tecno

Tecno Group pioneering the Twin Transition: a data-driven SustainTech platform ready to scale

Sector: Technology Services

Target Price (€) 5.21

Market Price (€) **3.92**
Market Cap (€ m) **56.45**
EV (€ m) **62.89**

As of October 3rd, 2025

TP of Euro 5.21 leaves a potential upside of 33%. We initiate coverage of Tecno with a potential upside of approximately +33% versus the current share price, based on a valuation combining a DCF model and a multiples analysis. At our target price, the stock would trade at FY25/26 EV/EBITDA multiples of 11.9x and 9.5x, respectively.

Pioneering SustainTech player enabling the Twin Transition. Tecno SpA Società Benefit is the holding company of Tecno Group, a leading Italian SustainTech player specializing in guiding SMEs through the Twin Transition. Tecno Group offers a unique Digital SustainTech-as-a-Service model spanning Transition Accounting, Digital Transformation, and Sustainable Transformation services. With 4,442 clients, 57% recurring sales, and growing EU presence, Tecno is positioned as a key enabler of ESG compliance, energy efficiency, and sustainable business models aligned with EU Green Deal, Fit for 55, and Digital Compass objectives.

First sustainable IPO closed successfully. Tecno was listed on the EGM market on July 16th, 2025. Capital structure strenghtened with Euro 11 m in IPO proceeds, providing flexibility to accelerate growth. Since the IPO, the stock has gained +56.8%, with the share price rising from Euro 2.50 at IPO to Euro 3.92.

Integrated, technology-enabled service ecosystem. Tecno's business model combines proprietary solutions (e.g., Kontrol-ON, Data Fuel Tracer, REC, ESG Assessment Platform) with strategic advisory, enabling clients to: i) optimize energy consumption and emissions through monitoring, ii) ensure compliance with energy taxation, CBAM, and ESG regulations, iii) integrate sustainability into strategy, operations, and reporting, and iv) unlock financial benefits through tax optimization and regulatory incentives. Founder and Chairman Giovanni Lombardi leads an experienced management team with a track record in regulatory advisory, technology innovation, and business development.

Strong competitive position in a growing, fragmented market. Tecno operates in the rapidly expanding Italian sustainability consulting market (c. Euro 625 m addressable in 2023, growing at a 2021-2023 CAGR of +25.7%), benefiting from rising compliance-driven demand (EU Green Deal, CSRD, Fit for 55, CBAM). Tecno differentiates through its unique integration of regulatory, technological, and advisory services, positioning itself between niche consultants and large professional services firms. Its technology-enabled model, cross-selling capabilities, and SME focus provide a competitive edge in a fragmented market with consolidation potential.

Growth strategy well aligned with driving market trends. Tecno's growth strategy is well aligned with key market trends in regulatory compliance, digital transformation, and sustainability. The IPO on Euronext Growth Milan will further support the Group's ambition to accelerate, also through M&A, its expansion and consolidate its leadership through technology innovation-focused investments in the evolving SustainTech landscape.

Attractive financial profile and growth potential in 2024. Tecno has demonstrated strong historical growth, with solid profitability in 2024, reflected in a 15.3% EBITDA margin (pro-forma), and a robust financial structure further strengthened by the recent IPO proceeds, providing a solid foundation for future expansion. We anticipate Tecno Group to outperform the market, with a projected sales CAGR of 20% from FY24PF to FY28E, reaching Euro 51.1 m by FY28E. We forecast EBITDA to grow at a FY24PF-FY28E CAGR of 30%, reaching Euro 11.7 m in FY28E, with EBITDA margin rising to 22%, supported by operating leverage and efficiency. We project total CAPEX of Euro 6.2 m by FY28E, including Euro 1.5 m of IPO costs capitalized in FY25E and Euro 4.7 m mainly dedicated to R&D activities, particularly for Ardite. We forecast the net cash position to strengthen from Euro 4.8 m in FY25E (after a Euro 11.0 m capital increase following the listing) to Euro 15.8 m by FY28E, supported by strong cash flow generation.

Share Data

Listing Market	Euronext Growth Milan
Ticker	TCG-IT
ISIN	IT0005658841
No. of Shares	14,400,000
Free Float	30.56%
Reference Shareholder	Twin Srl (100% owned by Giovanni Lombardi): 69.44%
Chairman	Giovanni Lombardi
CEO	Claudio Colucci

Financials

	FY24PF	FY25E	FY26E	FY27E
Revenues	**26.4**	**31.3**	**35.9**	**42.7**
YoY %	*49.8%*	*18.8%*	*14.8%*	*18.8%*
EBITDA	**4.0**	**6.0**	**7.2**	**9.0**
EBITDA %	*15.3%*	*19.1%*	*20.1%*	*21.1%*
EBIT	**1.3**	**3.1**	**4.1**	**6.0**
EBIT %	*4.9%*	*9.8%*	*11.5%*	*14.1%*
Net Profit	**1.1**	**1.6**	**2.2**	**3.3**
Net Debt/(Cash)	**6.1**	**(4.8)**	**(7.9)**	**(11.4)**

Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY24PF), and on PMI Capital Research's estimates for FY25E-FY27E.

Performance

	1M	3M	1Y
Absolute %	(1%)	n.a.	n.a.
Relative (FTSE Italia Growth) %	(256%)	n.a.	n.a.
52-week High/Low (Eu)	4.28	/	2.50

Sustainability: ESG profile available

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TECNO SNAPSHOT

Group Description

Tecno SpA Società Benefit is the holding company of Tecno Group, a leading Italian SustainTech player specializing in supporting companies, particularly SMEs, through their Twin Transition by integrating digital innovation and sustainability. Leveraging a business model built on specialized expertise, proprietary platforms, and a fully integrated, data-driven approach, the Group offers a comprehensive range of strategic consulting services across its three synergistic pillars: Transition Accounting, Digital Transformation**,** and Sustainable Transformation**.** These pillars enable the creation of long-term value for clients and stakeholders while reinforcing Tecno's role as a frontrunner in the European SustainTech landscape. With 4,442 clients, 57% recurring sales, and proprietary platforms such as Kontrol-ON, Tecno I, and Ardite (to be launched in 2028 in partnership with Università della Calabria), Tecno stands out as a scalable and resilient SustainTech model.

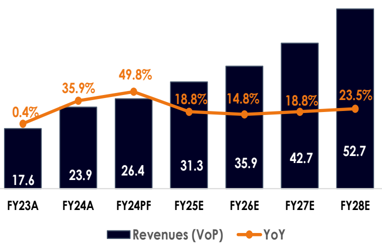
Board of Directors

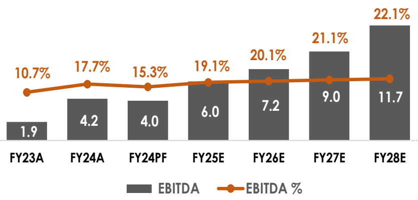
Giovanni Lombardi – Chairman
Claudio Colucci – CEO & Exec.
Eugenio Giavatto – Independent Director
Katia Da Ros – Independent Director
Fabrizio Cocco – Director

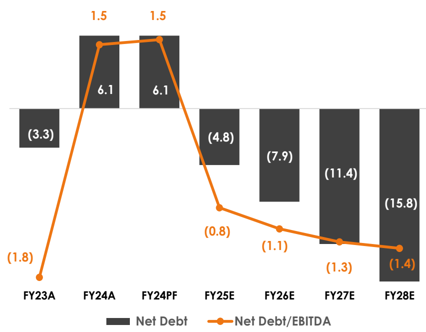
Key Shareholder

Twin Srl (100% owned by Giovanni Lombardi): 69.44%

TECNO IN CHARTS







Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY23A-FY24PF), and on PMI Capital Research's estimates for FY25E-FY28E.

GROWTH STRATEGY

Tecno aims to become Europe's leading SustainTech-as-a-Service company by driving sustainable, AI-powered growth. Its strategic roadmap focuses on supporting the digital and ecological transition of SMEs and large enterprises through a scalable, innovation-driven platform model. Key pillars of the strategy include:

- M&A Acceleration: Strategic acquisitions, such as Ergo and Energika, will broaden service offerings and support expansion across Europe, especially in target international markets.

- Revenue Expansion per Client: Tecno will enhance its value proposition with data-driven, tailored solutions, boosting up-selling and cross-selling opportunities.

- International Growth: The Group targets expansion in the UK and Spain, leveraging mature ESG markets and rising regulatory demand, through a hybrid service model.

- Platform Innovation: Launch of ARDITE in partnership with Università della Calabria, a flagship platform, fully operational by 2028, with a SaaS-based revenue model. According to Management, investments of Euro 2.7 m are planned through 2027 to drive digital sustainability solutions.

KEY FINANCIALS

Profit & Loss Statement		**FY22A**	**FY23A**	**FY24A**	**FY24PF**	**FY25E**	**FY26E**	**FY27E**	**FY28E**
Sales		15.4	16.4	22.3	24.8	29.7	34.4	41.1	51.1
Revenues (VoP)		17.5	17.6	23.9	26.4	31.3	35.9	42.7	52.7
EBITDA		3.0	1.9	4.2	4.0	6.0	7.2	9.0	11.7
EBIT		1.9	0.7	1.5	1.3	3.1	4.1	6.0	8.6
Pre-tax Profit/(Loss)		2.4	0.7	2.5	2.2	2.8	4.0	5.9	8.5
Net Profit/(Loss)		1.9	0.3	1.3	1.1	1.6	2.2	3.3	4.7
Balance Sheet									
Net Working Capital		5.7	6.3	8.8	8.8	10.1	11.2	12.8	15.2
Fixed Assets		4.3	4.8	13.4	12.1	11.9	10.0	8.2	6.2
Provisions		(0.8)	(0.9)	(1.4)	(1.4)	(1.5)	(1.6)	(1.8)	(1.9)
Net Invested Capital		9.2	10.2	20.8	19.4[1]	20.4	19.5	19.2	19.5
Net Debt/(Cash)		(4.2)	(3.3)	6.1	6.1	(4.8)	(7.9)	(11.4)	(15.8)
Equity		13.5	13.5	14.6	13.1	25.2	27.4	30.7	35.3
Sources		9.2	10.2	20.8	19.2[1]	20.4	19.5	19.2	19.5
Cash Flow									
EBIT			0.7	1.5	1.3	3.1	4.1	6.0	8.6
Non-cash Items			1.1	2.6	2.7	2.9	3.1	3.0	3.1
Taxes			(0.4)	(1.2)	(1.2)	(1.3)	(1.8)	(2.7)	(3.8)
Change in Provisions			0.1	0.5	0.5	0.1	0.1	0.1	0.1
Change in Working Capital			(0.6)	(2.5)	(2.5)	(1.3)	(1.1)	(1.6)	(2.4)
Cash Flow from Operations			0.9	1.0	0.8	3.5	4.5	4.9	5.6
Capex			(0.9)	(10.1)	(10.2)	(2.7)	(1.2)	(1.2)	(1.1)
Change in Financial Assets			(0.7)	(1.1)	0.2	-	-	-	-
Operating Free Cash Flow			(0.7)	(10.2)	(9.1)	0.8	3.3	3.7	4.5
Financial Income/(Expenses)			(0.0)	0.9	0.9	(0.2)	(0.2)	(0.1)	(0.1)
Dividend			(0.2)	(0.2)	(0.2)	(0.4)	-	-	-
Other Change in Equity			(0.0)	(0.0)	(1.4)	11.0	-	-	-
Change in Net Debt/(Cash)			(0.9)	(9.4)	(9.7)[2]	11.1	3.1	3.6	4.4
Per Share Data									
Current Price (Euro)	**3.92**								
Total shares out (m)	14.40								
EPS		0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.3
FCF		0.0	(0.1)	(0.9)	(1.0)	0.8	0.2	0.2	0.3
Ratios									
EBITDA margin		17.2%	10.7%	17.7%	15.3%	19.1%	20.1%	21.1%	22.1%
EBIT margin		11.1%	4.0%	6.4%	4.9%	9.8%	11.5%	14.1%	16.2%
Net Debt/Equity		(0.3)	(0.2)	0.4	0.5	(0.2)	(0.3)	(0.4)	(0.4)
Net Debt/(Net Debt + Equity)		(46.0%)	(32.2%)	29.5%	32.0%	(23.3%)	(40.2%)	(59.3%)	(81.0%)
Net Debt/EBITDA		(1.4)	(1.8)	1.5	1.5	(0.8)	(1.1)	(1.3)	(1.4)
Interest cover EBIT		n.m.	4.1	n.m.	n.m.	13.9	26.8	55.9	113.2
ROE		14.0%	0.5%	8.0%	6.2%	6.6%	6.8%	9.3%	12.0%
ROCE		21.0%	6.9%	7.4%	6.7%	15.0%	21.2%	31.4%	43.9%
Growth Rates									
Sales		(31.2%)	6.3%	36.0%	50.8%	20.0%	15.7%	19.5%	24.4%
Revenues (VoP)		(20.2%)	0.4%	35.9%	49.8%	18.8%	14.8%	18.8%	23.5%
EBITDA		(8.2%)	(37.6%)	124.7%	114.4%	48.6%	20.8%	24.7%	29.3%
EBIT		(28.8%)	(63.5%)	116.4%	83.1%	136.7%	35.2%	45.8%	41.8%
Net Profit		(5.1%)	(85.9%)	397.0%	302.5%	47.6%	40.3%	48.7%	43.1%

[1] NIC does not fully reconcile with funding sources (difference of Euro 0.3 m), due to FY24PF adjustments related to the income statements of Ergo and Energika.
[2] Change in Net Debt/(Cash) values do not fully reconcile due to FY24PF adjustments related to the income statements of Ergo and Energika.
Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY22A-FY24PF), and on PMI Capital Research's estimates for FY25E-FY28E.

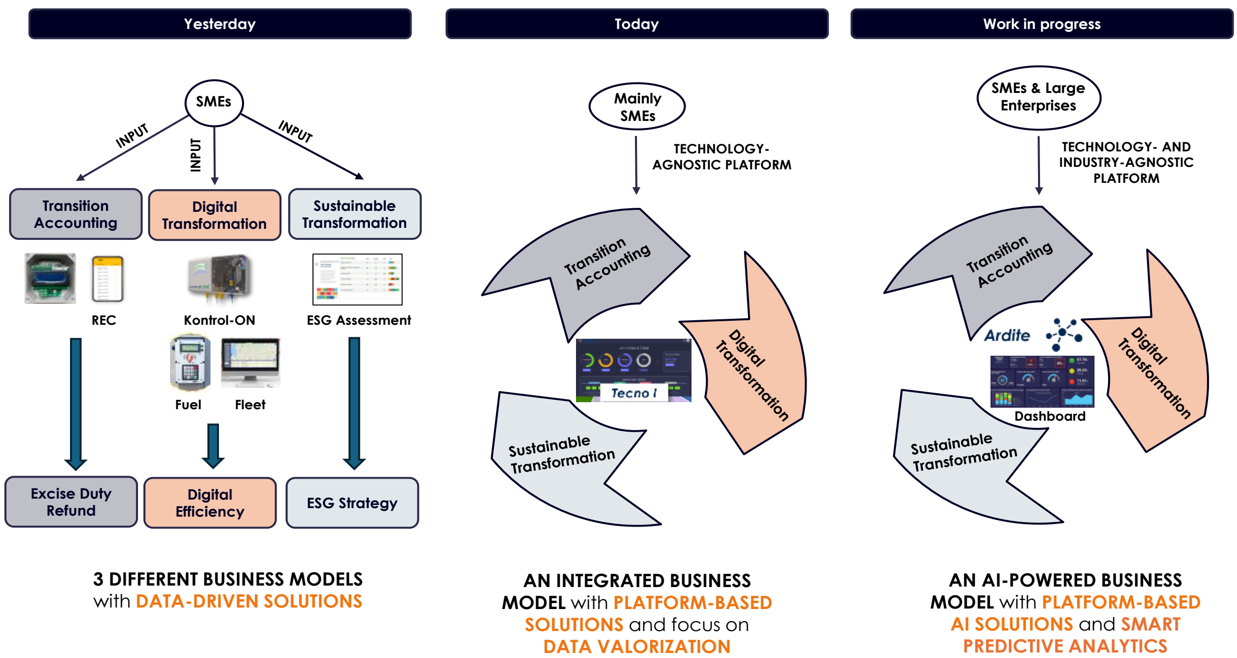
TECNO GROUP OVERVIEW

Tecno Group is a leading Italian SustainTech player with the ambition to become Europe's first fully integrated SustainTech-as-a-Service provider. Founded in 1999 by visionary entrepreneur Giovanni Lombardi, who leveraged his expertise in regulatory frameworks to pioneer the introduction of excise duty refunds in Italy, Tecno Group began as a specialist in excise duties management. Since then, it has pursued a dual growth strategy, combining strong organic development with seven strategic acquisitions, and progressively expanded its capabilities to help energy-intensive SMEs manage increasingly complex regulatory and sustainability challenges. In 2010, it entered the digital transformation space, integrating proprietary IoT platforms in its offering, and by 2019, it launched sustainable transformation services to support companies in their ecological transformation in line with Europe's sustainability agenda. This evolution also marked a strategic shift in business models, from a compliance-focused service provider operating with three different business lines to an integrated, platform-based ecosystem, centred on data valorisation.

Today, Tecno is a pioneer in Italy's sustainable transition, offering essential tools and services to support compliance with the European Green Deal and Fit for 55 regulations. Following the IPO on Euronext Growth Milan in July 2025, the Group aims to accelerate growth through a clear and ambitious roadmap focused on organic expansion and targeted M&A. This strategy is fuelled by innovative technology investments, including the deployment of the Ardite platform in partnership with Università della Calabria, marking yet another evolution in Tecno's positioning. At this stage, the Group will operate with an AI-powered business model, delivering platform-based SustainTech-as-a-service solutions to SMEs and large enterprises across multiple industries.

With its headquarters in Naples, operational offices in Milan, Brescia, Bolzano, Rimini, Arezzo, Pisa, London, and Madrid, and commercial offices in Bologna, Rome, and Avellino, Tecno recorded pro forma FY24 sales of Euro 24.8 m. Of these, around 3% were generated outside Italy and approximately 57% derived from recurring sales. FY24PF EBITDA amounted to Euro 4.0 m, reflecting an EBITDA margin of 15.3% on the value of production, alongside a net debt of Euro 6.1 m. In 1H25, the Group serves around 4,442 clients (up from 4,197 in 2024) and employs 299 staff members (up from 254 in 2024).

Leading the way in SustainTech-as-a-service



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

TECNO GROUP: THE FIRST SUSTAINABLE IPO ON EURONEXT GROWTH MILAN

The listing of Tecno Group on Euronext Growth Milan in July 2025 represents the first sustainable IPO, a concept that broadens the definition of sustainable finance traditionally associated with instruments like ESG-aligned equity investments, green bonds, or other forms of senior debt used to fund sustainable projects. According to the publication "IPO Sostenibile – Linee Guida per la raccolta di capitali delle PMI", key characteristics of a sustainable IPO include:

- **Strong governance of the issuer to manage ESG risks and drive long-term sustainable success.** A critical element of a Sustainable IPO is the execution of a comprehensive legal, tax, and environmental due diligence process, aimed at mapping and assessing ESG-related risks and opportunities. Furthermore, the Admission Document must include a dedicated section addressing ESG considerations integrated into the company's business model, as well as a specific chapter on ESG risks, ensuring transparency and alignment with investor expectations.

- **Use of proceeds is also directed towards achieving or promoting sustainability objectives**. To qualify as a Sustainable IPO, the issuer must explicitly disclose in the Admission Document how IPO proceeds, fully or in part, will be allocated to support ESG objectives, ensuring consistency with the Group's broader business growth strategy and long-term sustainability goals.

- **Transparency on ESG factors through sustainability reporting** based on measurable and comparable data. This is formalized through the publication of a Sustainability Report, or an Impact Report in the case of a Benefit Corporation. These documents identify the Key Performance Indicators (KPIs) that will be monitored and developed throughout the IPO process and post-listing period, providing a framework for measuring ESG progress over time.

Tecno Group actively embraces ESG principles both internally and externally, extending its commitment to sustainability through its services, particularly within the Sustainable Transformation business area. This division focuses on helping clients integrate sustainability across their strategies, operations, supply chains, and business models. Its offerings also include the preparation of ESG reports, alignment with regulatory compliance, transparency in sustainability metrics, adoption of a Life Cycle Assessment (LCA) approach, decarbonization strategies, and circular economy initiatives.

The monitoring of KPIs extends beyond environmental and social dimensions to encompass governance, which plays a fundamental role in delivering a truly Sustainable IPO.

THE IPO

Tecno was listed on the EGM market on July *16th*, 2025. The IPO price was set at Euro 2.50 per share. The offering included an issuance of 4,400,000 shares, of which 3,845,000 new shares resulting from the capital increase and 555,000 shares resulting from the full exercise of the greenshoe option, bringing the total capital raised to Euro 11.0 m and the market capitalization to Euro 36.0 m.

The float stood at 30.56%, and 4,400,000 ordinary shares represented the share capital.

With the Euro 11.0 m capital increase from the listing on EGM, Tecno aims to accelerate its M&A strategy through strategic acquisitions, such as Ergo and Energika, which will broaden its service portfolio and support geographic expansion across Europe, particularly in key international markets. The Group also intends to strengthen its value proposition by offering data-driven, tailored solutions that enhance up-selling and cross-selling potential, ultimately increasing revenue per client. Moreover, Tecno is pursuing international growth with targeted expansion in the UK and Spain, leveraging both mature ESG markets and increasing regulatory demand, through a hybrid service model. Finally, the proceeds will support the launch of ARDITE, a flagship platform developed in partnership with the University of Calabria, expected to be fully operational by 2028. The platform will adopt a SaaS-based revenue model, with planned investments of Euro 2.7 m through 2027 to advance Tecno's digital sustainability solutions. Finally, the TECNO Group aims to establish the "Primo Polo Europeo della Sostenibilità". Since the IPO, the stock has gained 56.8%, with the share price rising to Euro 3.92 from the IPO level of Euro 2.50.

Tecno IPO and Use of Proceeds

KEY OFFER POINTS

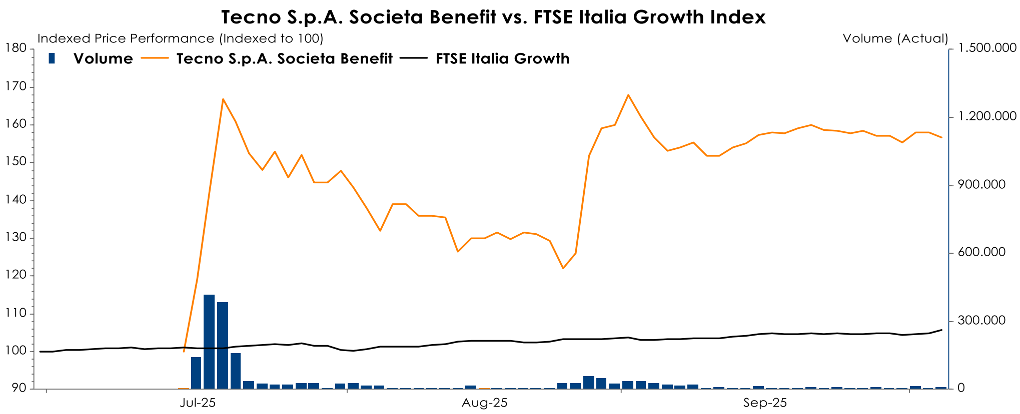
- **ISSUER: Tecno SpA Società Benefit**
- **LISTING MARKET: Euronext Growth Milan**
- **CAPITAL RAISED: Euro 11.0 m**
- **FREE FLOAT: 30.56%**
- **LOCK-UP: 12 months**

USE OF PROCEEDS

- **M&A ACCELERATION**
- **REVENUE EXPANSION PER CLIENT**
- **INTERNATIONAL GROWTH**
- **PLATFORM INNOVATION: THE LAUNCH OF ARDITE**
- **ESTABLISHMENT OF THE FIRST "PRIMO POLO EUROPEO DELLA SOSTENIBILITÀ"**

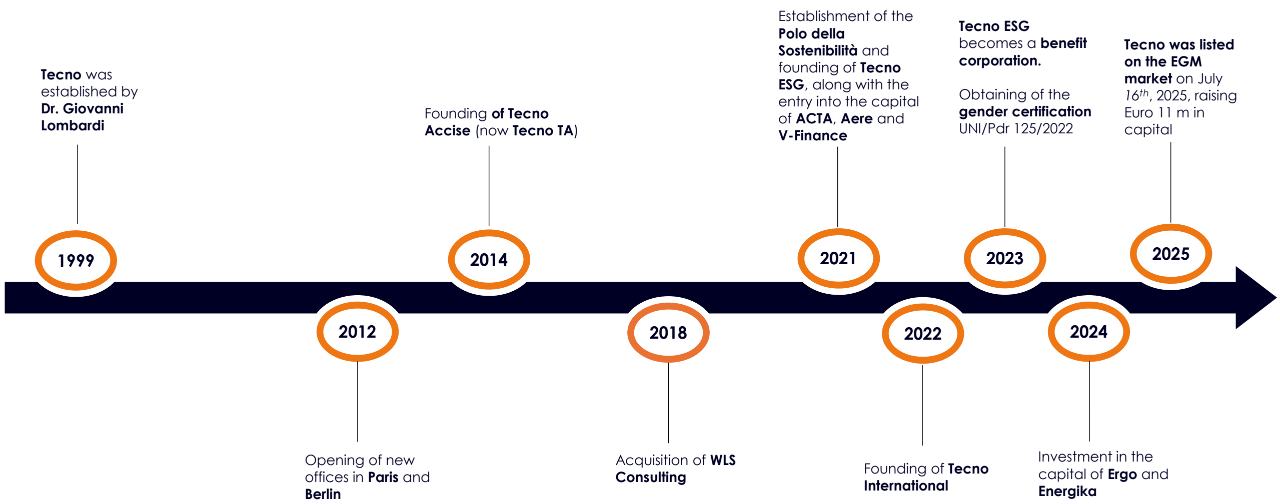
Source: PMI Capital Research's elaboration based on Tecno's IPO and Use of Proceeds

Stock Performance



Source: FactSet Prices

HISTORIC MILESTONES



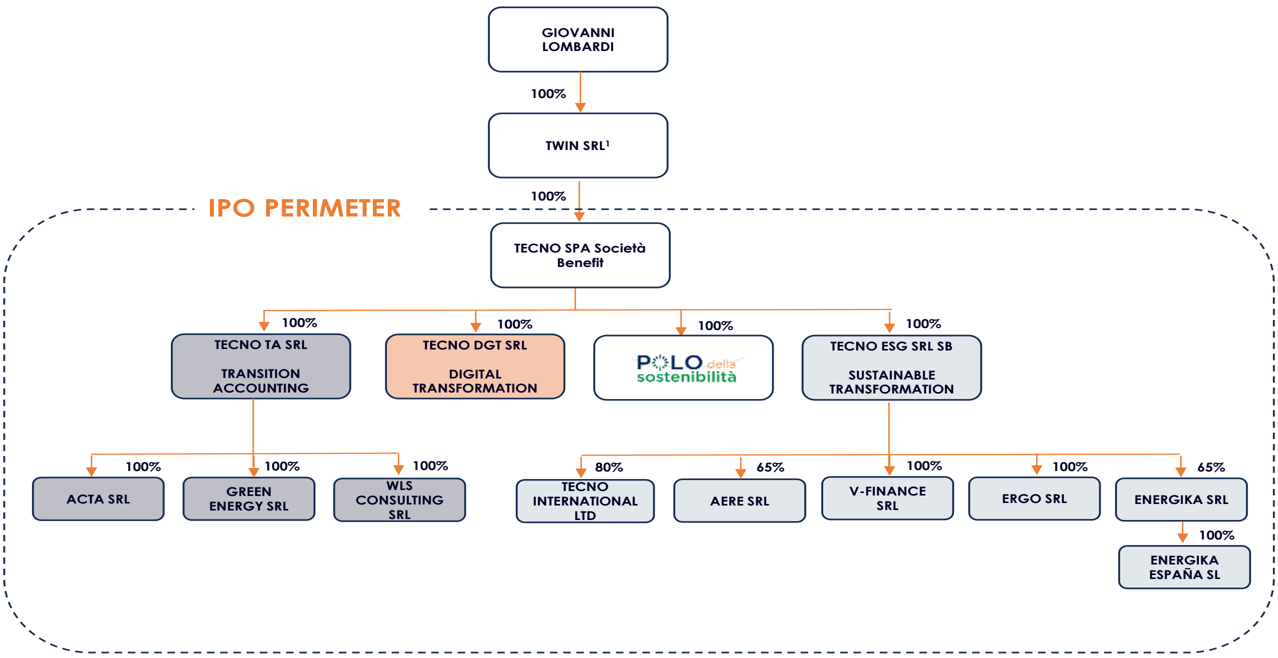
Source: PMI Capital Research's elaboration based on Tecno Group's website data.

GROUP STRUCTURE

Tecno Group has 13 subsidiaries across Italy, Spain, and the United Kingdom. Its structure ensures comprehensive coverage of the Group's three business areas, providing both operational flexibility and strategic scalability. The operating companies include:

1. **Tecno TA S.r.l. –** Specializes in transition accounting and regulatory compliance services related to energy and climate.
2. **Tecno DGT S.r.l.** – Drives digital transformation through advanced technologies such as data management, IoT, and automation, with a strong focus on ESG, energy management, and regulatory compliance.
3. **Tecno ESG S.r.l. Società Benefit** – Provides integrated ESG consulting and strategic advisory services to support sustainable business models, regulatory alignment, and value creation.
4. **WLS Consulting S.r.l.** – Specializes in excise consultancy and supports businesses with excise duty refund/exemption processes.
5. **Acta S.r.l.** – Provides consultancy for obtaining tax reductions and exemptions on excise duties, including support with certified measurement instruments and technical-administrative compliance.
6. **Green Energy S.r.l.** – Specializes in the calibration of fiscal measurement instruments required for tax benefits.
7. **V-Finance S.r.l.** – Specializes in sustainable finance services and ESG metrics advisory, supporting access to green financial markets.
8. **Ergo S.r.l.** – Provides consulting in environmental sustainability, circular economy, and ESG, supporting integrated management systems and sustainability strategies.
9. **Aere S.r.l.** – Develops solutions for air quality improvement, emission reduction, and low-carbon transition, helping businesses and regions align with environmental regulations.
10. **Energika S.r.l.** – Offers advanced energy consulting and engineering services to optimize energy consumption, reduce emissions, and support industrial and public players in their energy transition.
11. **Energika España SL** – Energika's Spanish subsidiary, which strengthens the Group's portfolio by providing cross-border scale and significant growth opportunities.
12. **Tecno International Ltd** – A SustainTech consultancy offering digital and sustainability transformation services across the EMEA region.
13. **Polo della Sostenibilità** – An internal strategic hub dedicated to guiding Italian and international SMEs in enhancing their ESG strategies, focusing on digitalization and corporate sustainability integration. Currently, the entity is inactive.

Tecno Group Overview



[1] Tecno Venture was merged into Twin Srl following its spin-off.
Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

BUSINESS MODEL

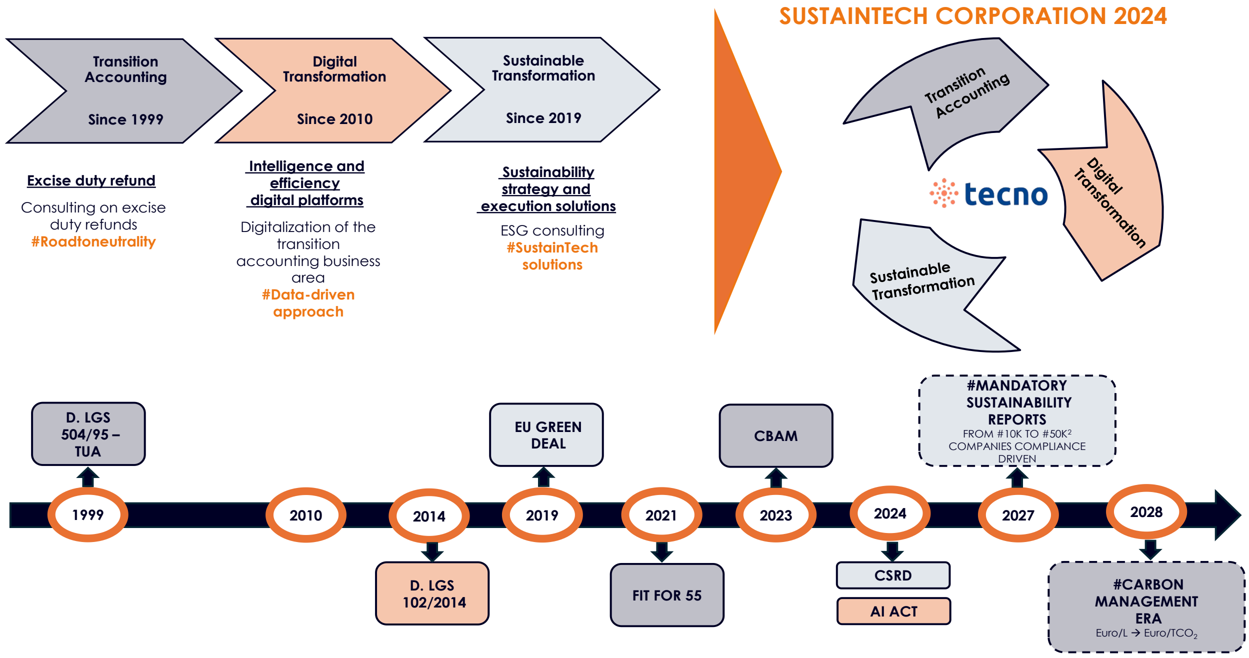
Tecno Group's mission is to drive the twin transition by leveraging proprietary technologies, specialized expertise, and high-value-added services. This human-tech approach combines technological solutions with human insight to deliver optimal outcomes.

The Group's business model is built around three core areas: Transition Accounting (33% of pro-forma 2024 sales), Digital Transformation (15%), and Sustainable Transformation (52%). These areas form an integrated ecosystem, with solutions delivered through a unified value creation model based on a three-step approach:

- technology implementation.
- data acquisition and valorisation.
- high-value services and strategic advisory (Transition Accounting, Digital Transformation, and Sustainable Transformation).

This model helps clients transform compliance into a catalyst for sustainable innovation while also generating ongoing up-selling and cross-selling opportunities for the Group.

Tecno Group: Business model



[2] Subject to Omnibus approval.
Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

1. Transition accounting: energy taxation & compliance

Tecno has established itself as a market leader in helping businesses navigate regulatory frameworks, particularly those related to energy taxation. The Group supports energy-intensive industries with a comprehensive range of services designed to optimize energy costs and environmental taxation, turning sustainability from a compliance obligation into a strategic driver of competitiveness.

The Group offers a comprehensive suite of services and advanced technological tools for monitoring and managing fleets, vehicles, and fuel consumption, enabling access to tax relief schemes for energy products. Its flagship products include Data Fuel Tracer (DFT), a patented device that certifies fuel consumption for tax benefits through real-time monitoring of engine activity, and the Registro Elettronico Carburanti (REC), a digital platform designed for compliant fuel transaction reporting as required by Customs Authorities.

Tecno's transition accounting services are divided into three areas:

A. National services:
- Diesel duty refund: Management of excise duties on fuels for the industrial and logistics sectors.
- Excise duty digitalization & electronic DAS: Digitalization of excise procedures to improve administrative efficiency.
- Excise duty exemption on energy products: Consultancy on managing preferential tax regimes for companies.

B. International services:
- Diesel duty refund & foreign VAT: Support for businesses operating internationally.
- Fiscal identification & OSS/IOSS regime: Ensuring compliance for e-commerce and businesses with cross-border operations.
- AEE/EPR registry & transnational EU secondment: Management of regulatory obligations for businesses abroad.

C. Carbon Border Adjustment Mechanism (CBAM):
Tecno helps businesses meet obligations under the new CBAM, the EU mechanism regulating emissions from imported products. The Group supports businesses in assessing their carbon footprint and mitigating the economic impact of emission taxes.

2. Digital transformation: Technology for energy efficiency

This business area was originally established as technological support for the Group's Transition Accounting services but has since evolved to encompass products for a broader range of business processes.

Through its proprietary suite of platforms and applications, including Kontrol-ON, Fuel, Fleet, the advanced indicator LevelUP, and the innovative iDFT device, Tecno supports clients throughout their digital transformation journey. It leverages technologies such as cloud computing, IoT deployment, and business process automation to improve process control, monitoring, and performance management. When needed, Tecno also develops customized hardware solutions to meet specific data tracking and management requirements, ensuring seamless integration with its broader digital ecosystem.

These solutions empower businesses to monitor and control energy, production, and environmental performance, providing real-time, sector-specific data insights. By enhancing decision-making speed and enabling real-time visibility of key process data, Tecno allows companies to accelerate the Twin Transition, combining digital innovation and sustainability, to make their processes safer, more efficient, and more sustainable.

3. Sustainable transformation: ESG strategies and carbon neutrality

Sustainability and energy optimization, supporting businesses in their journey toward carbon neutrality and compliance with ESG standards. Tecno helps companies integrate sustainability into their strategy, operations, supply chains, and business models. The offering is structured around three main service categories:

A. Strategy:
- ESG Assessment: Evaluation of ESG performance and identification of improvement areas.
- Sustainability Reporting: Support in preparing sustainability reports in line with international standards.
- Strategy Consulting: Tailored consulting to integrate sustainability into business strategy.
- ESG Due Diligence (DD): Assessment of ESG risks and opportunities during business transactions.

B. Operational Execution:
- Energy Management: Optimizing energy use and improving energy efficiency.
- Carbon Management: Strategies to reduce emissions and achieve carbon neutrality.
- Life Cycle Management: Analysing the environmental impact across product life cycles.
- Circularity Management: Integrating circular economy principles to optimize resources and reduce waste.

C. Compliance:
- Technical Audit (Health, Safety, and Environment - HSE): Technical audits to ensure compliance with environmental and safety regulations.
- Regulatory Consultancy: Consultancy to maintain and update compliance with ESG regulations.

REVENUE MODEL

Tecno Group's revenue model is structured around diverse and complementary revenue streams across its three main business areas: Transition Accounting, Digital Transformation, and Sustainable Transformation. A key strength of this model is the high proportion of recurring sales, which accounted for 57% of total sales in 2024 (pro forma data). These revenues are driven by long-term service contracts, subscription-based solutions, and ongoing regulatory compliance needs, ensuring steady and predictable cash flows.

1. **Transition Accounting** generates revenue primarily through success-based fees and recurring consulting contracts. The services offered in this unit, such as energy tax refunds, fiscal compliance, and CBAM (Carbon Border Adjustment Mechanism) advisory, require continuous updates and regulatory monitoring, ensuring repeat engagements with clients. The Data Fuel Tracer (DFT) must be recalibrated every two years by Customs Authorities, generating recurring revenue alongside the initial installation fees.

2. **Digital Transformation** operates under a SaaS-based model, generating recurring sales from software subscriptions and licensing fees. Platforms such as Kontrol-ON, which offer real-time energy and emissions monitoring, are integral to this business area. Clients subscribe to long-term, data-driven services that provide essential insights for optimizing energy consumption and improving operational efficiency. In addition to recurring software sales, Tecno generates income from upfront implementation services and ongoing maintenance contracts.

3. **Sustainable Transformation** generates recurring advisory fees for ESG assessments, sustainability reporting, and carbon neutrality strategies, complemented by project-based revenues from services such as energy audits and carbon management execution. This approach allows the company to balance steady income from long-term consulting relationships with revenue from specific, time-bound projects that deliver measurable outcomes for clients, with payments typically made upon project completion.

Through this hybrid revenue model based on multi-year contracts, Tecno supports businesses in achieving their sustainability targets while providing flexible, scalable solutions tailored to each client's unique needs.

PROPRIETARY TECHNOLOGIES

Tecno Group's proprietary technologies are pivotal in enhancing its service offerings and delivering value to its clients. The Group adopts data-driven solutions, systematically converting large volumes of raw data into high-quality, actionable insights ("good data"). This process of data valorisation supports more informed decision-making and enhances operational efficiency across its client base. Additionally, Kontrol-ON and Tecno I leverage open-source technologies, offering high technological independence, avoiding vendor lock-in, and ensuring maximum flexibility and customization to meet diverse client needs. The Ardite project will be designed following the same approach.

These innovative tools, developed in-house, provide robust solutions across its three business pillars:

Transition Accounting

- **Data Fuel Tracer (DFT)** and iDFT: The Data Fuel Tracer (DFT) is a stand-alone device developed by Tecno to measure engine usage hours and engine revolutions. It allows the certification of actual fuel consumption eligible for tax benefits, which is mandatory for businesses seeking fuel tax relief. This technology ensures compliance with regulatory standards, providing a reliable means to monitor fuel consumption for tax purposes. The iDFT system takes this further by directly transmitting the required data for tax exemption to a dedicated platform. This ensures that all required data is accurate, easily accessible, and processed in real-time for fiscal compliance.

- **REC - Registro Elettronico Carburanti**: The REC system is designed for entities required to record energy product movements and annually report these data to Customs Authorities. It is a necessary tool for businesses accessing fuel tax refunds, ensuring seamless and compliant fuel transaction reporting.
  REC+ is an enhanced version of the REC system, designed to streamline operations by replacing manual data entry in the loading and unloading section with the bulk import of electronic transport documents (e-DAS).

Digital Transformation:

- **Kontrol-ON**: An advanced, data-driven monitoring system designed to optimize operational efficiency and reduce production facility management costs. It collects and processes data on production, energy consumption, costs, and CO_2 emissions, supporting companies' transition to Digital Automation. As a cloud-based, open-source IoT solution delivered in SaaS mode, Kontrol-ON collects data from field sensors or third-party systems and translates it into actionable insights through real-time KPIs. Unlike traditional Manufacturing Execution Systems (MES), which are often complex and expensive, Kontrol-ON is scalable, easy to implement, and adaptable to existing company infrastructures. It integrates seamlessly with both legacy machinery and modern systems (SCADA, PLCs), making advanced industrial monitoring accessible to businesses of all sizes.
- **Fuel Management System 4.0**: This Industry 4.0-ready solution optimizes fuel consumption and management, providing businesses with enhanced control over logistics and consumption processes. The system includes **LevelUP**, an advanced fuel level indicator that delivers accurate, real-time data on levels in storage tanks, improving operational efficiency and enabling more informed business decisions. By significantly reducing operational costs and fuel consumption, it streamlines everyday processes and enhances sustainability.
- **Fleet Management Software**: Tecno's Fleet Management Software is designed to monitor the performance and status of company vehicles, transport fleets, and machinery. This tool is essential for businesses aiming to track asset activity, optimize vehicle utilization, and reduce operating costs. The system detects irregularities in fleet operations, improving overall efficiency and driving cost savings through actionable insights.
- **Tecno I** – An open-source platform designed to integrate and valorise data across multiple business functions. Conceived as the technological core of the Group's SustainTech model, Tecno One brings together data acquisition and valorisation, learning modules, document management, and data visualization into a unified digital ecosystem, providing access to ESG insights and KPIs through intuitive dashboards. The platform acts as an interface between clients and data management processes, which will, in the future, be further enhanced by predictive analytics capabilities from the upcoming Ardite platform. This enables a dynamic and measurable representation of the integrated business model, empowering data-driven decision-making and supporting continuous monitoring of sustainability performance across the entire value chain.

Sustainable Transformation:

ESG Assessment Platform: A comprehensive digital tool developed by Tecno to assess a company's sustainability performance according to the Environmental, Social, and Governance (ESG) criteria and aligned with the Global Reporting Initiative (GRI). The platform consists of a three-step process:

1. **Questionnaire** – to gather the initial data on a company's ESG performance.
2. **Analysis** – to evaluate the company's performance against industry benchmarks.
3. **Report** – to generate detailed reports that provide insights into a company's ESG risks and areas for improvement.

The platform enables businesses to assess their ESG readiness, identify gaps, and understand how their performance compares to industry standards, helping guide them towards effective sustainability reporting and action.

New Technologies - ARDITE

Ardite, Tecno's next-generation, AI-powered digital twin platform, is currently under development in partnership with Università della Calabria and scheduled for launch in 2028, involving of Tecno DGT, Tecno TA, and Tecno ESG. As the evolution of the proprietary Tecno One platform, Ardite is designed to be non-industry-specific and fully adaptable to companies of any size or sector. While Tecno One includes vertical solutions mainly tailored to SMEs, Ardite introduces a more universal framework, enabling broader scalability and integration. Moreover, it is an AI-powered, automated solution capable of performing smart predictive analytics, supporting data-driven decision-making, early risk detection, and enhanced sustainability performance across industries. By creating a constantly updated digital replica of the client company, Ardite will empower organizations to:

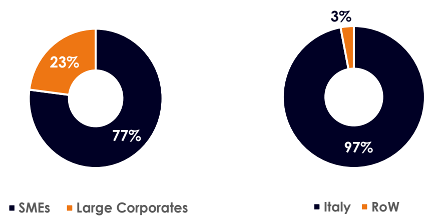
- Simulate and assess the impact of operational or strategic policies before implementation.
- Anticipate and mitigate regulatory, operational, and reputational risks.
- Respond swiftly to evolving compliance requirements and demonstrate ESG progress with traceable, data-driven evidence.

CLIENT PORTFOLIO

At the end of June 2025, Tecno served approximately 4,442 clients (up from 4,197 in 2024), over 77% of which were SMEs. This broad client base ensures low concentration risk, with the largest client accounting for 4.5% of pro-forma 2024 sales and the top 10 clients representing 8.5%. Client concentration increased compared to 2023 (4.2%), mainly due to the acquisition of Ergo, whose largest client accounted for approximately Euro 1.1 m, or 4.5% of total Group sales. However, according to Management, this figure reflects a framework agreement involving multiple companies within a leading Italian multinational energy group. As such, it does not represent a single contractual counterparty, and the underlying client concentration risk is therefore considered to be lower. A significant portion of the client base consists of energy-intensive SMEs operating in the manufacturing, construction, and mining sectors, as well as other companies managing substantial vehicle fleets.

Tecno Group: Client breakdown

2024PF TOTAL SALES BREAKDOWN



CLIENTS PORTFOLIO

TOTAL SALES BY TO 20 CLIENTS

Client	2023A (Euro)	% 2023 Sales	2024PF (Euro)	% 2024PF Sales
Client 1	0	0.0%	1,121,416	4.5%
Client 2	299,761	1.8%	282,044	1.1%
Client 3	68,000	0.4%	141,022	0.6%
Client 4	172,832	1.1%	119,126	0.5%
Client 5	0	0.0%	97,000	0.4%
Client 6	0	0.0%	81,470	0.3%
Client 7	81,075	0.5%	70,358	0.3%
Client 8	14,000	0.1%	65,000	0.3%
Client 9	0	0.0%	64,315	0.3%
Client 10	51,763	0.3%	60,953	0.2%
Client 11	12,000	0.1%	60,828	0.2%
Client 12	20,494	0.1%	53,010	0.2%
Client 13	0	0.0%	50,005	0.2%
Client 14	70,107	0.4%	49,890	0.2%
Client 15	0	0.0%	49,500	0.2%
Client 16	21,150	0.1%	49,350	0.2%
Client 17	5,200	0.0%	48,800	0.2%
Client 18	0	0.0%	47,000	0.2%
Client 19	39,450	0.2%	46,600	0.2%
Client 20	15,000	0.1%	46,000	0.2%
Top 10 Clients % on sales	687,431	4.2%	2,102,704	8.5%
Top 20 Clients % on sales	870,832	5.3%	2,603,687	10.5%

In the table above, the columns related to 2023-2024PF revenue per client are sourced from the analyst presentation, while the columns showing each client's revenue weight as a percentage of sales for 2023 and 2024PF represent our calculations based on data contained in the same presentation (total sales amounting to Euro 24.8 m).
Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

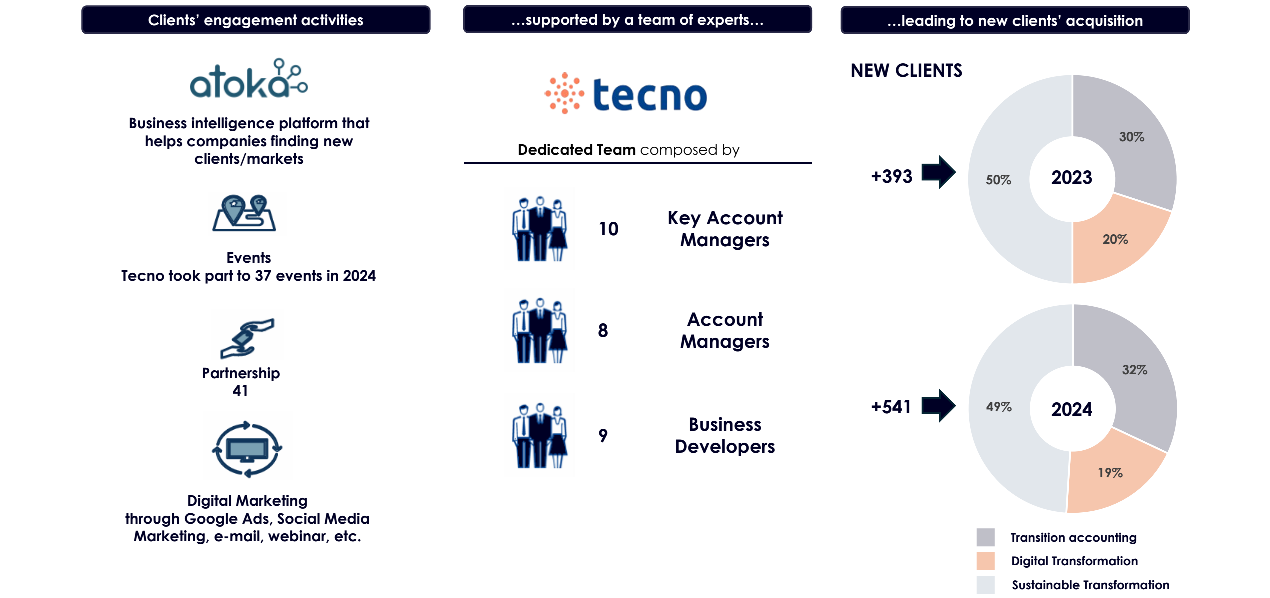
CLIENT ACQUISITION AND ENGAGEMENT STRATEGY

Tecno's go-to-market strategy has proven highly effective in driving both client acquisition and long-term engagement. Through Atoka (a business intelligence platform that helps companies find new clients and markets) and Symba (a proprietary platform for customer profiling), Tecno accurately identifies, and targets leads, contributing to strong commercial results. New client acquisitions grew from 393 in 2023 to 541 in 2024, with a lead cost per client of approximately Euro 100.

A dedicated team, comprising 10 Key Account Managers, 8 Account Managers, and 9 Business Developers, leads client engagement, focusing on both acquisition and the development of strategic, long-term relationships. The process of generating new market opportunities and acquiring new clients involves seven main activities: digital marketing campaigns (SEO/SEM), telemarketing, trade fairs and events, partnerships, finders, agreements with institutions and associations, and direct prospecting by the sales team.

In 2024, the Group participated in 37 events and established 41 strategic partnerships, enhancing brand visibility and expanding its ecosystem. Engagement is further supported by a comprehensive digital marketing mix, including webinars, Google Ads, email campaigns, and social media marketing, ensuring continuous, value-driven client interaction.

Tecno Group: Client acquisition model

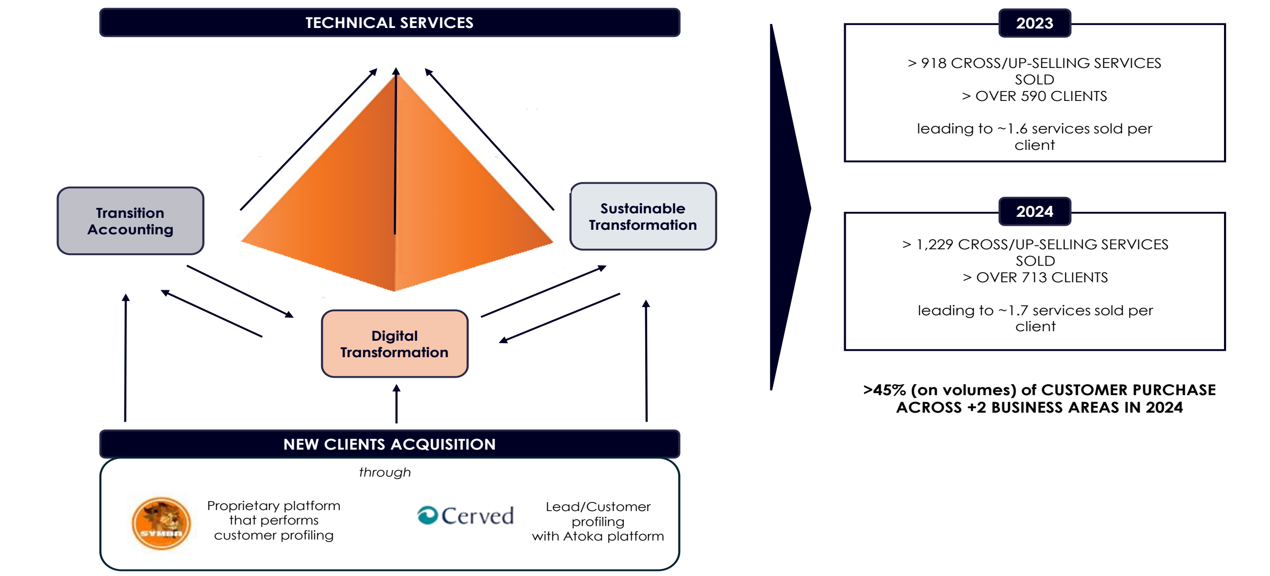


Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

In addition to acquiring new customers, Tecno aims to create up-selling and cross-selling opportunities to maximize customer value, contributing to a retention rate of approximately 99%.

In 2023, 918 services were sold to over 590 clients (1.6 services per client); in 2024, 1,229 services were sold to 713 clients (1.7 services per client), with more than 45% of customers purchasing across multiple business areas, demonstrating Tecno's growing ability to meet diverse client needs and increase wallet share.

Tecno Group: Mechanism for cross- and up-selling



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

R&D AT TECNO

Tecno Group is strongly R&D-oriented and has invested a total of Euro 4.0 m between 2015 and 2023 to develop proprietary technologies, including Data Fuel Tracer, Registro Elettronico Carburanti, Kontrol-ON, Fleet & Fuel, ESG Assessment, Tecno One, and Ardite (currently under development in partnership with Università della Calabria). R&D strategies at Tecno are developed and coordinated by the innovation strategy function, which oversees both research and development and strategic internal digitalization, with a structured approach integrating scientific expertise, technological innovation, sustainability, and open innovation. Operational R&D is distributed across specific business units, while R&D management is centralized to ensure alignment with the company's innovation roadmap. Oversight is provided by the Scientific Committee, a high-level advisory body composed of experts in technology, sustainability, and management. This committee offers strategic guidance and scientific validation to ensure Tecno's solutions remain cutting-edge, evidence-based, and aligned with sustainable practices.

In 2024, R&D investments totalled Euro 1.8 m, including:

- **Osirides**: a multi-year project (2023–2025) capitalized by Tecno ESG S.r.l. S.B., aimed at building a new commercial network through the specialized training of collaborators.
- **Ardite**: a 2024–2027 research initiative approved by the Italian Ministry of Enterprises and Made in Italy (MIMIT), involving Tecno DGT S.r.l., Tecno TA S.r.l., and Tecno ESG S.r.l. The project focuses on developing an AI-powered digital twin platform for ESG consulting, aimed primarily at supporting SMEs in implementing effective sustainability strategies, with particular attention to GHG emissions monitoring and predictive ESG performance evaluation.
- **Ergo**: development of advanced tools in the fields of circular economy, life cycle management, sustainability, and HSE (Health, Safety, and Environment).
- **Energika**: internal development of the "System Management" program to enhance process automation and internal efficiency.

Over the coming years, the Group will continue to focus its R&D efforts on the evolution of its open-source technologies and technology-agnostic platforms, an approach that reflects Tecno's commitment to transparency, collaboration, and scalable innovation.

Open-source solutions allow external developers and partners to access, modify, and enhance the software, fostering a dynamic ecosystem that accelerates adoption, reduces development costs, and ensures continuous improvement. At the same time, being technology-agnostic means that Tecno's platforms are not tied to specific programming languages, operating systems, or IT environments, ensuring seamless integration with the diverse technologies already used by client companies.

This dual model underpins Tecno's long-term vision of building flexible, interoperable digital infrastructures to support businesses in their sustainability transition. Delivered in SaaS mode, these solutions combine predictive analytics, real-time simulations, and ESG compliance monitoring in a unified, intelligent environment.

At the heart of this strategy is Ardite, Tecno's next-generation, AI-powered digital twin platform, currently under development and scheduled for release in 2028.

PARTNERSHIPS AND AWARDS

Tecno holds the following **accreditations** and **strategic partnerships:**

- **ELITE Company** and **Sustainable Partner** within the ELITE Programme
- **Sustainable Finance Partner** of **Borsa Italiana**
- **GRI Software and Tools Partner** since 2023
- **Ecovadis Training Partner** since 2023

Furthermore, Tecno was awarded as a **Best Managed Company** by Deloitte from **2018 to 2023**.

Source: *PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.*

CERTIFICATIONS

The Group holds the following certifications:

- **ISO 9001** for quality management and training systems
- **UNI 11352** as an Energy Service Company (ESCo)
- **ISO 50001** for energy management systems
- **UNI/PdR 125:2022** for gender equality management systems
- **HappyIndex®AtWork 2024-2025** certified, ranking **8th in its category**

Source: *PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025, and on official press releases.*

STRATEGY

The Group's management has outlined a clear and ambitious strategic roadmap aimed at positioning Tecno as the leading SustainTech-as-a-Service company in Europe. The strategy focuses on driving sustainable growth and supporting the digital and ecological transition of both SMEs and large enterprises, while continuing to evolve the business model towards an AI-powered platform approach. Key priorities include scaling operations, expanding the client base, and accelerating innovation through AI-driven technologies:

- **M&A:** The Group's strategy includes pursuing M&A to accelerate growth, broaden its service offerings, and enhance market penetration. Strategic acquisitions such as Ergo and Energika will strengthen Tecno's leadership in the sustainability and energy efficiency sectors, providing expanded solutions for clients across Europe. Looking ahead, M&A will also support international expansion, particularly in the UK and Spain, by acquiring companies with complementary expertise and culturally aligned teams.

- **Increase average sales per client through enhanced, AI-powered business model**: By leveraging new advanced artificial intelligence technologies, Tecno aims to deliver more value to its customers through tailored solutions, optimizing client relationships, and driving superior business outcomes. This approach will not only enhance the core value offered to clients but also facilitate up-selling and cross-selling opportunities, enabling Tecno to offer additional services and solutions that meet evolving client needs. By deepening these relationships, Tecno can increase the average sales per client, driving sustained growth while ensuring that clients receive the most comprehensive and effective solutions available.

- **International expansion:** The Group is actively expanding its presence in key international markets, emphasizing sustainable growth and adapting to the evolving regulatory landscape. Markets like the UK and Spain, where demand for advanced digital and energy solutions is growing, will be key targets for the Group's expansion. More specifically, Tecno targets the UK, one of the world's most mature ESG markets, to deploy its SustainTech model and capture demand for tech-enabled, measurable sustainability services. In Spain, the Group aims to leverage the ongoing energy transition and rising ESG adoption, positioning its digital platforms as key compliance and reporting enablers. A hybrid service delivery model will be used in both markets, with potential local expansion in Spain during a second phase.

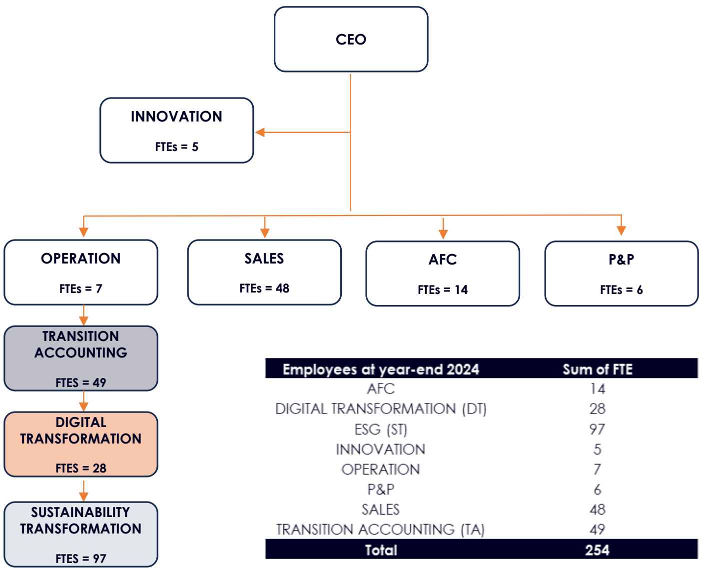
- **Commercial launch of ARDITE:** ARDITE will be fully operational by 2028. This cutting-edge technology is a cornerstone of the Group's growth strategy, enabling the Group to provide state-of-the-art solutions in digital sustainability and accelerating market adoption. The revenue model for Ardite will be based on a SaaS license, with clients paying an additional fee for Ardite on top of existing services provided by Tecno's business areas. The objective is to market SustainTech services through consultancy solutions powered by digital platforms. This project involves investments of Euro 2.7 m until 2027, in addition to Euro 0.2 m invested in 2024. The ARDITE platform consists of nine interconnected modules, eight of which are owned by Tecno Ta, Tecno DGT, and Tecno ESG, and one by the University of Calabria. Tecno will propose to the University of Calabria to grant it a permanent licence to use the module owned by the latter.

GOVERNANCE AND ORGANIZATIONAL STRUCTURE

Tecno Group exhibits a well-structured and multilayered governance framework designed to support its dynamic growth, manage its complex group structure, and uphold its commitment to sustainability and corporate responsibility.

At the organizational level, Tecno is led by CEO Claudio Colucci and supported by a structured C-suite, which includes the CFO, COO, CMO, and Chief Innovation and People Officers. The operational backbone consists of 254 full-time employees (FTEs) as of end-2024, with a particular concentration of resources in ESG (97 FTEs), sales (48 FTEs), Transition Accounting (49 FTEs) and Digital Transformation (28 FTEs). This distribution reflects the Group's focus on sustainability advisory and commercial expansion.

Organizational structure



Employees at year-end 2024	Sum of FTE
AFC	14
DIGITAL TRANSFORMATION (DT)	28
ESG (ST)	97
INNOVATION	5
OPERATION	7
P&P	6
SALES	48
TRANSITION ACCOUNTING (TA)	49
Total	**254**

Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Shareholder Structure

Tecno's share capital consists of 14,400,000 ordinary shares, all of which are admitted to trading on Euronext Growth Milan.

Tecno SpA Società Benefit is currently 69% owned by Twin S.r.l., a company controlled by founder and Chairman Giovanni Lombardi. The Company and the shareholder Twin S.r.l. have entered lock-up commitments for 12 months starting from the first day of trading of the shares on Euronext Growth Milan (July 16th, 2025).

The share capital structure is outlined below:

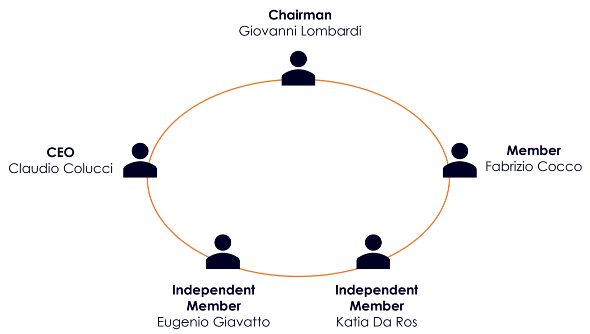
Shareholder	No. of Ordinary Shares	%
Twin S.r.l.	10,000,000	69.44%
Market[1]	4,400,000	30.56%
Total	**14,400,000**	**100.00%**

[1] It includes the holding of Alkemia SGR S.p.A., amounting to 1,800,000 shares, representing 12.50% of the share capital.
Source: PMI Capital Research's elaboration based on Tecno's official website.

Corporate Governance

In terms of governance, the Board of Directors of Tecno SpA Società Benefit is chaired by Giovanni Lombardi and includes independent members to ensure proper oversight and accountability. Several compliance and advisory bodies strengthen this structure, including an Audit Board, a Supervisory Board (as required by Legislative Decree 231), and a Data Protection Committee, demonstrating Tecno's robust internal control environment. Strategic foresight is supported by both a Scientific and a Strategic Committee, composed of respected academics and experts in ESG, sustainability, and innovation. This reinforces Tecno's positioning as a leading "SustainTech" company. All governance structures and arrangements outlined above will be implemented upon listing.

Board of Directors



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Tecno has adopted the legal status of a benefit corporation (Società Benefit), thereby institutionalizing its ESG values at the statutory level. The establishment of a dedicated ESG Committee after the listing will further underscore the company's commitment to embedding sustainability at the core of its governance and operational model.

Key Managers

Tecno Group is led by a strong and multidisciplinary management team with deep experience across engineering, finance, human resources, and marketing:

Giovanni Lombardi – Chairman
Giovanni Lombardi is an entrepreneur committed to technological innovation, digitalization, and the social role of business. Graduated in Economics in 1990, he has led the growth of Gruppo Tecno through strategic vision and continuous challenges. Since founding the company, he has championed social initiatives, including talent development programs and cultural philanthropy, notably supporting the restoration and community return of important artworks. He strongly advocates for the intersection of humanities and digital innovation, sponsoring educational projects such as the Apple Developer Academy at the Museo di Capodimonte. His efforts have earned prestigious awards, including the 2021 Aretê Cultura Prize by Banca Generali and recognition at the G20 Culture event in Rome. Widely regarded as a pioneer of the "Twin Transition" combining ecological and digital transformation.

Claudio Colucci – CEO
Claudio Colucci is young manager passionate about innovation and a keen observer of the European business landscape. His curiosity and analytical skills have driven the Group's recent acquisitions. After studying engineering and initial experience in automotive design, he joined Gruppo Tecno in 2006. A hands-on leader involved in all company processes, he enthusiastically drives new solutions while staying close to operations. He led the company through significant growth, culminating in the 2019 Elite Certification, which he accepted in London, marking Tecno's recognition as one of Deloitte's "Best Managed Companies" for six consecutive years. Focused on new communication trends, he shapes strategic assets, partner selection, and board composition to favour transversal, youthful, and international skills.
Salvatore Amitrano – CFO
Salvatore Amitrano is CFO and Sustainability Charter at Tecno Capital, with over 25 years of international entrepreneurial experience in family business management. He holds a degree in Engineering and an Executive MBA. Passionate about research and sustainability, he has collaborated with leading universities on topics like circular economy and raw material reduction, resulting in numerous scientific publications. Inspired by CSR principles, recognized with awards, he has developed deep expertise in sustainable and digital transformation. After his entrepreneurial career, he joined Tecno's C-suite and helped launch the Polo della Sostenibilità. He leads sustainability initiatives in Italy—partnering with Intesa Sanpaolo, CREDEM, Euronext Italy, ELITE—and abroad through Tecno International (e.g., UCL). He also lectures at several business schools.

TECNO ESG PROFILE 2024 – in partnership with "Osservatorio ECM ESG" by IRTOP Consulting

Tecno is a SustainTech Corporation with operational headquarters in Naples, whose main objective is to create shared value. The company specializes in technological solutions and consulting in the field of economic, environmental, and social sustainability in business, supporting its clients in processes of Transition Accounting, Digital Transformation, and Sustainable Transformation.

Sustainable Development Goals – SDGs

- Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Achieve gender equality and empower all women and girls
- Ensure access to affordable, reliable, sustainable, and modern energy for all
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work
- Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

- Reduce inequality within and among countries
- Make cities and human settlements inclusive, safe, resilient, and sustainable
- Ensure sustainable consumption and production patterns
- Take urgent action to combat climate change and its impacts
- Protect sustainable use of terrestrial ecosystems, sustainably manage forests, and combat desertification
- Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Governance

- Organizational Structure
- Code of Ethics
- Legality Rating
- Data protection

In 2024, the management of Tecno Group adopted a new organizational configuration. The Board of Directors is supported by an operational structure divided into five key functions: the Chief Financial Officer (CFO), responsible for economic and financial management; the Chief Operating Officer (COO), in charge of optimizing production and logistics processes; the Chief Innovation Officer (CInO), leading transformation and innovation initiatives; the Chief Marketing Officer (CMO), overseeing commercial strategies and communication; and the Chief People and Potential Officer (CPP), responsible for enhancing human resources and talent development.

All companies within the group are required to comply with the Code of Ethics and Conduct, drafted in respect of fundamental rights and in accordance with the provisions of Legislative Decree no. 231/2001. This document clearly defines the relationships with all stakeholders and intercompany interactions. The Code is structured around the following ethical principles and core values: legality; integrity, honesty, and fairness; transparent and timely information; diligence and accuracy.

The group companies that have obtained the Legality Rating, issued by the Italian Competition Authority (AGCM), are: Tecno TA, Tecno DGT, and Tecno, with a score of ∗++.

Tecno Group is actively committed to the collection, processing, and accurate management of personal data of its stakeholders, in compliance with national regulations (Legislative Decree no. 196/2003) and European regulations (EU Regulation 679/2016). Furthermore, the group has implemented a data processing management procedure to carry out data protection activities, and in 2020 established the Data Protection Committee (DPC) to define Tecno Group's privacy strategy

Social

- Workforce Growth and Composition
- Equality, Inclusion, and Equity
- Training
- Support for Communities, Future Generations, and Culture

As of December 31, 2024, the Tecno Group has more than 250 employees, marking a 66% increase compared to the 155 employees in 2023. Of these, 240 are permanent employees, up 69% from 142 in the previous year. Non-permanent workers total 17, representing a 31% increase compared to 13 in 2023. Among permanent employees, 93% have open-ended contracts, while 7% are employed on fixed-term contracts.

In 2024, 46% of the workforce is composed of women, and the company obtained Gender Equality Certification under UNI/PdR 125:2022 in both 2023 and 2024. In addition, 5 employees belong to protected categories.

	During 2024, a total of 3,965 hours of training were delivered, consisting of 2,429 hours of non-mandatory training and 1,536 hours of mandatory training. During 2024, Tecno allocated over Euro 160,000 to high social impact initiatives. These funds were distributed across various areas, ranging from support for education and training to the promotion of artistic heritage. These activities enabled the company to receive the "Aretè Art and Culture" Award, granted to businesses that stand out for their support of cultural heritage.
Environmental • Efficient Resource Management • Energy Consumption Distribution • GHG Emissions	Tecno Group has an Energy Management System compliant with the UNI EN ISO 50001:2018 standard, as well as an Integrated Management System for Environment, Health, and Safety, compliant with UNI EN ISO 45001:2018 and EMAS Regulation (EC) 1221/2009. Regarding the use of fuel for company vehicles, diesel consumption amounts to 643 MWh, while gasoline consumption totals 73 MWh. Electricity consumption for lighting, air conditioning, and the use of electrical and electronic equipment amounts to 137 MWh, while natural gas consumption for office heating (at the Castelli Calepio - BG, Pisa, and Arezzo locations) totals 46 MWh. In 2024, the main contribution comes from direct emissions resulting from fuel consumption (diesel and gasoline) associated with the company fleet (Scope 1), totaling 176 t CO_2 eq. Following this, a contribution of 35.5 t CO_2 eq is recorded, attributable to indirect emissions from imported electricity (Scope 2). While recognizing that it is not possible to eliminate all CO_2 emissions, the company considers it essential to participate in climate impact offset projects. Tecno Group takes part in an international UNFCCC project, accessing carbon credits, and has offset 266 tonnes of CO_2 related to Scopes 1, 2, and 3 through a Clean Development Mechanism (CDM)-certified initiative focused on sustainable transportation.

Source: "Osservatorio ECM ESG" by IRTOP Consulting's elaboration based on Tecno Group's 2024 consolidated sustainability report

REFERENCE MARKET

The Twin Transition – digital and sustainable investments by Italian SMEs

The Twin Transition encapsulates the dual, interlinked transformation businesses are undergoing as they integrate digitalization and sustainability into their operating models and value chains. This convergence reflects a structural shift driven by regulatory pressures, stakeholder expectations, and market demand for greater transparency, efficiency, and environmental accountability. Rather than parallel trends, digital and sustainable transformations are mutually reinforcing digital technologies, including AI, IoT, big data, and blockchain, enable companies to track, measure, and optimize sustainability outcomes, while sustainability objectives accelerate the adoption of advanced digital solutions to meet ESG compliance and reporting requirements. For SMEs the Twin Transition represents both a catalyst for competitive advantage and a barrier to entry in increasingly regulated industries, positioning enablers like Tecno Group at the forefront of capturing compliance-driven demand, unlocking operational efficiencies for clients, and generating resilient, recurring revenue streams underpinned by regulatory tailwinds.

According to the findings from the Digital Innovation in SMEs Observatory at the Politecnico di Milano, Italian SMEs are increasingly engaging in the twin transition, integrating digital transformation with environmental sustainability. In 2023, 33% of SMEs increased their direct investments in digital transformation, while 76% identified the green transition as a strategic priority. Furthermore, 57% of SMEs are utilizing digital tools to achieve environmental sustainability objectives. However, only 27% have appointed a dedicated figure to oversee green initiatives, indicating a gap between strategic intent and operational implementation.

The digital market for Italian SMEs is experiencing strong growth, with significant expansion expected by 2025. According to the Digital Innovation Observatories of the Politecnico di Milano, digital investments are projected to increase by 1.5%, with small enterprises growing by 3.7% and medium-sized ones by 4%. The main investment areas include cybersecurity (31%), cloud migration and management (25%), and Industry 4.0 technologies (24%). Cloud adoption grew by 21% in 2024, reaching a market value of Euro 581 m, with further increases expected in 2025. Artificial intelligence is also rapidly expanding: 73% of Italian SMEs are already using or testing AI tools, and 90% of those that have implemented them report increased revenues. Additionally, the National Recovery and Resilience Plan (NRRP) is playing a key role in supporting digital transformation, with an estimated impact of Euro 2.7 b on the digital market in 2025, pushing the total market value beyond Euro 84.5 b.

Sustainable Consulting Market

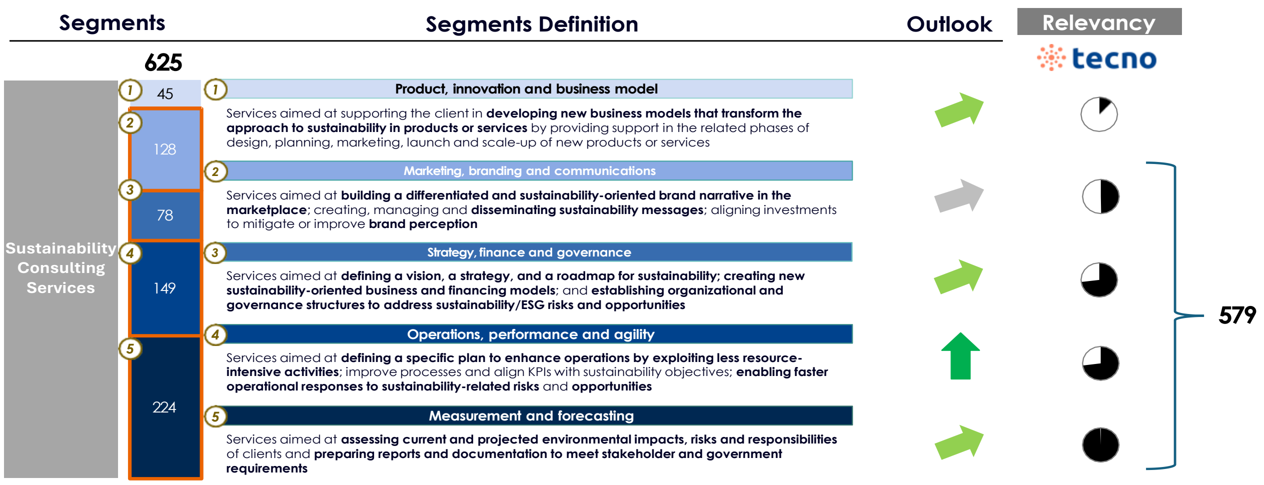
Tecno operates in the eco-digital transition sector, providing innovative solutions for corporate sustainability, regulatory compliance, and the digitalization of production processes. Leveraging its expertise in Transition Accounting, Digital Transformation, and ESG Compliance, the Group is positioning itself in the Sustainable Consulting Market and helps businesses adapt to regulatory changes and implement more efficient and sustainable business models.

In 2023, the Italian consulting market was valued at approximately Euro 6.6 b. After excluding micro-enterprise consultancies (estimated at Euro 1.0 b), the addressable market relevant to corporate clients totals around Euro 5.6 b (of which Euro 0.2 b was for Training and Euro 5.4 b for Consulting services).

Within the consulting services market, sustainability consulting services accounted for Euro 0.6 m, representing 11.1% of the core market (Non-sustainability Services: Euro 4.8 b, representing 88.9%). This segment represents Tecno's reference market, with services that support companies in complying with evolving ESG regulations, improving environmental and social performance, and integrating sustainability into business strategy and governance frameworks.

The sustainability consulting market was already outperforming the broader consulting industry even before the Covid-19 pandemic, with a CAGR of 11.2% between 2019 and 2021, compared to 4.8% for the overall market. In the post-pandemic landscape, its growth trajectory has further accelerated, driven by increasing regulatory pressure and corporate commitment to ESG goals. Between 2021 and 2023, the sustainability consulting segment grew at a rapid CAGR of 25.7% (13.9% for the overall consulting services market), mainly driven by compliance and ESG reporting requirements. From 2023 to 2027, the market is expected to grow at a CAGR of 11.9%, reaching an estimated Euro 907 m by the end of the period.

Tecno positioning



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

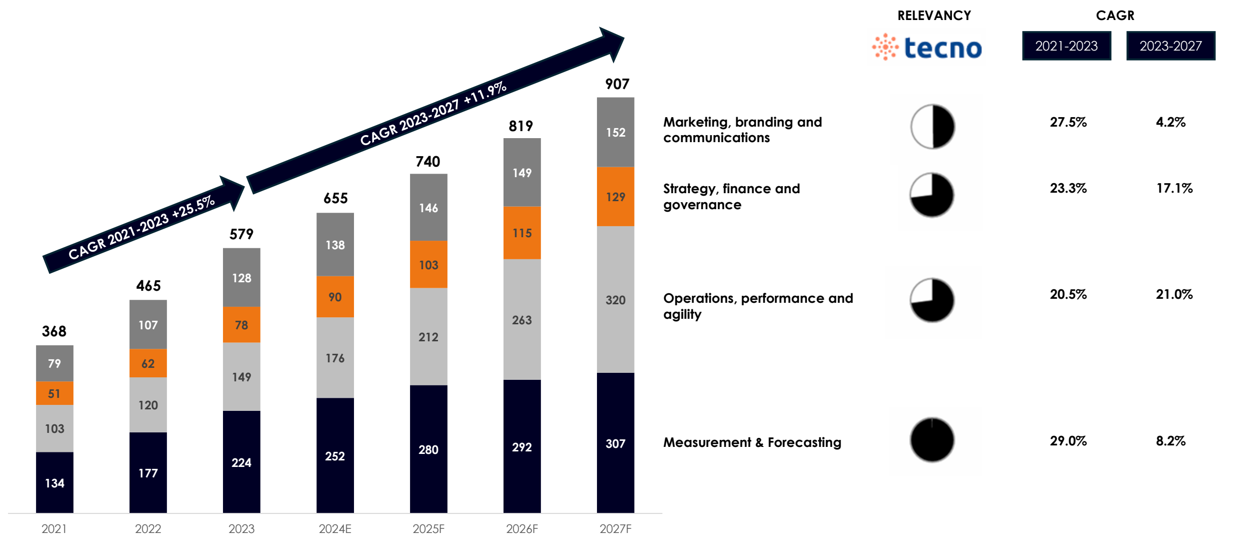
The sustainability consulting market is segmented into five core service categories, each aligned with different stages of corporate ESG maturity:

1. **Measurement & Forecasting (Euro 224 m)**: Services evaluating environmental impacts and risks and supporting compliance through stakeholder and regulatory reporting.
2. **Operations, performance, and agility (Euro 149 m)**: Services focused on operational improvement through resource efficiency, process optimization, and sustainability-aligned KPIs, enabling agile responses to ESG risks and opportunities.
3. **Strategy, finance, and governance (Euro 78 m)**: Services focused on sustainability strategy, business model innovation, and ESG governance to address long-term risks and opportunities.
4. **Marketing, branding, and communications (Euro 128 m)**: Services focused on brand positioning, sustainability communication, and reputation management.
5. **Product, innovation, and business model (Euro 45 m):** Services supporting the development and scale-up of sustainability-driven business models, products, and services.

Measurement & Forecasting and Operations, performance and agility together account for c. 60% of the total addressable market (Euro 373 m) and represent the two segments with the highest degree of relevance of compliance.

Looking at the first four categories (excluding Product, innovation and business model as this segment is not particularly relevant for Tecno's business), from 2021 to 2023, growth was led by Measurement & Forecasting. Over the 2023–2027 horizon, Operations, performance, and agility are expected to be the main drivers as companies shift from reporting to implementation. Tecno's most relevant market segments (Measurement & Reporting, Operations & Performance, and Strategy, Finance & Governance) seem to report a promising growth outlook, while the Product, Innovation, and Business Model service line currently represents a marginal share of Tecno's business and will therefore not be included in the scope of the following analysis.

Future Italian market growth



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

The development of the Italian sustainability consulting market is driven by three key megatrends. The most influential is stakeholder pressure toward ESG practices, followed by innovation-led sustainable growth and the need for external support in ESG execution:

1. **Stakeholder pressure towards ESG practices**: Increasing demands from regulators, consumers, and investors push companies to adopt ESG practices, driving the need for compliance services.
2. **Sustainable growth driven by innovation**: Companies pursue innovation through sustainability to capitalize on new business models, products, and supply chains, although with a smaller impact than the first trend. Key drivers include sustainable innovations, environmental certifications, and employee skill development via digital solutions.
3. **Demand for external assistance with sustainability strategy and operations**: Smaller companies or those without internal expertise are increasingly turning to external services to manage sustainability complexity, further contributing to market growth.

These three megatrends are collectively driving the growth of the Italian sustainability consulting market. Stakeholder pressure remains the main driver, while innovation and external support need to further accelerate demand for specialized services.

Competitive Landscape

The sustainable consulting market (excluding Product, innovation and business model) is highly fragmented with mapped players covering c. 50% of the overall reference perimeter. According to Management elaboration on market data, these players can be grouped into three distinct clusters, each offering a different range of services and demonstrating varying levels of focus on sustainability.

- **National & One-Stop Sustainability Firms**: **Euro 160 m** (c. 28% of the market)
  - Companies with international/national presence, specializing in environmental consulting.
  - Offer a broad range of services, including both custom solutions and standardized tasks like audits and environmental due diligence.
  - Typically feature a wide pricing range.
  - Very strong sustainability focus.

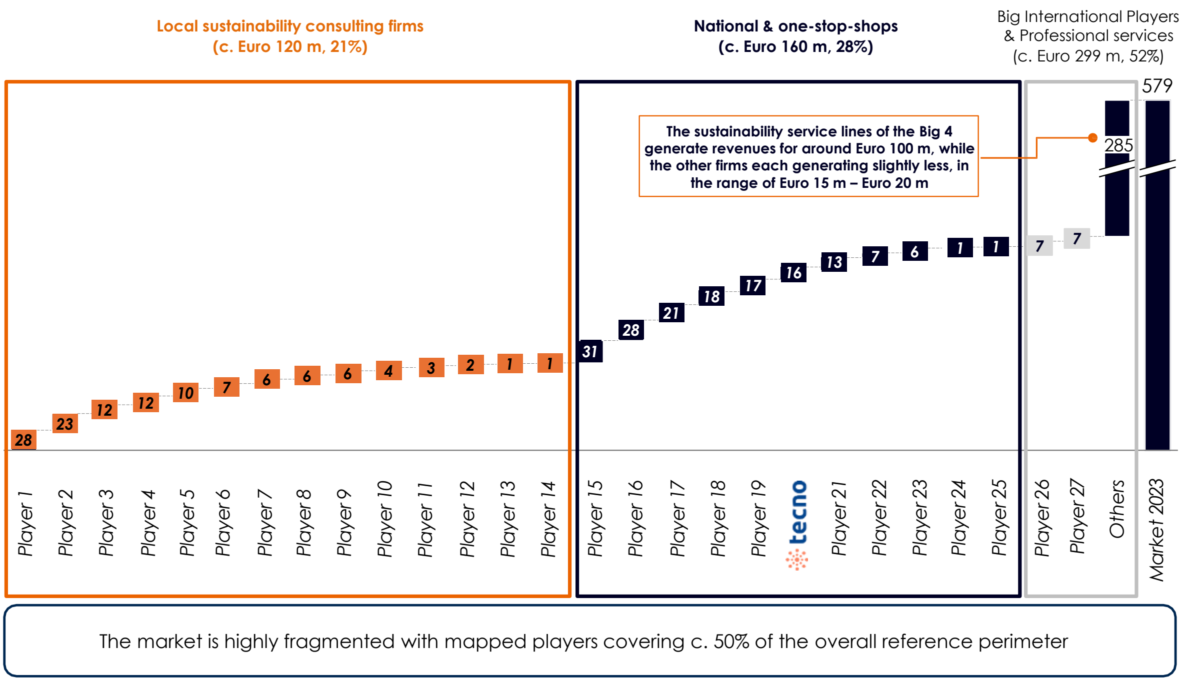
- **Local Sustainability Consulting Firms**: **Euro 120 m** (c. 21% of the market).
  - Firms specializing in environmental and governance issues, offering permitting and technical management of administrative tasks, along with ESG planning for companies.

- o Typically specialized in Testing, Inspection & Certification (TIC).
- o Strong emphasis on their local presence.
- o Focus on sustainability and other services.

- **Big International Players (Accenture, EY, Deloitte and PWC) & Generalist Professional Services**: **Euro 299 m** (c. 52% of the market)
  - o Cross-practice and cross-sector firms capable of executing sustainability and governance projects.
  - o Their services are highly standardized, including legal counsel, audit, due diligence, and gap analysis.
  - o Competitive pricing compared to focused players.
  - o Offering services in multiples consultancy areas including sustainability.

Tecno is part of the National Consultancies and Sustainability One-Stop-Shops cluster which accounts for c 28% (Euro 160 m) of the analysed market (Euro 579 m in 2023). With total FY23 sales of approximately Euro 16 m, Tecno Group commands around a 3% market share, rising to 4% on a pro-forma basis. Overall, Big International Players & Generalist Professional Services cover approximately 52% of the total market (of which 17% Accenture, Deloitte, EY and PWC and 34% other professional services providers), National & One-Stop Sustainability Firms represent c. 28% of total whereas local sustainability consulting firms 21%.

Market build-up



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

The table below shows a comparison of the National & One-stop shop players in terms of key financials and offering.

National Consulting & sustainability one-stop-shop

	Financials			Consulting							Training	Digital
	Sales '23 Euro m	Ebitda Margin '23	CAGR 18-23	*Environ-ment*	*ESG Strategy*	*Safety*	*Certi-fication*	*Waste mgmt*	*Danger-ous goods*	*Lab & analysis*	*HSE*	Digital Transformation
tecno	16.4	11.4%[1]	29.6%	✓	✓	✓	✓			✓	✓	✓
Player #15	30.6	13.0%	15.0%	✓		✓	✓	✓	✓	✓	✓	
Player #16	28.2	7.8%	10.4%	✓		✓	✓				✓	
Player #17	21.1	16.9%	33.2%	✓				✓		✓	✓	
Player #18	18.0	6.8%	13.7%	✓		✓	✓	✓	✓		✓	✓
Player #19	17.2	6.5%	183.2%	✓								
Player #21	13.1	5.7%	91.5%	✓	✓						✓	
Player #22	6.5	24.5%	39.1%	✓	✓						✓	
Player #23	6.4	23.5%	14.2%	✓	✓			✓			✓	
Player #24	1.3	9.9%	29.0%	✓	✓	✓	✓		✓		✓	
Player #25	1.0	6.3%	138.5%	✓		✓	✓	✓			✓	✓
Average	**14.5**	**12.1%**	**54.3%**									
Median	**16.4**	**8.9%**	**29.6%**									

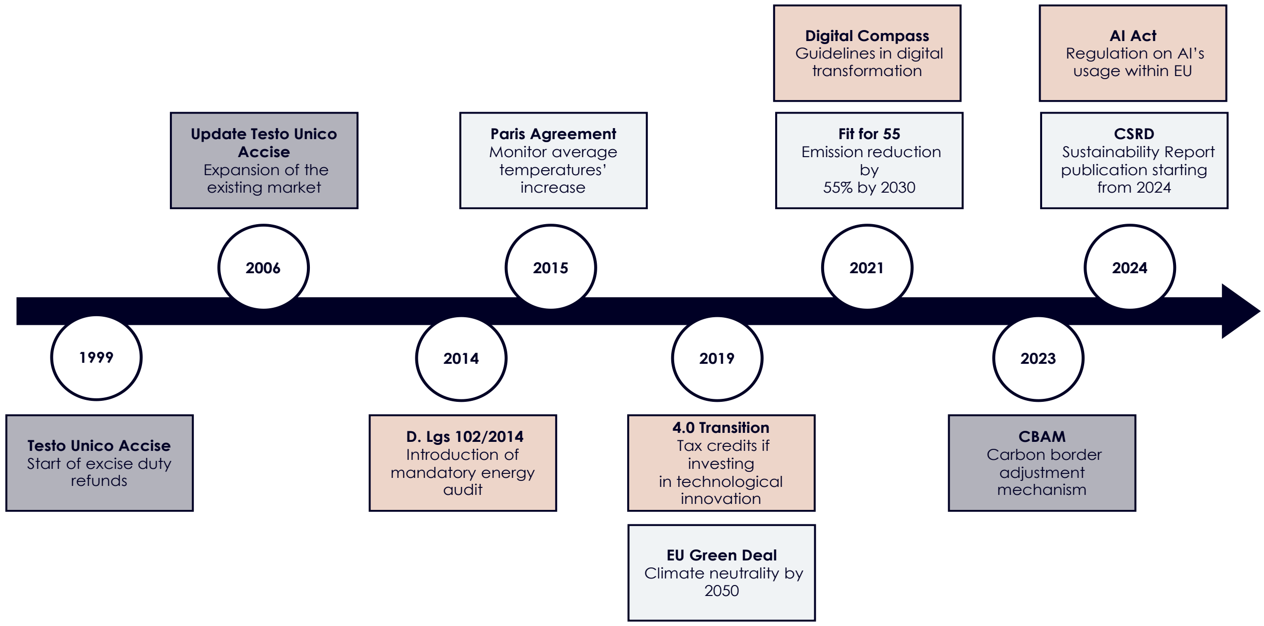
1 Computed on Income Statement account A1 (FY23A of Euro16.4 m).
Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Tecno stands out for it wide and complete offering and unique emphasis on digital transformation and ESG strategy. The digital gap presents a substantial challenge for many traditional professional services firms, as they often lack the advanced digital tools required for ESG transformation. In contrast, Tecno leverages its robust digital capabilities as a competitive advantage, enabling it to deliver scalable, automated, and efficient sustainability services that effectively address the increasing demand for real-time and comprehensive environmental, social, and governance solutions.

With FY23 sales of Euro 16 m in 2023, Tecno ranks slightly above the average among national consulting and sustainability one-stop-shop players. Its growth rate is broadly in line with the cluster (median), as is its EBITDA margin, which stood at 11.4% compared to the cluster average of 12.1. Including Energika and Ergo in the perimeter Tecno Groups sales would have been of c. Euro 22 m.

REGULATORY FRAMEWORK

The regulatory landscape surrounding sustainability and digital transformation has evolved significantly over the past three decades. The European Union (EU) and international organizations have set ambitious targets for both environmental and digital progress, resulting in a complex yet dynamic framework. As a leader in these sectors, Tecno must navigate this evolving regulatory environment to ensure compliance and leverage growth opportunities. Below is a detailed timeline of key regulatory frameworks shaping the business environment, particularly in the EU, and their implications for Tecno's strategy:



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

The evolving European regulatory environment highlights the convergence of environmental, digital, and corporate governance frameworks. While these developments introduce stricter compliance obligations, they also present significant opportunities for businesses to lead in sustainability and innovation and gain a competitive edge in the market.

Tecno is uniquely positioned to support companies in navigating this transformation. Through its proprietary technologies and tailored advisory services, the Group enables clients to integrate sustainability and digital innovation, ensuring regulatory compliance, minimizing environmental impact, and unlocking long-term growth in the face of evolving challenges.

HISTORICAL RESULTS OVERVIEW

Tecno Group's continuous growth through M&A and progressive strategic evolution has significantly impacted its financial statements. To support a better understanding of the figures reported below, we highlight the following considerations:

- The 2024 financial statements reflect several extraordinary transactions, including:
    - The acquisition of 100% of the share capital of Ergo, included in the consolidation area as of 1 July 2024.
    - The acquisition of 65% share capital of Energika (including its 100% controlled Energika España), included in the consolidation area as of 1 July 2024.
    - The acquisition of the remaining minority stakes in ACTA (25%) and V-Finance (30%).
    - The establishment of Polo delle Sostenibilità

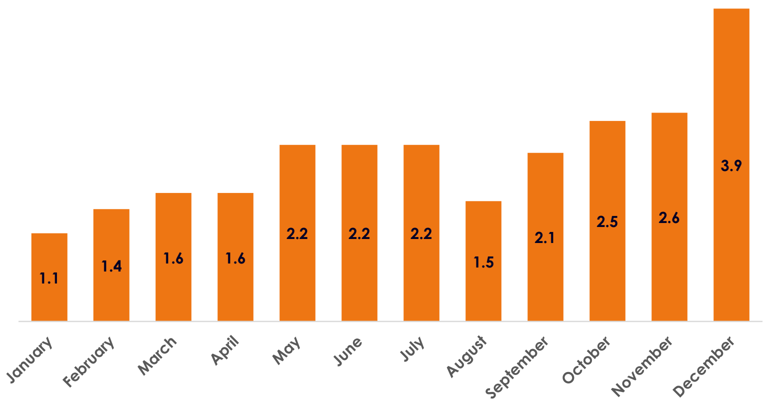
To support a clearer understanding of the Group's financial profile following the transactions, Management has prepared pro forma FY24 financial statements. The historical financials have been restated to retrospectively incorporate the accounting effects of the acquisitions of Ergo and Energika, on the income statement as of January 01st, 2024, and on the balance sheet as of December 31st, 2024.

The pro forma statements also reflect the transfer of non-strategic assets amounting to Euro 1.3 m from Tecno Srl to Tecno Venture, a newly established entity not included in the consolidation area, which was subsequently merged into Twin Srl as of April 2025.

- The financial statements have been prepared in accordance with Italian GAAP. If the Group were to adopt IFRS, one key difference, among others, would be the treatment of goodwill: under IFRS, the Euro 2.0 m currently amortized would instead be subject to an annual impairment test.

- Until the end of 2022, the trading activity of white certificates (TEE) was included within the Group's scope of consolidation. Starting from the 2023 financial year, the Group significantly downsized this activity, aligning its accounting treatment with the new strategic approach. As a result, beginning with the FY23 financial statements (with FY22 figures restated for comparability), the activity has been reported solely based on the marginal profits realized, with the certificates classified as deposit accounts and no longer contributing to reported sales. In FY22, this activity generated sales of Euro 8.9 m and marginal profits of Euro 0.9 m. In FY23, sales decreased to Euro 15.4 m, with marginal profits of Euro 43k.
- Tecno's revenue generation is typically weighted toward the year's second half, especially in the last quarter. This seasonality primarily reflects the characteristics of its revenue model, particularly:
  - Transition Accounting services, where revenue is recognized only upon the successful completion of a process that entails approximately 90 days for excise duty execution, followed by an additional 120 days for authority approval.
  - ESG advisory services, which tend to be finalized and recognized toward the end of the fiscal year.
- The seasonality of the business model typically impacts first-half margins: while sales are typically distributed 42% in H1 and 58% in H2 (based on the average H1 contribution to total sales in 2023 and 2024), costs are usually evenly spread throughout the year. As a result, margins are usually negative or close to break-even as of June 30th, with a significant improvement in the second half of the year.

FY24PF Monthly sales



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

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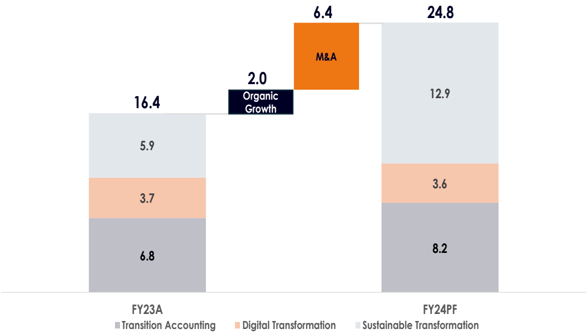
Profit & Loss Statement

The Group closed 2024 with pro-forma sales of Euro 24.8 m, up 51% YoY from Euro 16.4 m in 2023. Growth was driven by both organic expansion (+12% YoY, Euro 18.3 m) and the full-year contribution of approximately Euro 6.4 m from Energika and Ergo. By business area, Sustainable Transformation delivered a strong performance, with sales more than doubling (+119%), supported by both M&A activity and solid organic growth (Euro 6.5 m, +10% YoY). Transition Accounting also reported robust growth (+21%), benefiting, according to Management, from i) an increase in traded volumes, ii) an increase in excise duty rate (going back to normal after a temporary decrease due to the increase in fuel price following Russia's war on Ukraine) and iii) a shift in accounting principles regarding the recognition of revenue (OIC 34). Conversely, the Digital Transformation segment saw a slight decline (-3%), as client companies delayed new investments pending the final approval and implementation of the Transition 5.0 Law.

FY23A – FY24PF Sales and Revenues (VoP) breakdown

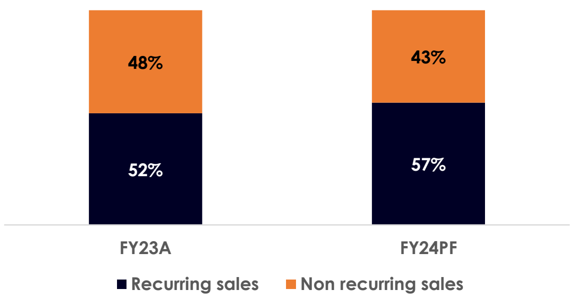
Business Area	FY23A	%	FY24PF	%	Δ %
Transition Accounting	6.8	41%	8.2	33%	21%
Digital Transformation	3.7	23%	3.6	15%	(3%)
Sustainable Transformation	5.9	36%	12.9	52%	119%
Sales	**16.4**	**100%**	**24.8**	**100%**	**51%**
Δ Inventories Value	(0.0)		0.0		307%
Increases in fixed assets for internal work	0.7		1.2		70%
Other revenues	0.5		0.4		(17%)
Revenues (VoP)	**17.6**		**26.4**		**50%**



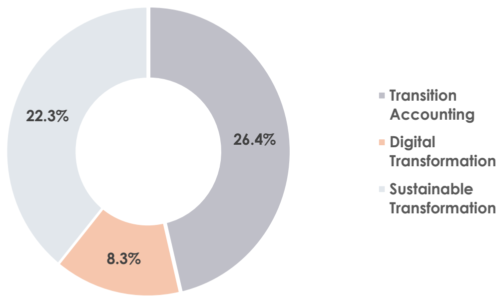
Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.

Recurring sales rose from 52% in 2023 to 57% in 2024, driven by contributions of 26.4% from Transition Accounting, 8.3% from Digital Transformation, and 22.3% from Sustainable Transformation.

FY23A – FY24PF Recurring Sales



FY24PF Recurring sales breakdown by business area

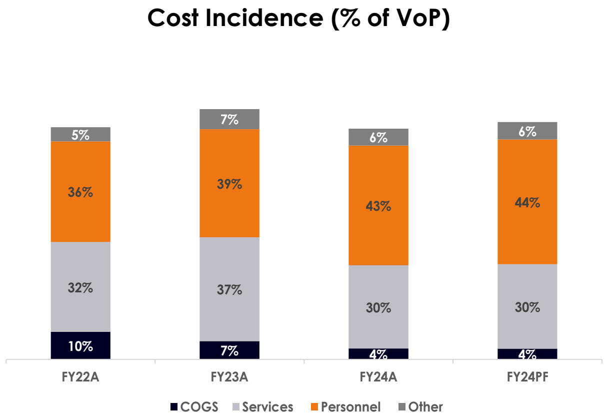


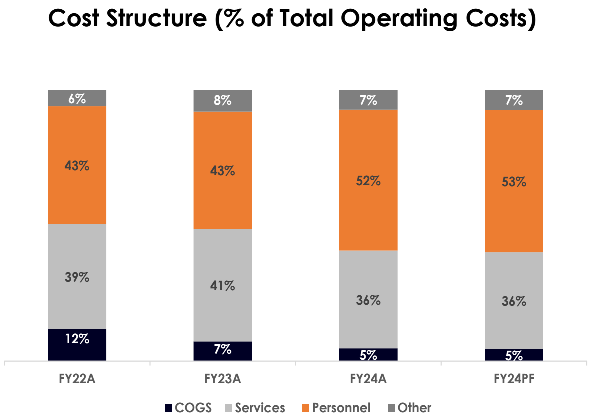
Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Looking at the cost structure, personnel and services make up the most important cost items, representing 44% and 30% of operating costs, respectively, in pro-forma 2024. Service costs are mainly composed of a wide range of fragmented expenses, primarily: directors' remuneration, expenses related to staff travel reimbursements, and technical consultancy fees. Overall, operating costs stood at Euro 22.3 m in FY24PF (Euro 15.7 m in FY23), showing an increase of Euro 6.6 m (+42.1% YoY), but with a decrease in relative terms (on VoP) from 89.3% in FY23 to 84.7% in FY24PF. This improvement was driven by higher sales volumes, coupled with a lower incidence of COGS (from 7% to 4%) and lower service costs (from 37% to 30%), following the insourcing of some senior-level capabilities, although partially offset by an increase in personnel costs (from 39% to 44%).

As a result of the above, FY24PF EBITDA came in at Euro 4.0 m, with an EBITDA margin of 15.3%, compared to Euro 1.9 m (10.7%) in FY23.

Cost Structure





Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

FY24PF D&As amounted to Euro 2.7 m, compared to Euro 1.1 m in FY23, with the increase primarily reflecting goodwill amortization related to the significant investments made by the Group during the period to support M&A activity (Euro 2.0 m).

EBIT increased to Euro 1.3 m compared to Euro 0.7 m in FY23, with an EBIT margin of 4.9% compared to 4.0% in the previous year. Finally, after net financial income of Euro 0.9 m (Euro 0.2 m charges and Euro 1.2 m of capital gains from the sale of an equity investment) and tax of Euro 1.2 m, net profit stood at Euro 1.1 m (Euro 0.3 m in FY23). We highlight that the rather high tax rate (61% in FY23 and 52% in FY24PF) reflects the sum of the Group companies' tax rates and therefore does not consider the amortization of goodwill and intra-group dividends (eliminated in the consolidated financial statements).

Profit attributable to non-controlling interests decreased significantly (74% in FY23 and 22% FY24PF), reflecting M&A throughout the year (acquisition of outstanding stakes of ACTA and V-Finance partially offset by the acquisition of 65% of Energika).

Tecno: Profit & Loss Statement

Income Statement		FY22A	FY23A	FY24A	FY24PF
Sales		15.4	16.4	22.3	24.8
	YoY %	*(31.2%)*	*6.3%*	*36.0%*	*50.8%*
Δ Inventories Value		0.0	(0.0)	0.0	0.0
Increases in fixed assets for internal work		0.4	0.7	1.2	1.2
Other revenues		1.6	0.5	0.4	0.4
Value of Production		**17.5**	**17.6**	**23.9**	**26.4**
	YoY %	*(20.2%)*	*0.4%*	*35.9%*	*49.8%*
COGS		(1.7)	(1.1)	(0.9)	(1.0)
Services		(5.6)	(6.5)	(7.1)	(7.9)
Personnel		(6.3)	(6.8)	(10.2)	(11.7)
Use of Third-Party assets		(0.6)	(0.9)	(1.1)	(1.2)
Other		(0.2)	(0.4)	(0.4)	(0.4)
EBITDA		**3.0**	**1.9**	**4.2**	**4.0**
	EBITDA % (on VoP)	17.2%	10.7%	17.7%	15.3%
D&A		(1.0)	(1.1)	(2.6)	(2.7)
Impairment of receivables		(0.0)	(0.1)	(0.1)	(0.1)
EBIT		**1.9**	**0.7**	**1.5**	**1.3**
	EBIT % (on VoP)	11.1%	4.0%	6.4%	4.9%
Financial Income/(Expenses)		0.5	(0.0)	0.9	0.9
Adjustments to the value of financial assets and liabilities		(0.0)	(0.0)	(0.0)	(0.0)
EBT		**2.4**	**0.7**	**2.5**	**2.2**
	EBT % (on VoP)	13.7%	3.8%	10.3%	8.4%
Taxes		(0.5)	(0.4)	(1.2)	(1.2)
Net Profit/(Loss)		**1.9**	**0.3**	**1.3**	**1.1**
	Net Profit % (on VoP)	10.6%	1.5%	5.5%	4.0%
Net Profit/(Loss) attributable to the Group		**1.7**	**0.1**	**1.1**	**0.8**
Net Profit/(Loss) attributable to minorities		**0.1**	**0.2**	**0.2**	**0.2**

Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Balance Sheet

Tecno's consolidated pro-forma 2024 fixed assets stood at Euro 12.1 m vs. Euro 4.8 m in FY23, highlighting the Group's ongoing efforts to strengthen its strategic position through investments in intangible and financial assets, while also rationalizing tangible assets. Intangible fixed assets grew significantly from Euro 3.1 m in FY23 to Euro 10.5 m in FY24PF, mainly driven by M&A related increase in goodwill to Euro 7.4 (Euro 1.1 in FY23), the consolidation of Energika's and Ergo's balance sheets (Euro 0.9 m) and continuous investments in R&D (Euro 1.8 m) in FY24, mainly attributable to Osirides project. Tangible fixed assets remained broadly stable at Euro 0.2 m, while financial assets decreased to Euro 1.3 m in FY24PF (Euro 0.8 m in FY22 and Euro 1.6 m in FY23, reflecting the reclassification of equity investments amounting to Euro 2.7 m and Euro 2.1 m, respectively, from financial assets to net debt) following the spin-off of non-strategic assets in Tecno Venture (a company not included in consolidation area, and later merged into Twin Srl).

Tecno: Fixed Assets

Fixed Assets	FY22A	FY23A	FY24A	FY24PF
Intangible Assets	3.2	3.1	10.5	10.5
Tangible Assets	0.3	0.2	0.2	0.2
Financial Assets	0.8	1.6	2.7	1.3
Fixed Assets	**4.3**	**4.8**	**13.4**	**12.1**

Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Pro-forma Net Working Capital for FY24PF amounted to Euro 8.8 m, with trade receivables representing the largest component at Euro 13.3 m (including Euro 5.4 m of pending invoices). This figure increased significantly from Euro 8.4 m in FY23, reflecting, in part, the acquisitions of Energika and Ergo (Euro 2.7 m). Additionally, the increase was driven by higher Days Sales Outstanding (DSOs), partly due to the inherently long cash collection cycle in the Transition Accounting business area, typically around 210 days on average (approximately 90 days for the execution of the excise duty, followed by an additional 120 days for the Authority's refund authorization). Tecno issues the invoice and receives payment only upon completion of the entire process. The increase was also influenced by a shift in the sales mix, with a higher contribution from the Sustainable Transformation business area.

Additionally, the increase was driven by a rise in DSOs, attributable to a shift in the sales mix with a higher contribution from the Sustainable Transformation business area. Inventory stood at Euro 0.9 m, up from Euro 0.8 m in FY23, and trade payables reached Euro 1.7 m, up from Euro 1.4 m in FY23. Overall, trade working capital represented 50% of sales (47% in FY23).

Other current assets and other current liabilities stood at Euro 0.7 m (Euro 1.2 m in FY23) and Euro 4.4 m (Euro 2.7 m), respectively. These items mainly reflect ordinary course-of-business balances, including receivables and payables towards tax authorities, social security institutions, and personnel. The increase in other liabilities was primarily driven by a rise in tax payables, mainly consisting of VAT and employee/self-employed withholding taxes due in 2024, as well as outstanding balances of IRAP and IRES. Additionally, social security payables grew due to staff expansion, even when excluding new acquisitions. Net working capital as a percentage of sales stood at 35% (38% in FY23).

Tecno: Net working capital

Net Working Capital	FY22A	FY23A	FY24A	FY24PF
Inventory	0.7	0.8	0.9	0.9
Trade Receivables	8.1	8.4	13.3	13.3
(Trade Payables)	(1.5)	(1.4)	(1.7)	(1.7)
Trade Working Capital	**7.3**	**7.8**	**12.4**	**12.4**
TWC % (on sales)	47.4%	47.4%	55.5%	50.1%
Other current assets	1.4	1.2	0.7	0.7
(Other current liabilities)	(3.1)	(2.7)	(4.4)	(4.4)
Net Working Capital	**5.7**	**6.3**	**8.8**	**8.8**
NWC % (on sales)	36.9%	38.3%	39.2%	35.3%

Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Net Debt stood at Euro 6.1 m in FY24PF, compared to Euro 3.3 m (cash positive) in FY23. The increase was primarily driven by the aforementioned M&A investments and a net working capital absorption of Euro 2.5 m, partially offset by Euro 1.2 m financial asset divestment (spin-off of Tecno Venture). FY24PF Net Debt includes:

- Euro 4.0 m vendor loan towards shareholders related to the Ergo acquisition. This is a deferred payment of the purchase price until December 2027, which may be extended to June 2029, according to management. The receivable is secured by a bank guarantee.

- Euro 0.3 m debt toward Apolia S.r.l. (a related party). This figure was accounted among "Other liabilities" in the 2024 Consolidated Financial Statements.
- First tranche of earn-out related to the Energika acquisition (to be paid in 2026), capped at Euro 0.3 m, "Other liabilities" in 2024 Consolidated Financial Statements.

The Euro 6.1 m Net Debt does not include a potential second tranche of the earn-out related to Energika, which is also capped at a maximum value of Euro 0.3 m, but the final amount will be determined upon approval of the 2026 financial statements, and any amounts related to the potential exercise of put/call options tied to the acquisitions of Energika and Aere, which are currently not quantifiable as they depend on future financial results and the timing of exercise.

Tecno: Net Debt/(Cash)

Net Debt/(Cash)	FY22A	FY23A	FY24A	FY24PF
Cash	(9.2)	(4.5)	(5.7)	(5.7)
Current Financial Assets (Cash Equivalent)	(0.0)	(2.8)	(0.5)	(0.5)
Equity investments	(2.7)	(2.1)	-	-
Medium and Long-Term Bank Debt	6.4	5.0	6.9	6.9
Medium and Long-Term Other Lenders Debt	0.8	0.7	0.8	0.8
Payables to subsidiaries and associated company	0.4	0.4	0.3	0.3
Liabilities represented by debt securities	0.0	0.0	-	-
Deferred Price (Ergo vendor loan)	-	-	4.0	4.0
First tranche of the Energika earn-out	-	-	0.3	0.3
Net Debt/(Cash)	**(4.2)**	**(3.3)**	**6.1**	**6.1**

Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Tecno's equity stood at Euro 13.1 m, down from Euro 13.5 m in FY23 (o/w third party interest of Euro 0.5 m in FY23 and Euro 0.6 m in FY24PF). The pro forma balance sheet and income statement are not fully reconcilable, primarily due to 2024 pro forma adjustments related to the consolidation of Ergo and Energika, which affect P&L items without a corresponding impact on equity.

Tecno: Balance Sheet

Balance Sheet		FY22A	FY23A	FY24A	FY24PF
Fixed Assets		**4.3**	**4.8**	**13.4**	**12.1**
Trade Working Capital		**7.3**	**7.8**	**12.4**	**12.4**
	TWC % (on sales)	47.4%	47.4%	55.5%	50.1%
Net Working Capital		**5.7**	**6.3**	**8.8**	**8.8**
	NWC % (on sales)	36.9%	38.3%	39.2%	35.3%
Provisions		(0.8)	(0.9)	(1.4)	(1.4)
Net Invested Capital		**9.2**	**10.2**	**20.8**	**19.4[1]**
Net Debt/(Cash)		**(4.2)**	**(3.3)**	**6.1**	**6.1**
Equity		**13.5**	**13.5**	**14.6**	**13.1**
o/w Group		13.1	13.0	14.1	12.5
o/w minorities		0.4	0.5	0.6	0.6
Sources		**9.2**	**10.2**	**20.8**	**19.2[1]**

[1] *NIC does not fully reconcile with funding sources (difference of Euro 0.3 m), due to FY24PF adjustments related to the income statements of Ergo and Energika.*
Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Cash Flow Statement

Tecno: Cash Flow Statement

Cash Flows Statement	FY23A	FY24A	FY24PF
Earnings Before Interest and Taxes (EBIT)	0.7	1.5	1.3
Depreciation and Amortization	1.1	2.6	2.7
Taxes	(0.4)	(1.2)	(1.2)
Other Non-Monetary Costs	(0.0)	(0.0)	(0.0)
Change in Provisions	0.1	0.5	0.5
Change in Working Capital	**(0.6)**	**(2.5)**	**(2.5)**
o/w Change in Inventories	(0.0)	(0.1)	(0.1)
o/w Change in Trade Receivables	(0.4)	(4.8)	(4.8)
o/w Change in Trade Payables	(0.1)	0.3	0.3
o/w Change in Other Current Assets/Liabilities	(0.1)	2.2	2.2
Operating Cash Flow	**0.9**	**1.0**	**0.8**
Capital Expenditures	(0.9)	(10.1)	(10.2)
Change in Financial Assets	(0.7)	(1.1)	0.2
Unlevered Free Cash Flow/Free Cash Flow to Firm	**(0.7)**	**(10.2)**	**(9.1)**
Financial Income/(Expenses)	(0.0)	0.9	0.9
Free Cash Flow to Equity	**(0.7)**	**(9.2)**	**(8.2)**
Change in Net Equity and Reserves	(0.2)	(0.2)	(1.5)
Change in Net Debt/(Cash)	**(0.9)**	**(9.4)**	**(9.7)**[1]
Net Debt/(Cash) at the Beginning of the Period	**(4.2)**	**(3.3)**	**(3.3)**
Change in Net Debt/(Cash)	(0.9)	(9.4)	(9.4)[1]
Net Debt/(Cash) at the End of the Period	**(3.3)**	**6.1**	**6.1**

[1] *Changes in Net Debt/(Cash) values do not fully reconcile due to FY24PF adjustments related to the income statements of Ergo and Energika.*
Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

In FY24PF, operating cash flow totalled Euro 0.8 m, while net capital expenditures amounted to Euro 10.2 m. This outflow was partially offset by a cash inflow of Euro 0.2 m from the net reduction in financial assets. Moreover, the Group reported net financial income of Euro 0.9 m and a negative change in net equity and reserves totalling Euro 1.5 m, of which Euro 0.2 m resulted from dividend payments and Euro 1.2 m from the derecognition of the equity investment in Tecno Venture.

Tecno: FY24PF M&A-related cash inflows/outflows

Asset	Subsidiary	Cash inflows/outflows (Euro m)
Acquisition outstanding 30% V-Finance	Tecno ESG	0.6
Acquisition of ERGO 100%	Tecno ESG	6.5
Acquisition of ENERGIKA 65%	Tecno ESG	0.5
Acquisition outstanding 25% ACTA	Tecno TA	0.5
Spin-off	Tecno Venture	(1.2)
Total M&A-related cash inflows/outflows		**6.8**

Source: *PMI Capital Research's elaboration based on information provided by Management.*

1H25 RESULTS

Tecno's 1H25A results reaffirm the group's solid top-line growth trajectory and underline progress towards margin improvement. However, as already mentioned, given the seasonality of its business model, profitability is typically skewed to the second half, making the interim results not fully indicative of the full-year picture. This pattern is mainly due to the timing of revenue recognition, such as Success Fees in Transition Accounting and backloaded revenues in Sustainable Transformation, and a more balanced distribution of costs over the course of the year.

Tecno closed 1H25A with sales of Euro 12.8 m, up 106% compared to Euro 6.2 m in 1H24A. Over 50% of this growth was organic (Euro 3.8 m), while newly acquired companies contributed Euro 2.8 m. The Sustainable Transformation business area led the growth, generating Euro 7.2 m in sales (+154% YoY), accounting for 56% of total revenues. Transition Accounting contributed Euro 4.0 m (+116% YoY, 32% of total), while Digital Transformation remained stable at Euro 1.5 m (12% of total).

In 1H25A, EBITDA turned positive at Euro 0.6 m, compared to a negative Euro 1.9 m in 1H24A, reflecting strong revenue growth and a less than proportional increase in production costs. In this regard, Personnel costs increased 72% to Euro 7.8 m due to 45 new hires across key business units and corporate functions, raising headcount from 254 to 299. Investments in training and integration of new staff (Euro 0.4 m) are expected to enhance operational performance over the medium term. Meanwhile, the Group continued its program of streamlining and integrating activities across the different business units, aiming to maximize industrial, digital, and consulting synergies within the SustainTech ecosystem. These initiatives have strengthened the organizational structure, reinforced the Group's competitive positioning, and prepared Tecno for its next phase of growth.

EBIT stood at Euro -0.8 m, significantly improved from Euro -2.4 m in 1H24A, after depreciation and amortization of Euro 1.5 m (versus Euro 0.6 m in 1H24). Pre-tax profit amounted to Euro -0.9 m, up from Euro -1.4 m in 1H24, after financial expenses of Euro 0.1 m, in line with the previous year. The improvement in pre-tax profit is particularly notable considering that 1H24A benefited from financial income of Euro 1.1 m, mainly related to capital gains from the sale of an equity investment. Net profit was Euro -1.3 m, compared to Euro -1.1 m in 1H24A, after taxes of Euro 0.3 m (in line with 1H24A).

At the end of June, Net Debt amounted to Euro 6.4 m, slightly up from Euro 6.1 m in FY24A, mainly due to operating cash flow and dividend distribution (Euro 0.4 m).

Net debt and equity do not reflect the subsequent Euro 11 m capital increase completed as part of the IPO.

Tecno: Profit & Loss Statement

Income Statement		1H24A	1H25A	FY24PF
Sales		6.2	12.8	24.8
	YoY %	*n.a.*	*105.9%*	*50.8%*
Δ Inventories Value		(0.0)	0.0	0.0
Increases in fixed assets for internal work		0.4	0.7	1.2
Other revenues		0.2	0.3	0.4
Value of Production		**6.9**	**13.7**	**26.4**
	YoY %	*n.a.*	*100.3%*	*49.8%*
COGS		(0.5)	(0.7)	(1.0)
Services		(3.3)	(3.6)	(7.9)
Personnel		(4.5)	(7.8)	(11.7)
Use of Third-Party assets		(0.3)	(0.8)	(1.2)
Other		(0.2)	(0.3)	(0.4)
EBITDA		**(1.9)**	**0.6**	**4.0**
	EBITDA % (on VoP)	n.m.	4.6%	15.3%
D&A		(0.6)	(1.5)	(2.7)
Impairment of receivables		-	-	(0.1)
Other impairment of non-current assets		-	(0.0)	-
EBIT		**(2.4)**	**(0.8)**	**1.3**
	EBIT % (on VoP)	n.m.	n.m.	4.9%
Financial Income/(Expenses)		1.0	(0.1)	0.9
Adjustments to the value of financial assets and liabilities		-	0.0	(0.0)
EBT		**(1.4)**	**(0.9)**	**2.2**
	EBT % (on VoP)	n.m.	n.m.	8.4%
Taxes		0.3	(0.3)	(1.2)
Net Profit/(loss)		**(1.1)**	**(1.3)**	**1.1**
	Net Profit % (on VoP)	n.m.	n.m.	4.0%
Net Profit/(Loss) attributable to the Group		**(1.3)**	**(1.4)**	**0.8**
Net Profit/(Loss) attributable to minorities		**0.2**	**0.1**	**0.2**

Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

Tecno: Balance Sheet

Balance Sheet		1H24A	1H25A	FY24PF
Fixed Assets		**n.a.**	**11.7**	**12.1**
Trade Working Capital		**n.a.**	**12.7**	**12.4**
	TWC % (on sales)	n.a.	n.m.	50.1%
Net Working Capital		**n.a.**	**8.3**	**8.8**
	NWC % (on sales)	n.a.	n.m.	35.3%
Provisions		n.a.	(1.9)	(1.4)
Net Invested Capital		**n.a.**	**18.1**	**19.4**[1]
Net Debt/(Cash)		**n.a.**	**6.4**	**6.1**
Equity		**n.a.**	**11.6**	**13.1**
o/w Group		n.a.	11.1	12.5
o/w Minorities		n.a.	0.5	0.6
Sources		**n.a.**	**18.1**	**19.2**[1]

[1] *NIC does not fully reconcile with funding sources (difference of Euro 0.3 m), due to FY24PF adjustments related to the income statements of Ergo and Energika.*
Source: *PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025.*

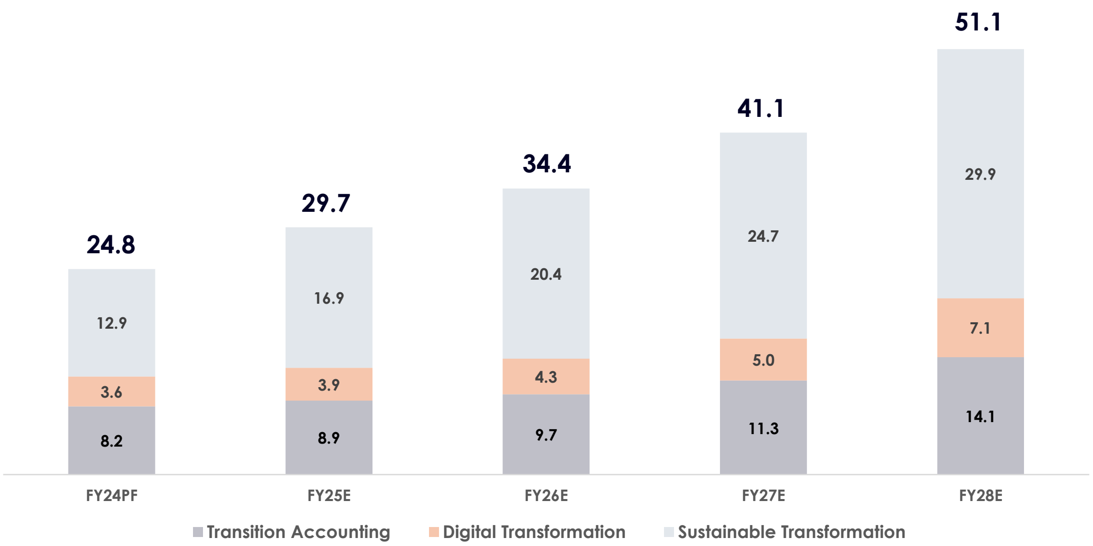
PMI CAPITAL RESEARCH ESTIMATES

Since its foundation in 1999, Tecno Group has pursued a strategic growth path combining robust organic development with targeted acquisitions, creating an integrated business model. We believe that this integrated and technology-driven business model establishes a solid foundation for operational leverage and margin expansion, while unlocking multiple growth drivers across regulatory, digital, and sustainability-related verticals. The strategic alignment of its core areas fosters cross- and up-selling opportunities and supports recurring revenue streams, reinforcing the Group's position in a structurally expanding market. Given these factors, we expect Tecno Group to outperform the market (CAGR 2023-2027 of 12%) over the next three years, with a projected sales CAGR of approximately 20% for the FY24PF–FY28E period to reach c. Euro 51.1 m in FY28E (Euro 24.8 m FY24PF), driven by the continued expansion of its core business areas and increasing demand for its regulatory, digital, and sustainability services. For FY25E, we expect sales of Euro 29.7 m, +20% YoY, and an EBITDA of Euro 6.0 m in line with Management guidance. Further in detail:

- **Transition Accounting (Euro 8.2 m FY24PF, c. 33% on total sales)**: Considering the current regulatory framework, we do not anticipate any major changes that could materially alter the market environment over the next two years. However, in line with the evolving European regulatory landscape, the progressive implementation of the EU Emissions Trading System (EU ETS), particularly through the Fit for 55 package, is expected to have a significant impact on the market between 2026 and 2028. The expansion of the EU ETS to include more sectors, such as maritime transport, road transport, and construction (via the new ETS 2 starting in 2027), will require an increasing number of businesses to monitor, report, and manage their CO_2 emissions. This regulatory shift will likely have a material impact on the market, as such disclosures become a prerequisite for accessing energy-related benefits and aligning with sustainability standards. As a result, we expect a market-driven expansion from 2027 of Tecno Group's customer base beyond sectors and business types currently covered by TA. Thus, we forecast this business area to grow at a FY24PF–FY28E CAGR of 15%, reaching Euro 14.1 m by FY28E. In detail we assume growth of c. 9% in FY25E-FY26E in line with historical growth in traded volumes, followed by an acceleration in FY27E and FY28E, with growth rates of 17% and 25%, respectively.

- **Digital Transformation (Euro 3.6 m FY24PF, c. 15%)**: Although growth in this segment has been somewhat muted in 2024 due to delays in the transition to Industry 5.0 technologies, we anticipate a significant acceleration starting in the second half of 2027, driven by the completion and full deployment of the Ardite project. Overall, we forecast this business area to grow at a FY24PF–FY28E CAGR of 18%, reaching Euro 7.1 m by FY28E. We anticipate that growth will increase by c. 9% YoY over the FY25E–FY26E period, underpinned by ongoing digitalization trends and increasing demand for energy monitoring solutions. However, starting from 2027, with the full-scale rollout of Ardite, we foresee a substantial uptick in growth (18% in FY27E and 40% in FY28E).

- **Sustainable Transformation (Euro 12.9 m, c. 52%)**: Driven by increasing regulatory pressure on ESG disclosures, this business area is well-positioned to benefit from growing demand for ESG strategy advisory, carbon neutrality planning, and compliance audits. Tecno offers an integrated proposition covering the full value chain, from strategic assessments to operational execution and regulatory alignment, positioning the Group as a key partner for companies navigating these evolving requirements. We therefore expect this area to outpace market growth, further supported by the integration of recent acquisitions of Ergo and Energika, which have added critical expertise and operational capacity previously absent within the Group. We forecast this business area to grow at a FY24PF–FY28E CAGR of 23%, reaching Euro 29.9 m by FY28E. In FY25E, we expect a strong acceleration with year-on-year growth of 31%, driven by the exploitation of commercial synergies from the recent acquisitions. Thereafter, we project a more normalized growth trajectory of around 21% YoY.



FY24PF – FY28E Sales breakdown by business area

Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY24PF), and on PMI Capital Research's estimates for FY25E-FY28E.

- We forecast EBITDA to grow at a FY24PF-FY28E CAGR of 30% to Euro 11.7 m in FY28E. We assume FY25E EBITDA of Euro 6.0 m, aligned with Management guidance. This would translate into an EBITDA margin of around 19% in FY25E, compared to the 15% achieved in FY24PF, as we expect the Group to benefit from operating leverage and ongoing efficiency measures. Between 2026 and 2028, we expect EBITDA margin to gradually improve to approximately 22% by FY28E, mainly because of increased sales volumes and Management's efforts to enhance organizational efficiency and streamline internal processes.

- We applied an interest rate of c. 5%, in line with FY24PF, on long-term financial debt throughout the forecast period. We assume a 45% tax rate for FY25E which we prudentially maintained through FY28E although goodwill amortization should decrease to approximately Euro 1.5 m in FY28E.

- In our model, we have incorporated the Euro 11 m capital increase from the IPO.

- We expect NWC to slightly improve over the four-year period, with an NWC/sales ratio of 30% in FY28E (35% FY24PF), due to a decrease in DSOs. Over the past two years, Management has actively worked to shorten collection times through contract standardization with aligned due dates and increased client awareness around payment terms. Additionally, the implementation of a proprietary management system enables real-time project tracking and faster invoice issuance. In the ESG business area, where billing typically occurs in two stages, an initial instalment of 30–35% and a final payment upon delivery, Management plans to introduce an intermediate milestone billing stage. This change aims to accelerate cash collection and reduce the volume of outstanding invoices, ultimately improving overall accounts receivable turnover. We prudently maintain a stable incidence on sales over the forecast period for all other items.

- Capex is expected to be primarily directed toward capitalized R&D activities related to the Ardite project, with Management estimating total investments of approximately Euro 2.7 m by 2027. We forecast R&D-related capex of Euro 1.1 m annually from FY25E to FY27E, leading to a total forecasted capex of approximately Euro 3.3 m over the period (including Euro 0.6 m beyond the Ardite-specific scope, such as the Osirides project, which will continue into 2025). In FY28E, we project additional R&D investments of around Euro 1.0 m to support ongoing innovation. We also assume annual tangible asset capex of Euro 0.1 m between FY25E and FY28E. In addition, we have considered the capitalised listing costs amounting to Euro 1.5 m in FY25E.

- We expect a progressive improvement in net cash position, from Euro 4.8 m in FY25E to Euro 15.8 m by FY28E supported by strong operating cash flow generation throughout the period. In FY28E we forecast operating cash flow of Euro 5.6 m, partially offset by net capex of Euro 1.1 m.

- We assumed the payment of the first tranche of the earn-out related to the acquisition of Energika, amounting to Euro 0.3 m in FY26E.

- We have not assumed the exercise of put/call options related to the acquisition of minority interests in Energika and Aere.

- Although a dividend of Euro 0.2 m was reportedly paid in 2024, and a dividend of Euro 0.4 m in the first half of 2025, we have not assumed any further dividend distribution, as the company has not announced a formal dividend policy.

- No additional M&A transactions have been factored into our estimates. That said, inorganic growth remains a key pillar of Tecno's medium-term strategy, and the July 2025 IPO on Euronext Growth Milan (raising Euro 11 m) provides increased financial flexibility to accelerate expansion, potentially offering further upside to our projections.

Income Statement	**FY24PF**	**FY25E**	**FY26E**	**FY27E**	**FY28E**
Sales	24.8	29.7	34.4	41.1	51.1
YoY %	*50.8%*	*20.0%*	*15.7%*	*19.5%*	*24.4%*
Value of Production	**26.4**	**31.3**	**35.9**	**42.7**	**52.7**
YoY %	*49.8%*	*18.8%*	*14.8%*	*18.8%*	*23.5%*
EBITDA	**4.0**	**6.0**	**7.2**	**9.0**	**11.7**
EBITDA % (on VoP)	15.3%	19.1%	20.1%	21.1%	22.1%
D&A	(2.7)	(2.9)	(3.1)	(3.0)	(3.1)
Impairment of receivables	(0.1)	-	-	-	-
EBIT	**1.3**	**3.1**	**4.1**	**6.0**	**8.6**
EBIT % (on VoP)	4.9%	9.8%	11.5%	14.1%	16.2%
Financial Income/(Expenses)	0.9	(0.2)	(0.2)	(0.1)	(0.1)
EBT	**2.2**	**2.8**	**4.0**	**5.9**	**8.5**
EBT % (on VoP)	8.4%	9.1%	11.1%	13.9%	16.1%
Taxes	(1.2)	(1.3)	(1.8)	(2.7)	(3.8)
Net Profit/(Loss)	**1.1**	**1.6**	**2.2**	**3.3**	**4.7**
Net Profit % (on VoP)	4.0%	5.0%	6.1%	7.6%	8.9%
Net Profit/(Loss) attributable to the Group	0.8	1.2	1.7	2.5	3.6
Net Profit/(Loss) attributable to minorities	0.2	0.3	0.5	0.7	1.0

Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY24PF), and on PMI Capital Research's estimates for FY25E-FY28E.

Balance Sheet		FY24PF	FY25E	FY26E	FY27E	FY28E
Fixed Assets		**12.1**	**11.9**	**10.0**	**8.2**	**6.2**
Trade Working Capital		**12.4**	**14.4**	**16.2**	**18.8**	**22.7**
	TWC % (on sales)	50.1%	48.5%	47.2%	45.8%	44.4%
Net Working Capital		**8.8**	**10.1**	**11.2**	**12.8**	**15.2**
	NWC % (on sales)	35.3%	33.8%	32.5%	31.1%	29.7%
Provisions		(1.4)	(1.5)	(1.6)	(1.8)	(1.9)
Net Invested Capital		**19.4**[1]	**20.4**	**19.5**	**19.2**	**19.5**
Net Debt/(Cash)		**6.1**	**(4.8)**	**(7.9)**	**(11.4)**	**(15.8)**
Equity		**13.1**	**25.2**	**27.4**	**30.7**	**35.3**
o/w Group		12.5	24.3	26.0	28.5	32.1
o/w minorities		0.6	0.9	1.4	2.1	3.2
Sources		**19.2**[1]	**20.4**	**19.5**	**19.2**	**19.5**

[1] NIC does not fully reconcile with funding sources (difference of Euro 0.3 m), due to FY24PF adjustments related to the income statements of Ergo and Energika.
Source: PMI Capital Research's elaboration based on Tecno Group's financial statements and analyst presentation on Tecno Group dated May 30th, 2025 (FY24PF), and on PMI Capital Research's estimates for FY25E-FY28E.

MAIN OPPORTUNITIES

Regulatory tailwinds unlocking sustained demand: Tecno is set to benefit from powerful regulatory forces accelerating sustainability adoption across Europe. The European Green Deal, Fit for 55, CBAM, and CSRD are reshaping compliance requirements in carbon management, ESG disclosure, and energy efficiency. As these rules tighten, SMEs, Tecno's core clients, face mounting pressure to adapt, positioning the Group as a key enabler of the Twin Transition. Its integrated model transforms regulatory burdens into value-creation opportunities, driving demand as compliance shifts from optional to mandatory. Spain's recent Real Decreto 214/2025 illustrates this dynamic, impacting ~6,000 companies and spurring demand for environmental and digital solutions, a market where Tecno, already active in Spain via Energika and its partnership with Finanzauto, is well placed to capture growth.

Capturing growth in a rapidly expanding market: Tecno operates in a sustainability consulting market that is not only growing but outpacing the broader consulting sector. According to management data Italian sustainability consulting market achieved a CAGR of +25.5% from 2021 to 2023, with further growth forecast as sustainability reporting, ESG strategy, and decarbonization become mainstream business imperatives. Tecno's focus on high-growth, compliance-driven segments, including measurement and reporting, operations and performance improvement, and strategy and governance advisory, positions it to capture a disproportionate share of this expanding demand, particularly as more companies fall under CSRD's extended reporting scope from 2024 onward.

Recurring sales and sticky client relationships enhancing visibility: Tecno's revenue model is structurally geared toward predictability and resilience, with recurring sales accounting for approximately 57% of total sales in 2024 (pro forma). This recurring base is underpinned by long-term contracts, platform subscriptions, and success-based fees tied to ongoing compliance and reporting needs. In parallel, Tecno boasts a client retention rate close to 99%, reflecting both high switching costs and client satisfaction with the integrated offering across its three business units. As regulatory demands increase, these existing relationships provide fertile ground for upselling and cross-selling additional services, supporting organic revenue growth without proportional increases in client acquisition costs.

Diversified client base reducing concentration risk: Tecno's broad and diversified client portfolio offers another structural advantage: with over 4,100 clients and no single client accounting for more than 4.5% of revenues, the Group has limited exposure to any one customer's budget cycles or procurement decisions. This diversification mitigates revenue volatility and reduces bargaining power on the client side, creating a more stable commercial foundation as Tecno scales its solutions across industries.

Growth acceleration through a proven M&A platform: In addition to organic growth, Tecno has demonstrated a disciplined M&A strategy, having completed six acquisitions since 2018, including Ergo, Energika, and Acta. These deals have expanded Tecno's technical capabilities, client reach, and talent pool. Looking forward, the Group identifies Spain and the UK as priority expansion markets, aiming to replicate its platform model in regulatory-driven contexts outside Italy. By leveraging acquisition synergies and cross-border regulatory expertise, Tecno is well-positioned to accelerate growth via targeted consolidation in Europe's fragmented ESG consulting landscape.

Technology-enabled differentiation and scalability: A core opportunity for Tecno lies in its proprietary, AI-powered platforms, including Kontrol-ON for energy and emissions monitoring, Fleet & Fuel for certified fuel tracking, and the upcoming Ardite digital twin for ESG management. These technologies provide not only a competitive differentiator against pure-play consultants but also an avenue for scalable, SaaS-like recurring sales as clients increasingly seek automated, real-time compliance and performance insights. Tecno's commitment to R&D investment enhances its ability to continuously innovate its tech stack, embedding data-driven intelligence into sustainability and compliance workflows.

Underserved SME market offering room for penetration: Tecno's focus on SMEs, who represent over 77% of its client base, positions it uniquely relative to larger consulting firms that typically prioritize large corporates. SMEs face growing compliance obligations but often lack the internal expertise or resources to manage them, creating a substantial opportunity for Tecno to act as an outsourced compliance and sustainability partner. By offering integrated, affordable, and scalable solutions tailored to SME needs, Tecno can further deepen penetration in this fragmented and underserved segment, scaling its business through volume rather than relying solely on large-ticket contracts. With the deployment of the Ardite platform, the Group will expand its product offering with solutions designed to meet the requirements of large companies across multiple industries.

MAIN RISKS

Execution risk in scaling and integration: Tecno's growth strategy is based on a combination of organic expansion and acquisitions. While this dual approach has delivered solid growth so far, the integration of acquired companies (including Ergo and Energika in 2024) poses operational challenges. There is a risk that expected synergies, whether through cross-selling, cost optimization, or technology integration, may materialize slower than forecasted, delaying margin improvement or putting pressure on EBITDA targets (notably +50% growth expected in 2025). Moreover, the scaling of services across three business areas requires continuous investments in human capital, processes, and technology platforms, raising questions about Tecno's ability to maintain quality and efficiency as the client base and service complexity increase.

Reliance on regulatory tailwinds: A significant portion of Tecno's demand is driven by compliance with evolving European regulations such as the CSRD, Fit for 55, CBAM, and EU Green Deal. While these regulatory drivers currently create a favourable environment, there is an inherent risk tied to political and legislative timelines. Any delays, postponements, or amendments in the implementation or enforcement of these frameworks could defer client adoption of sustainability solutions, slowing Tecno's revenue growth. Additionally, regulatory simplification or exemptions for SMEs (Tecno's core client base) could erode the mandatory compliance market Tecno serves.

Competitive pressures in a fragmented market: Tecno operates in a highly fragmented market for sustainability consulting, competing with a wide range of players, from specialized local firms to national one-stop-shops and large international networks such as the Big 4. While Tecno differentiates through its integrated tech-enabled model, larger competitors may leverage broader global footprints, client relationships, and pricing power to gain share, especially as sustainability consulting increasingly attracts generalist consulting firms expanding their ESG offerings. Tecno's challenge is to defend its niche positioning without being forced into price competition or commoditization of services.

Limited international exposure and expansion risk: currently, Tecno generates only 3% of revenues from international markets, with Italy accounting for most sales. This domestic concentration exposes the Group to country-specific regulatory and economic conditions. While Tecno aims to expand into Spain and the UK, entering new markets brings inherent risks, including different regulatory environments, stronger incumbent competitors, and the need to build brand recognition and sales channels from a lower starting point. Success abroad will depend on replicating its platform model while adapting to local market nuances.

High effective tax rate and accounting effects: Tecno's effective tax rate is notably high (46% in 2024), driven partly by consolidation accounting effects such as goodwill amortization (Euro 1.6 m) and elimination of intra-group dividends. While management indicates that the "cash" tax rate is closer to 21%, the gap between accounting and cash taxes reduces reported net income and return metrics, potentially impacting valuation multiples relative to peers operating under IFRS without goodwill amortization.

Cash flow pressures from investment commitments and working capital dynamics: In 2024, Tecno allocated Euro 8 m to M&A capex, with additional potential payments of approximately Euro 0.9 m scheduled between 2025 and 2027 (earn out and deferred payment of Energika). These investments, along with ongoing R&D spending (Euro 1.8 m in 2024), may constrain free cash flow and increase reliance on debt financing. While the Group's current leverage remains under control, delays in EBITDA growth or further capex requirements could heighten balance sheet risk, particularly considering long-dated vendor loans maturing as late as 2027 (extendable to 2029, according to management) and potential exercise of put/call options on Energika and Aere. Moreover, Tecno's revenue model, especially in the TA and ESG business areas, is characterized by long billing and collection cycles. This dynamic may result in temporary pressure on working capital, potentially requiring the Group to fund its working capital needs either through internal cash resources or by drawing on credit facilities.

Human Capital and Talent Retention: Tecno's model depends heavily on specialized expertise in sustainability, regulatory compliance, and digital transformation. Maintaining low attrition will be critical as the company scales. The tight labour market for ESG and tech talent may challenge Tecno's ability to attract and retain qualified professionals without upward wage pressure. Failure to retain key personnel could affect service delivery, project execution, and client relationships.

PMI CAPITAL RESEARCH VALUATION

We initiate coverage of Tecno Group with a target price of Euro 5.21 per share, implying an upside potential of approximately +33% versus the current market price. Our valuation is based on a blended methodology, combining a DCF model with a multiples analysis. At our target price, the stock would trade at EV/EBITDA multiples of 11.9x and 9.5x for FY25E and FY26E, respectively.

This valuation refers to Tecno Group on a standalone basis and excludes any contribution from potential M&A transactions.

Valuation Summary

Method	Weight	Price (Euro)	Equity Value (Euro m)
Market Multiples (FY25-27E EV/EBITDA, applying 25% discount)	50%	4.44	64.0
DCF (3-stage model, WACC = 9.5% and g = 1%)	50%	5.98	86.1
Target Price	**100%**	**5.21**	**75.1**

Source: PMI Capital Research's elaboration based on PMI Capital Research's estimates for FY25E–FY28E and PMI Capital Research's forecasts for FY29E–FY33E. Market Multiples are based on FactSet data as of October 3rd, 2025.

Implicit multiple at our valuation	EV/EBITDA
FY25E	11.9x
FY26E	9.5x

Source: *PMI Capital Research's elaboration based on PMI Capital Research's estimates for FY25E-FY26E, and on FactSet data as of October 3rd, 2025.*

Market Multiples

For our market multiples analysis, we selected a peer group of leading players in sustainability consulting, digital transformation, and technology-enabled ESG services. This group includes Arcadis, Bureau Veritas, Capgemini, WSP Global, Cognizant, Accenture, Montrose Environmental, Tetra Tech, AECOM, GFL Environmental, SGS, and Eurofins Scientific.

While these companies vary in size, geographic footprint, and service diversification, they share key strategic traits with Tecno, namely, a strong focus on regulatory compliance, ESG advisory, and the integration of technology into service delivery. Several peers, such as Accenture, Capgemini, and Cognizant, reflect Tecno's evolution toward a SaaS-based, AI-powered platform model. Others, including Bureau Veritas, SGS, and Tetra Tech, align more closely with its sustainability consulting and compliance-driven offerings.

Although most peers operate on a global scale and primarily serve large enterprises, Tecno sets itself apart through its specialization in SMEs and its distinctive combination of proprietary platforms and deep regulatory expertise.

From a financial standpoint, Tecno also stands out for its strong growth trajectory: FY24PF sales increased by 50.8% (+12% like-for-like), far exceeding the peer group average of 5.4%. EBITDA is projected to grow at a 34.0% CAGR between 2024 and 2026, nearly three times the peer average of 11.3%. Despite its smaller scale, Tecno achieves profitability levels comparable to larger, more established peers, with an FY24PF EBITDA margin (on sales) of 16.3% versus the peer average of 15.4%, while maintaining a resilient bottom line.

Peer	Country	Market Cap (Euro m)	Sales FY24A (Euro m)	Sales YoY 24-23 (%)	EBITDA % (on sales) FY24A	NI % (on sales) FY24A	FY24A-FY26E CAGR (%)		
							Sales	EBITDA	Net Profit
Arcadis NV	NLD	4,296	4,995	(0.2%)	10.8%	4.9%	(4.8%)	7.0%	13.6%
Bureau Veritas SA	FRA	12,391	6,241	6.4%	19.0%	9.1%	4.4%	8.0%	11.2%
Capgemini SE	FRA	21,307	22,096	(1.9%)	14.5%	7.6%	1.6%	6.0%	10.1%
WSP Global Inc	CAN	22,071	10,910	10.3%	13.2%	4.2%	(7.9%)	10.2%	26.7%
Cognizant Technology Solutions Corp.	USA	28,146	18,246	1.9%	18.0%	11.3%	1.2%	2.1%	4.8%
Accenture Plc	IRL	130,146	60,061	(0.7%)	17.7%	11.2%	2.3%	6.1%	4.6%
Montrose Environmental Group Inc	USA	853	644	11.5%	5.2%	(8.9%)	5.4%	76.5%	n.a.
Tetra Tech, Inc.	USA	7,552	4,796	13.1%	11.2%	6.4%	(13.9%)	(1.1%)	3.2%
AECOM	USA	14,543	14,858	10.2%	6.8%	3.1%	(32.4%)	4.4%	17.7%
GFL Environmental Inc	CAN	13,957	5,305	3.0%	26.5%	(9.2%)	(9.8%)	(2.8%)	n.a.
SGS SA	CHE	17,525	7,132	4.6%	21.7%	8.6%	5.8%	8.1%	16.7%
Eurofins Scientific SE	LUX	11,458	6,951	6.7%	20.4%	5.8%	5.7%	11.3%	28.5%
Average		**23,687**	**13,520**	**5.4%**	**15.4%**	**4.5%**	**(3.5%)**	**11.3%**	**13.7%**
TECNO	**ITA**	**56**	**25**	**50.8%**	**16.3%**	**4.3%**	**17.8%**	**34.0%**	**43.9%**

Source: Tecno's figures are based on Tecno Group's financial statements and analyst presentation dated May 30th, 2025 (FY24PF), and on PMI Capital Research's estimates for FY26E. Peers' figures are based on FactSet data as of October 3rd, 2025.

For our valuation analysis, we rely exclusively on the EV/EBITDA multiple, as it provides the most consistent and meaningful benchmark for peer comparison. This choice is particularly appropriate given that Tecno reports under Italian GAAP, which requires the amortization of goodwill. In contrast, under IFRS, goodwill is subject to annual impairment testing, typically resulting in higher EBIT and Net Profit figures.

As a result, EV/EBITDA emerges as a more normalized and comparable valuation metric, being less sensitive to differences in accounting standards or tax structures. It offers a clearer view of operating performance across the peer group.

Furthermore, we apply a 25% discount to the peer group multiples to reflect Tecno's smaller scale, lower market liquidity, and earlier stage of scalability relative to more mature, publicly listed players.

Peer	EV/EBITDA		
	FY25E	FY26E	FY27E
Arcadis NV	8.8x	7.8x	7.0x
Bureau Veritas SA	10.5x	9.8x	9.0x
Capgemini SE	6.6x	6.2x	5.7x
WSP Global Inc	15.8x	13.9x	12.5x
Cognizant Technology Solutions Corp.	8.0x	7.3x	6.3x
Accenture Plc	11.3x	10.5x	9.8x
Montrose Environmental Group Inc	11.1x	10.1x	9.3x
Tetra Tech, Inc.	14.6x	14.9x	n.a.
AECOM	15.2x	13.8x	12.5x
GFL Environmental Inc	15.3x	13.7x	12.4x
SGS SA	12.1x	11.1x	10.3x
Eurofins Scientific SE	9.2x	8.4x	7.6x
Average	**11.5x**	**10.6x**	**9.3x**
TECNO	**10.5x**	**8.7x**	**7.0x**
Premium/Discount to Peers	(9%)	(18%)	(25%)

Source: PMI Capital Research's elaboration based on FactSet data as of October 3rd, 2025.

Euro m	FY25E	FY26E	FY27E
Sales	29.7	34.4	41.1
EBITDA	6.0	7.2	9.0
EBIT	3.1	4.1	6.0
Net Income	1.6	2.2	3.3
Minorities	0.9	1.4	2.1
Net Debt/(Cash)	(4.8)	(7.9)	(11.4)

Source: PMI Capital Research's elaboration based on PMI Capital Research's estimates for FY25E-FY27E.

Euro m	FY25E	EV/EBITDA FY26E	FY27E
Average Peers' Multiples (x)	11.5x	10.6x	9.3x
Average Peer's Mutliples @ 25% adj (x)	8.7x	8.0x	7.0x
EBITDA	6.0	7.2	9.0
Enterprise Value	**51.8**	**57.7**	**63.0**
Net Debt/(Cash)	(4.8)	(7.9)	(11.4)
Minorities	0.9	1.4	2.1
Equity Value	**55.7**	**64.1**	**72.3**
Average Equity Value FY25-27E		**64.0**	
No of shares (m)		14.4	
Equity value per share (Euro)		**4.44**	

Source: PMI Capital Research's elaboration based on PMI Capital Research's estimates for FY25E-FY27E, and on FactSet data as of October 3rd, 2025, for peers' multiples.

DCF Model

Our discounted cash flow (DCF) valuation is based on a three-stage model. We provide explicit cash flow projections for the 2025–2028 period, followed by a five-year forecast to 2033, after which growth stabilizes at a long-term rate (g) of 1.0%.

We adopt a prudent approach, assuming an EBITDA margin stabilizing at 22.5% in FY29–30E, increasing to 23.0% in FY31E, and then stabilizing again at 23.5% in FY32–33E. We also assume capital expenditures averaging around 2% of sales, consistent with Tecno's efficiency profile and investment strategy.

We discounted these cash flows at a weighted average cost of capital (WACC) of 9.5%, reflecting Tecno's specific risk profile and capital structure.

DCF Model (Euro m)	FY25E	FY26E	FY27E	FY28E	TV
EBIT	3.1	4.1	6.0	8.6	
Taxes	(1.3)	(1.8)	(2.7)	(3.8)	
NOPAT	**1.8**	**2.3**	**3.4**	**4.7**	
D&A and other non-monetary costs	3.0	3.2	3.1	3.2	
Change in NWC	(1.3)	(1.1)	(1.6)	(2.4)	
CAPEX	(2.7)	(1.2)	(1.2)	(1.1)	
FCF	**0.8**	**3.3**	**3.7**	**4.5**	**108.6**
Discounted free cash flows	**0.8**	**2.9**	**3.0**	**3.3**	**51.5**

Discounted free cash flows FY25-28E	10.0	12%
Discounted free cash flows FY29-33E	20.5	25%
NPV of Terminal Value	51.5	63%
Enterprise Value	**82.0**	**100%**
Net Debt/(Cash) 1H25A	6.4	
IPO Proceeds	(11.0)	
Minorities 1H25A	0.5	
Equity Value	**86.1**	
No of shares (m)	14.4	
Equity Value per share (Euro)	**5.98**	

Source: PMI Capital Research's elaboration based on Group's Consolidate Figures (1H25A), on PMI Capital Research's estimates for FY25E-FY28E and PMI Capital Research's forecasts for FY29E-FY33E.

We also conducted a sensitivity analysis on WACC and terminal growth rate assumptions to test valuation robustness under different market conditions. Our DCF model yields an equity value of Euro 86.1 m with a sensitivity analysis of +/- 0.5% on WACC.

DCF Sensitivity (Euro m)		WACC		
		9.0%	9.5%	10.0%
g	0.5%	**88.8**	**83.2**	**78.3**
	1.0%	**92.2**	**86.1**	**80.8**
	1.5%	**96.0**	**89.3**	**83.5**

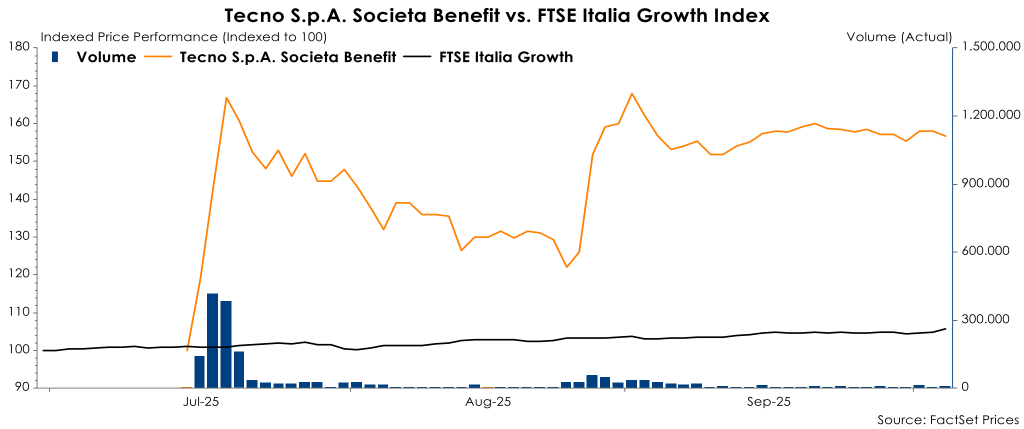
Source: PMI Capital Research's elaboration based on PMI Capital Research's estimates for FY25E-FY28E and PMI Capital Research's forecasts for FY29E-FY33E.

TECNO ON EURONEXT GROWTH MILAN

IPO
Trading Market: Euronext Growth Milan
Date: July 16th, 2025
Price: Euro 2.50
Capital raised: Euro 11.00 m
Capitalisation: Euro 36.00 m

SHARES (as of October 3rd, 2025)
Code: TCG
Bloomberg: TCG:IM
ISIN: IT0005658841
Shares: 14,400,000
Price: Euro 3.92
Performance from IPO: +56.8%
Capitalisation: Euro 56.45 m
Free Float (on ordinary shares): 30.56%
Euronext Growth Advisor: Banca Investis
Specialist: Intesa Sanpaolo
Auditing Firm: Deloitte

STOCK PERFORMANCE



APPENDIX

1. **Regulatory framework: in-depth overview**
2. **M&A recap**
3. **Competitive positioning: in-depth overview**
4. **Peer Group**

Appendix 1: Regulatory framework - in-depth overview

1995 – Legislative Decree 504/95 (Italian Excise Duty Framework)
Introduced Italy's excise duty system for energy products and services, laying the foundation for managing energy taxation, monitoring consumption, and promoting fiscal control over energy flows.

1999 – Amendments to Legislative Decree 504/95 (Consolidation and Refinements to Excise Duty Framework)
Refined the original framework to adapt to the evolving energy market, improving administrative efficiency and transparency in Italy's energy taxation system.

2006 – Expansion of the Excise Duty Framework
Extended the excise duty system to cover emerging energy markets and technologies, addressing a more diversified energy landscape and enhancing the framework's regulatory effectiveness.

2014 – Legislative Decree 102/2014 (Mandatory Energy Audits)
In line with EU Directive 2012/27/EU on energy efficiency, this decree introduced mandatory energy audits for large enterprises, fostering structured energy performance assessments and continuous efficiency improvements.

2015 – United Nations 2030 Agenda for Sustainable Development
Outlines 17 Sustainable Development Goals (SDGs) targeting environmental, social, economic, and institutional challenges. These goals, such as clean energy, innovation, and climate action, align with TECNO's core service offerings.

2015–2016 – The Paris Agreement
Adopted during COP21, the agreement aims to limit global warming to well below 2°C, ideally 1.5°C. It catalysed European climate policy, paving the way for structural reforms like the EU Green Deal.

2019 – European Green Deal & Italy's Transition 4.0

- **European Green Deal**: Launched by the European Commission, the Green Deal aims to reduce EU emissions by at least 55% by 2030 and achieve climate neutrality by 2050. It drives transformation in energy, transport, agriculture, and industry, with a focus on decarbonization, resource efficiency, and social inclusion.
- **Transition 4.0 (Italy)**: As part of Italy's NRRP, this national initiative provides tax incentives for investments in advanced digital technologies such as AI, IoT, big data, and automation, supporting digital and green transformation.

2021 – Fit for 55 Package
A comprehensive legislative package aimed at reducing EU greenhouse gas emissions by 55% by 2030, compared to 1990 levels. Key measures include:

- Expansion of the **EU Emissions Trading System (EU ETS)**
- Introduction of the **Carbon Border Adjustment Mechanism (CBAM)** in 2023
- Strengthened **energy efficiency targets**
- Promotion of the **circular economy**

2021 – EU Digital Compass
Outlines the EU's digital objectives for 2030, aiming to build a digitally empowered economy. Key goals:

- 75% of EU enterprises will adopt cloud computing, big data, and artificial intelligence technologies.
- Over 90% of SMEs will reach at least a basic level of digital intensity.
- Doubling the number of unicorns (startups valued > Euro 1 b)

- Strengthening cybersecurity and data governance

2023 – Carbon Border Adjustment Mechanism (CBAM)
Introduced to prevent carbon leakage by taxing carbon-intensive imports, ensuring alignment with EU carbon standards. CBAM supports fair competition and reinforces the EU's climate strategy.

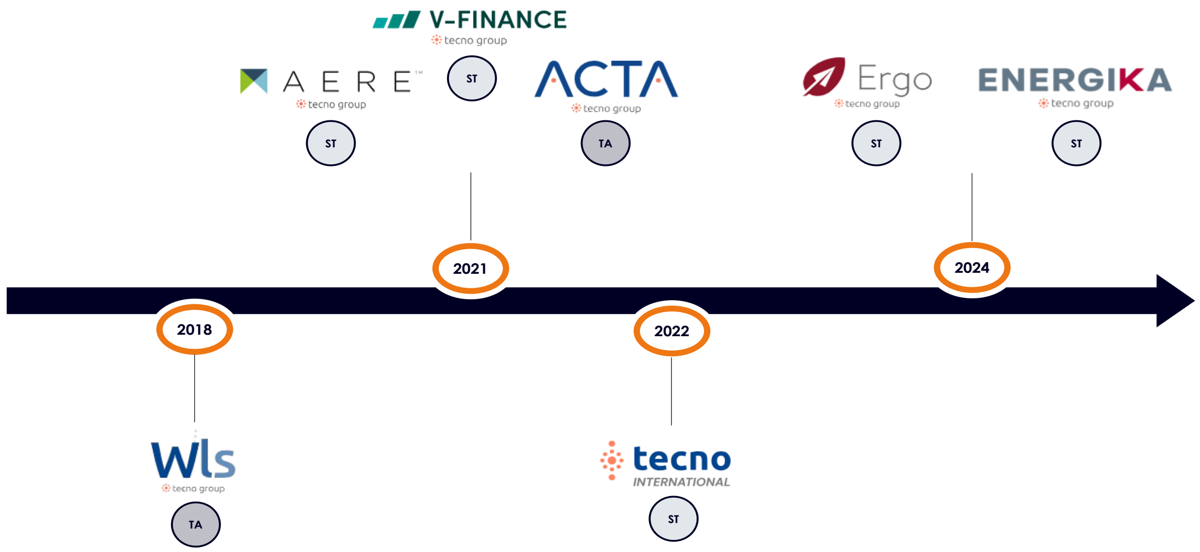
2024 – CSRD and AI Act

- Corporate Sustainability Reporting Directive (CSRD): Effective from 2024, mandates standardized ESG reporting for large and listed companies, increasing transparency on sustainability performance and non-financial impacts.
- AI Act: The EU's first comprehensive regulation on artificial intelligence, introducing a risk-based framework to ensure safe, ethical, and transparent AI usage. It sets a global benchmark for AI governance.

2025 – Spain's Real Decreto 214/2025 & Government Measures
Established a new regulatory framework promoting decarbonization and digital reporting. Key obligations include:

- Calculation of the Organizational Carbon Footprint (CFO).
- Five-year decarbonization plans with quantified targets.
- Digital monitoring and public disclosure of results.
- Mandatory inclusion of Scope 3 emissions starting in 2028.

Appendix 2: M&A recap



Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Ergo Srl (ESG business area): Founded in 2006 as the first academic spin-off of the Scuola Superiore Sant'Anna of Pisa, Ergo S.r.l. has established itself as a high-profile advisory firm specializing in sustainability strategy and ESG integration. Leveraging an interdisciplinary team of academics and professionals, the company bridges scientific research and business practice to support corporations, SMEs, and public institutions in addressing environmental and social challenges. Over the years, Ergo has built strong expertise in environmental management, energy policy, and ESG governance, positioning itself as a trusted partner for sustainability-driven transformation.

The acquisition of Ergo by Tecno Group in 2024 reflects a clear strategic rationale: to strengthen the Group's SustainTech positioning by integrating deep scientific know-how with operational scalability. The transaction enhances Tecno's ability to support Italian enterprises, particularly SMEs, in aligning with evolving EU regulatory frameworks (CSRD, EU Taxonomy, Fit for 55) and accelerating their sustainable and digital transition. On July 8th, 2024, Tecno ESG acquired 100% of the share capital of Ergo for a total consideration of Euro 6.5 m, financed by Euro 2.4 m cash and Euro 4.0 m financial debt. In FY24 Ergo recorded sales of Euro 3.5 m (+9% YoY), and an EBITDA of Euro 0.6 m (Euro 0.4 m in FY23).

Energika Srl (ESG business area): Energika S.r.l. is a specialized provider of advanced energy consulting services, supporting energy-intensive industries, SMEs, and public entities in achieving efficient, sustainable, and strategic energy management. With a mission focused on optimizing energy consumption, cutting costs and emissions, and enabling compliance with EU and national decarbonization targets, Energika acts as both a technical and strategic partner in the energy transition.

In 2024, Energika joined Tecno Group, reinforcing the Group's capabilities in energy efficiency and decarbonization services. The acquisition aligns with Tecno's strategy to expand its SustainTech ecosystem by integrating operational expertise in energy optimization. Moreover, Energika's international outlook, underscored by its investment in its Spanish subsidiary, Energika España SL, adds cross-border scale and growth potential to Tecno's offering. On July 15th, 2024, Tecno ESG acquired 65% of the share capital of Energika for a total consideration of Euro 0.8 m, of which Euro 0.5 was paid in cash, and Euro 0.3 m to be paid by 2025. The sale and purchase agreement includes a price adjustment mechanism, to be paid in two instalments upon approval of the FY25 and FY26 financial statements, for a total maximum amount of Euro 0.6 m. The agreement also provides for reciprocal call and put options on the remaining 35% stake. In FY24 Energika recorded sales of Euro 2.6 m (+10% YoY), EBITDA of Euro 0.6 m (Euro -0.05 m in FY23).

Tecno International (ESG business area): Founded in 2022 by a UK partner and subsequently acquired at nominal value (£0.65 for a 65% stake), Tecno International is the international division of the Tecno Group, and guides Tecno Group's international projects through investments in technical and commercial infrastructure. Through Tecno International, the Tecno Group has established the Sustainability Hub, a network of companies, universities, and financial institutions aimed at supporting SMEs in their sustainable transition.

AERE (ESG business area): In 2021 Tecno acquired a 65% stake in Aere, a company established to address the challenges of environmental sustainability with expertise and strategic vision, with a specific focus on air quality, emissions reduction, and the transition to a low-carbon economy. Aere represents a key component in the SustainTech ecosystem of the Tecno Group, contributing to the integration of tangible environmental dimensions into technological innovation and corporate sustainability processes. Aere's mission is to translate regulatory and climate developments into operational, measurable, and scalable solutions, capable of guiding companies and local communities through the ecological transition, with strong technical-scientific oversight and practical sensitivity to both industrial and urban contexts. The acquisition, aimed at creating operational synergies, was agreed at a consideration of Euro 0.6 m for a 65% stake, paid in cash. The agreement also includes reciprocal call and put options on the remaining 35%. ANCORA ESERCITABILE?

V-Finance (ESG business area): In 2021 Tecno acquired a 70% stake in Milan-based V-Finance, a company specialized in sustainable finance and strategic consulting for access to responsible capital. As an integral part of the offering system of Tecno ESG S.r.l., V-Finance positions itself as a key partner for companies seeking to integrate environmental, social, and governance (ESG) criteria into financial processes and their relationships with banks, investors, and market stakeholders. V-Finance's mission is to connect sustainability with finance, helping companies structure growth paths that are sustainable, traceable, and credible, in line with international standards, capital market expectations, and European regulations on ESG and non-financial disclosure. The acquisition, aimed at creating operational synergies and market expansion, was agreed at a consideration of Euro 0.8 m for a 70% stake, paid in cash. On February 2nd, 2024, Tecno acquired the remaining 30% stake in V-Finance with a total cash out of Euro 0.6 m.

ACTA (TA business area): In 2021 Tecno acquired a 75% stake in Acta, a company that provides consultancy services in the field of excise duties and tax relief. Its goal is to support companies in obtaining the benefits and tax reductions provided by law, helping with technical and administrative requirements. ACTA also provides certified measuring instruments necessary to access these benefits. The acquisition, aimed at creating operational synergies and market expansion, was agreed at a consideration of Euro 1.1 m for a 75% stake, paid in cash. On May 29th, 2024, Tecno acquired the remaining 25% stake in ACTA with a total cash out of Euro 0.5 m.

WLS Consulting (TA business area): In 2018 Tecno acquired a 100% stake in WLS Consulting, a company operating in the field of excise consultancy and customs assistance, offering support in the management of excise duty refund and exemption procedures. Its services mainly focus on excise recovery for motive power, carbon tax, generators, and energy products. The company carries out its activities through preliminary assessments, which are conducted by means of technical and economic investigations. The acquisition, aimed at creating operational synergies, was agreed at a consideration of Euro 0.5 m for a 100% stake, paid in cash.

Appendix 3: Competitive positioning - in-depth overview

Focused Professional Services

	Financials			Consulting							Training	Digital
	Sales '23 Euro m	Ebitda Margin '23	CAGR 18-23	*Environ-ment*	*ESG Strategy*	*Safety*	*Certi-fication*	*Waste mgmt*	*Danger-ous goods*	*Lab & analysis*	*HSE*	Digital Transformation
Player #27	7.2	7.4%	23.6%	✓		✓	✓	✓			✓	
Player #28	6.7	7.9%	(6.6%)	✓		✓		✓				
Others	n.a.	n.a.	n.a.	✓		✓					✓	
	n.a.	n.a.	n.a.	✓								
	n.a.	n.a.	n.a.	✓		✓						
	n.a.	n.a.	n.a.	✓		✓	✓	✓				

Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Local sustainability consulting firms

	Financials			Consulting							Training	Digital
	Sales '23 Euro m	Ebitda Margin '23	CAGR 18-23	*Environ-ment*	*ESG Strategy*	*Safety*	*Certi-fication*	*Waste mgmt*	*Danger-ous goods*	*Lab & analysis*	*HSE*	Digital Transformation
Player #1	28.0	18.5%	10.1%	✓		✓	✓	✓	✓	✓	✓	✓
Player #2	22.8	11.4%	20.9%	✓		✓	✓		✓	✓	✓	
Player #3	12.1	26.7%	25.4%	✓			✓			✓		
Player #4	11.8	9.0%	1.0%	✓		✓	✓	✓		✓		
Player #5	10.4	3.3%	31.6%	✓			✓				✓	
Player #6	6.6	6.9%	4.8%	✓		✓					✓	
Player #7	6.1	13.1%	23.8%	✓		✓	✓	✓			✓	
Player #8	6.0	13.3%	(12.7%)	✓		✓	✓	✓			✓	
Player #9	5.7	12.9%	8.4%	✓		✓	✓	✓	✓	✓	✓	
Player #10	4.3	20.0%	9.3%	✓		✓		✓				
Player #11	2.7	39.9%	18.7%	✓	✓						✓	
Player #12	1.7	11.6%	1.2%	✓		✓	✓	✓				
Player #13	1.1	20.7%	11.4%	✓		✓	✓					
Player #14	0.8	28.6%	n.a.	✓			✓			✓		
Other	n.a.	n.a.	n.a.	✓		✓	✓	✓	✓		✓	

Source: PMI Capital Research's elaboration based on the analyst presentation on Tecno Group dated May 30th, 2025.

Appendix 4: Peer Group

Arcadis
Arcadis is a global design, engineering, and consultancy firm specializing in sustainable infrastructure, water management, and environmental solutions. It offers end-to-end services combining innovation, technical expertise, and positive social impact to enhance urban quality of life and climate resilience.

Bureau Veritas
A global leader in testing, inspection, and certification (TIC) services, Bureau Veritas supports multiple industries in ensuring regulatory compliance, quality assurance, and sustainable performance. Its portfolio includes ESG advisory and assistance in the energy transition.

Capgemini
Capgemini is a multinational consulting, technology, and outsourcing company driving digital transformation through cloud, artificial intelligence, cybersecurity, and software engineering. It is recognized for bridging digital innovation with sustainability.

WSP Global
WSP operates across more than 100 sectors, delivering integrated engineering and consulting services focused on environment, infrastructure, and large-scale project management. The firm emphasizes innovation and sustainability, especially within the energy transition space.

Cognizant
Cognizant is a leading provider of digital and IT services, specializing in technology modernization using AI, cloud computing, and automation. Its solutions enhance operational efficiency and customer experience, with a strong focus on energy optimization and digital sustainability.

Accenture
Accenture ranks among the largest global consulting and technology firms, with expertise in cloud, cybersecurity, AI, and sustainability. It partners with enterprises and SMEs to promote ESG-driven strategies through digital transformation.

Montrose Environmental Group
Montrose delivers integrated environmental services including monitoring, chemical analysis, sustainability consulting, and risk management. Active in energy, chemical, and renewables sectors, it merges engineering and environmental compliance expertise.

Tetra Tech
Tetra Tech specializes in engineering and environmental consulting focused on water resources, renewable energy, and sustainable infrastructure. It has a strong presence in public and international markets, supporting complex projects through technical innovation.

AECOM
AECOM is a global infrastructure consultancy offering services ranging from architecture and engineering to project management and IT solutions. It maintains a significant footprint in Italy, contributing to urban regeneration and energy transition initiatives.

GFL Environmental
GFL is Canada's largest integrated environmental services company, specializing in solid and liquid waste management and soil remediation. It provides sustainable solutions emphasizing safety, regulatory compliance, and operational efficiency.

SGS
SGS is a world leader in inspection, verification, testing, and certification services. Renowned for reliability and independence, it operates globally across multiple industries to ensure quality, compliance, and sustainability.

Eurofins Scientific
Eurofins leads advanced analytical testing for food, environment, pharmaceuticals, and diagnostics. Its extensive laboratory network and multidisciplinary approach deliver high-value compliance and safety solutions.

Source: PMI Capital Research's elaboration based on information obtained from FactSet and official sources of peer companies.

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