze S.p.A. currently has a book value of € 1.49 per share on RFLTC's balance sheet. With 716,500 shares, this corresponds to a value of € 1.07 million. There are a total of 7,492,959 ordinary shares in Convergenze S.p.A., meaning that RFLTC holds 9.56% of the shares via G&RP Consulting S.r.l.. The Convergenze S.p.A. share is currently trading at € 1.39 per share (Frankfurt 16.01.2024 17:20).

RFLTC Initial assessment	RFLTC Post-IPO, current	GBC Rating
Ber. EBITDA 2019	1,6	Book value of the shares (in €)
EV/EBITDA multiple	5.8x	1,5
Enterprise Value	9,3	Carrying amount of the company
Net debt	0,5	11,2
Equity capital	8,8	Target price Marketcap. (in Mio. €)
RFLTC Participation	12,5%	RF Participation
		9,6%
RFLTC Investment value in € mln	1,1	RFLTC Investment value in € mln
		1,1
		RFLTC Investment value in € mln
		2,6

Quellen: GBC AG, RedFish LongTerm Capital S.p.A.; Convergenze S.p.A.

We have used the research consensus for Convergenze S.p.A. as a valuation approach, which currently stands at € 3.65 per share. Convergenze is currently only covered by Integrae SIM. With a shareholding of 9.6%, this results in an investment value of € 2.62 million. Our valuation is therefore significantly higher than the book value of the Convergenze S.p.A. shares.

Solid World S.p.A.

On December 27, 2021, RFLTC, as the main investor, invested € 1.05 million in a convertible bond of Solid World. The company was listed on Euronext Growth Market in July 2022 at € 2.00 per share. Following the IPO and the conversion of the convertible bond and warrant, RedFish now holds a stake of approximately 8.8% (1,236,348 ordinary shares) in Solid World. Solid World is currently quoted at € 4.26 per share (Frankfurt 16.01.2024 9:15).

We have used the current research consensus for Solid World S.p.A. as a valuation approach, which currently stands at € 6.8 per share.

RFLTC Rating		GBC Rating	
RFLTC Shares of Solid World	1,2	Target price consensus (in €)	6,8
Number of shares of SolidWorld	14,0	Number of shares (in Mio.)	14,0
Marketcap. current	40,8	Target price Marketcap. (in Mio. €)	94,7
RF Participation	8,81%	RF Participation	8,81%
RF Investment value in € mln	3,6	RFLTC Investment value in € mln	8,3

The company is currently covered by Integrae SIM and Alantra. With an 8.81% stake, this results in a value of € 8.3 million.

Tesi S.r.l.

On October 13, 2021, RFLTC co-invested with Invitalia Fondo Cresci al Sud and acquired a 20% stake in Tesi for a total price of € 5.0 million or 6.8 times EV/EBITDA of the 2021 financial year. In 2022, RFLTC also paid an earn-out of € 400 thousand based on the results of the 2021 financial year. Further earn-outs will be paid up to the results of 2024 in the maximum amount of € 3 million.

Kroll does not report a separate EV/EBITDA multiple for aerospace companies. These companies generally have a higher valuation than other industrial companies. We therefore use the global EV/EBITDA for aerospace and defense companies calculated by KPMG, which was paid on average in 2023. We have thus chosen an EV/EBITDA of 12.5x (instead of 6.8x in the RFLTC initial valuation) for the company in order to use a market multiple.

RFLTC Initial assessment		GBC Bewertung	
EBITDA 2021	4,0	EBITDA 2022	4,1
EV/EBITDA multiple	6.8x	EV/EBITDA multiple	12.5x
Enterprise Value	27,2	Enterprise Value	51,3
Net debt	-2,2	Net debt	2,1
Equity capital	29,4	Equity capital	49,2
RF Participation	20%	RF Participation	20%
RF Investment value in € mln	5,9	RF Investment value	9,8

Using the updated EBITDA and net debt as well as the adjusted EV/EBITDA multiple, we have determined a fair value of € 9.8 million for Tesi S.r.l..

Expo Inox S.p.A.

On November 15, 2022, RFLTC acquired a 20% stake in Expo Inox for a total amount of € 6 million at a valuation of 5x EV/EBITDA FY22.

RFLTC Initial assessment		GBC Rating	
EBITDA 2022	8,8	EBITDA 2022	8,8
EV/EBITDA multiple	5.0x	EV/EBITDA multiple	6.8x
Enterprise Value	44,0	Enterprise Value	59,8
Net debt	14,1	Net debt	14,1
Equity capital	29,9	Equity capital	45,7
RF Participation	20%	RF Participation	20%
RF Investment value in € mln	6,0	RF Investment value in € mln	9,1

We have performed an updated valuation based on a multiple valuation according to Kroll's current European multiple valuation. We have thus chosen an EV/EBITDA of 6.8x (instead of 5.0x in the RFLTC initial valuation) for the company in order to use a market multiple.

Using the adjusted EV/EBITDA multiple, we have determined a fair value of € 9.1 million for Expo Inox S.r.l..

Movinter S.r.l.

On April 20, 2023, RFLTC acquired Movinter for a total amount of € 11.5 million (€ 8.5 million at closing, € 1.5 million until March 2023 and € 1.5 million until March 2024) at an EV/EBITDA of 4.7x FY22.

RFLTC Initial assessment		GBC Rating	
EBITDA 2022	3,3	EBITDA 2022	3,3
EV/EBITDA multiple	4.7x	EV/EBITDA multiple	5.5x
Enterprise Value	15,6	Enterprise Value	18,2
Net debt	4,1	Net debt	4,1
Equity capital	11,5	Equity capital	14,1
RF Participation	100%	RF Participation	96%
RF Investment value in € mln	11,5	RF Investment value in € mln	13,5

We have performed an updated valuation based on a multiple valuation according to Kroll's current European multiple valuation. We have thus chosen an EV/EBITDA of 5.5x (instead of 4.7x in the RFLTC initial valuation) for the company in order to use a market multiple.

Using the adjusted EV/EBITDA multiple, we have determined a fair value of € 13.5 million for Movinter S.r.l..

Six Italia S.p.A.

On December 6, 2023, RFLTC announced the signing of a binding agreement for the acquisition of 75% of the shares in Six Italia S.p.A. by its subsidiary Movinter. The purchase price amounted to € 1.8 million, plus transaction costs totaling € 1.9 million, which corresponds to an EV/EBITDA ratio of 5.1. As RFLTC only holds 96% of Movinter, RFLTC only has a 72% stake in Six Italia. Furthermore, the agreement includes a put-call option for the remaining 25% of the shares, valid until the approval of the annual financial statements for the financial year 2026. These shares are expected to be valued at 6x adjusted EBITDAR less NFP.

The agreement also includes a potential earn-out for the selling shareholders based on Six Italia's financial results for the 2024 financial year and based on 1.25 times the increase in EBITDAR between 2023 and 2024. The shares are subject to a lock-up agreement until the end of December 2027.

RFLTC Initial assessment		GBC Rating	
EBITDA 2022	1,3	EBITDA 2022	1,3
EV/EBITDA multiple	5.1x	EV/EBITDA multiple	5.5x
Enterprise Value	6,6	Enterprise Value	7,2
Net debt	4,2	Net debt	4,2
Equity capital	2,4	Equity capital	3,0
RF Participation	75%	RF Participation	72%
RF Investment value	1,8	RF Investment value	2,1

We have performed a valuation based on a multiple valuation according to Kroll's current European multiple valuation. We have thus chosen an EV/EBITDA of 5.5x (instead of 5.1x in the RFLTC initial valuation) for the company in order to use a market multiple.

Using the adjusted EV/EBITDA multiple, we have determined a fair value of € 2.1 million for Six Italia S.r.l..

PureLabs S.p.A.

On November 27, 2023, RFLTC acquired a stake of around 26% in PureLabs S.p.A., whereby € 4 million was invested in a capital increase carried out by PureLabs. This capital increase amounted to a total of € 15 million. Of this, € 8.5 million came from existing shareholders and € 4 million from RFLTC. There is a lock-up agreement until 2026.

RFLTC Initial assessment		GBC Rating	
EBITDA 2022	1,3	EBITDA 2022	1,3
EV/EBITDA multiple	12.0x	EV/EBITDA multiple	13.7x
Enterprise Value	15,6	Enterprise Value	17,8
Net debt	0,6	Net debt	0,6
Equity capital	15,0	Equity capital	17,2
RF Participation	26%	RF Participation	26%
RF Investment value	4,0	RF Investment value	4,5

We have performed a valuation based on a multiple valuation according to Kroll's current European multiple valuation. We have thus chosen an EV/EBITDA of 13.7x (instead of 12.0x in the RFLTC initial valuation) for the company in order to use a market multiple.

Using the adjusted EV/EBITDA multiple, we have determined a fair value of € 4.5 million for PureLabs S.p.A..

Overall rating

Based on our valuation approach, we have calculated a total NAV for all portfolio companies of € 50.1 million.

Portfolio companies	GBC rating
Convergenze S.p.A.	2,6
Tesi S.r.l.	9,8
Solid world S.p.A.	8,3
Expo Inox S.p.A.	9,1
Movinter S.r.l.	13,5
Six Italia S.p.A.	2,1
Pure Labs S.p.A.	4,5
NAV of all investments in € mln	50,1

The total NAV calculated by us is adjusted for net debt. As Movinter S.r.l. was consolidated as at June 30, 2023, the adjusted net debt of the pure holding company can be better determined on the basis of the 2022 financial year. At the end of the 2022 financial year, net cash amounted to € 9.2 million. This is changed by various significant transactions and financial activities. The positive adjustments include an increase of € 2.99 million due to the conversion of

convertible bonds for the IPO, as well as the proceeds from the IPO in the amount of around € 4.47 million. Cash outflows were caused by investments and earn-out payments, including € 11.5 million for the acquisition of Movinter, an earn-out payment of € 0.75 million for Tesi for the successful financial year 2022, an outflow of € 1.1 million due to the conversion of warrants from Solid World, the investment in PureLabs in the amount of € 4 million and € 1.9 million for the acquisition of Six Italia, including transaction costs. All these adjustments ultimately lead to an adjusted net debt of € 2.5 million.

Warrants: The company has distributed 4.97 million warrants to IPO and convertible bond investors. The warrants with a strike price of € 1.82 are also currently not in the money. These warrants have an exchange ratio of 1:2 and exercise prices of € 1.82 and € 2.00 for the exercise periods October 2024 and October 2025 respectively.

Share options: The company has distributed 1,375,000 share options from a total pool of 2,000,000 to management and employees. The share options are currently not in the money and have an exercise price of € 1.50. These options are divided into two tranches with different exercise periods: 24 and 48 months after July 2023, i.e. July 2025 and July 2027 respectively.

The stock options and warrants were valued using the Black-Schoele model based on a volatility of 35%. In total, we determined the value of the stock options and warrants to be € 0.41 million. This amount was deducted from the company's net asset value (NAV).

To determine the net holding costs, we have taken EBITDA for the 2022 financial year as the starting point and assumed a significant decrease over the next five years. We assume that these costs can be almost fully covered by consulting agreements with the portfolio companies. We have discounted these future costs at a discount rate of 8% to reflect the fair value. The calculated holding costs amount to a total of € 1.26 million.

	GBC- Rating
Portfolio companies	50,1
Net debt	2,5
Warrants & Options	0,4
Equity capital	47,2
Holding costs	1,26
Fair value of the company	45,9
Number of shares outstanding	19,14
Fair value per share	2,40

We have calculated the NAV of the portfolio companies at € 50.1 million. After deducting the net debt of € 2.5 million and the value of the warrants and options of € 0.4 million, we have calculated an equity value of € 47.2 million. After deducting the holding costs of € 1.26 million, we believe that the fair value of the company is € 45.9 million, which corresponds to a fair value of € 2.40 per share for 19.14 million shares. In view of the significant upside potential, we assign a Buy rating.

GBC AG is currently represented by its Executive Board members Manuel Hölzle (Chairman) and Jörg Grunwald.

The analysts responsible for this analysis are

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