

# Strategic assessment

**CONFIDENTIAL - Extract** 









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### A. Widech overview



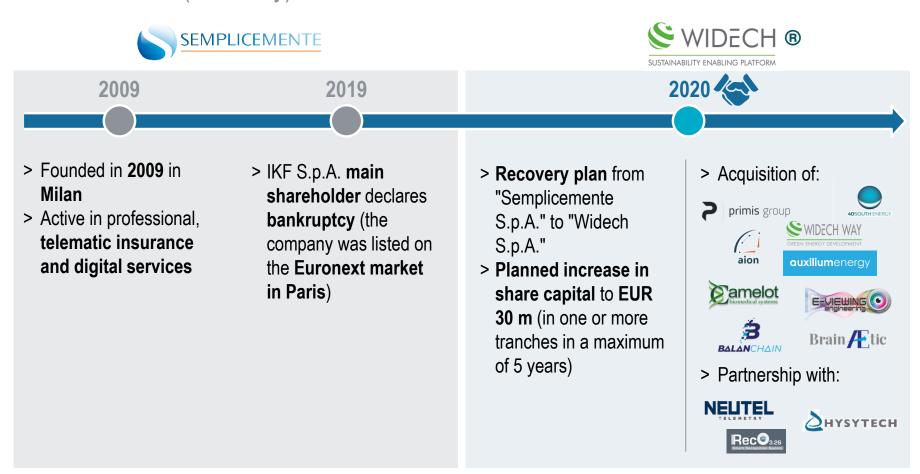






## Widech, listed on Euronext mkt, was founded in '20 from a reverse takeover of Semplicemente S.p.A. (turnaround of assets/ resources)

Widech timeline (summary)







## Widech operates as an enabling platform for environmental sustainability projects through subsidiaries and partners

Widech - enabling platform for sustainability projects







It operates as an enabling platform that aggregates investees and partners, presenting itself as a player of services and solutions in the field of sustainability



- Mid-large corporations that aim to realize concrete sustainability projects
- > Institutional stakeholders





## Widech is the backbone that promotes and empowers corporate projects in the field of environmental sustainability

Corporate Vision e Mission

#### **99** Vision

Widech aims to be the reference Player, on the Italian and European scene, in the execution of digital sustainability

#### **99** Mission

Widech's mission is to support the management of any corporate and institutional organization, in sustainability decisions, leveraging on:

- > advanced technology infrastructure/ machinery
- > sensors
- > data

Widech plays a fundamental role, at the heart of the context of the energy transition coupled with and supported by advanced data intelligence

For discussion





### Widech leverages on all resources of the Group's companies and is able to offer a distinctive and unique value proposition on the market

#### Business model canvas

#### **Key Partners** and resources



#### > Tech enablers: advanced technology platforms developed by the group's companies

- > Energy enablers: proprietary technologies of energy production, storage and management
- > Specialized industry Know-how
- > Relational network and partnerships able to accelerate business growth

#### **Key activities**

location

integration

insights > Delivery of the

> Installation of equipment

directly at the customer's

> Data analysis, leveraging

customized solution for

the individual customer

producing relevant

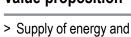
advanced technologies and

and sensor networks

> Data collection and



### Value proposition



- sustainability services and solutions enabled by innovative technologies
- > Platform approach that allows to systemize a plurality of both technological and energy players realizing integrated solutions

#### Channels



#### Target Customers



- > Delivery of services in onpremise or cloud mode
- > Selection of the mode according to the specific needs of the customer (e.g. access to data, data security control, etc.)

- > Mid-large companies with sustainability objectives that want to implement concrete projects with measurable impacts
- > Sectors with a high environmental impact/ with a **focus on** sustainability

#### **Cost structure**



- > Costs mainly related to:
  - staff and collaborators
  - maintenance in efficiency of the solutions developed
  - **production** of hardware components (e.g. batteries, power plants)
- > Investments for development solutions and patents, creation of R&D poles and production centers

#### Revenue streams



- > Delivery of digital transformation projects (fee, one-off and recurring)
- > Provision of energy transformation projects
- > Provision of services and solutions in As-A-Service mode based on e.g.: data volume/ operation, energy saving, performance, etc.
- > Design, installation of equipment and machinery (e.g. energy production plants, storage)

Source: Roland Berger





## Widech platform offers solutions for environmental sustainability integrating industry expertise and technology *enablers*

Value proposition and potential offer areas

#### Value proposition

- Widech is a service provider in the energy and sustainability field characterized by a strong integration with providers of innovative technologies
- Widech differs due to its ability to develop sustainability projects, leveraging a multitude of technologies that can increase their effectiveness and impact
- Widech's platform approach allows a plurality of both technological and energy players to be put in place, creating integrated solutions

#### Offer areas



Power generation, storage and ecofriendly distribution

- > Green power generation (e.g. Solar, biomethane, wave/ tidal, more)
- > Implementation of renewable projects
- > Advanced energy storage technologies
- > Design and development of efficientsmart networks
- > Plant design and construction



#### **Energy efficiency**

- Efficient energy management for buildings
- > Building automation
- > Control-operation of efficient processes and digitization
- Advanced control systems (e.g. predictive) cross-sector, monitoring and energy balancing
- > Energy transition projects



Source: Roland Berger

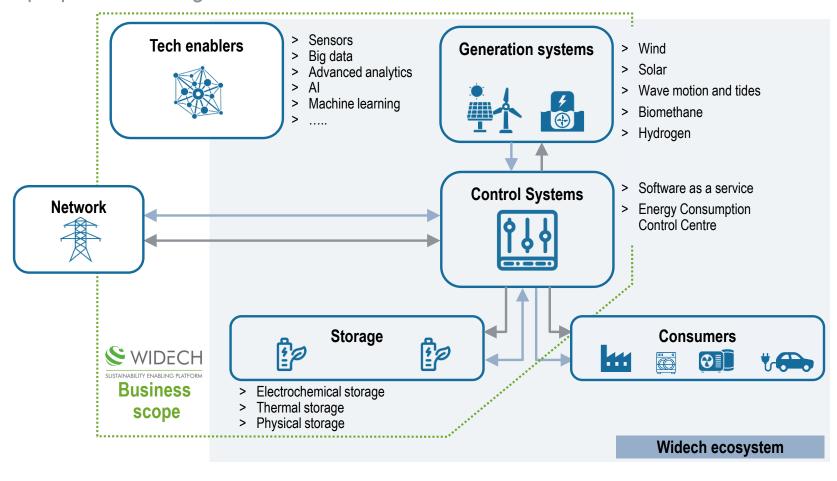






## The Group stands in the market as a preferred player for the development of E2E solutions, combining infras., GreenTech & data

Value proposition "integrated"







### Widech builds on technology infrastructure and data analytics to create integrated solutions for customer sustainability projects

Value chain



#### Installation of technological infrastructure

- > System modeling
- > Installing sensor networks
- > Integration of existing sensors into the technology platform
- > Plant construction



#### Data collection

- > Collection of data produced by the sensor network
- > Pre-processing data using edge computing technologies



#### Data transfer and storage

- > Transport of collected data
- > Data storage at appropriate facilities (Cloud or on-premise)



#### Data processing

- > Analysis of the data collected using the most advanced technologies of AI, machine learning, cognitive computing, etc.
- > Production of business-relevant insights



#### **Delivery of the** solution

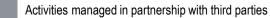
> Creation and delivery of the integrated and customized solution/ service in the digital environment sustainability field based on the customer's needs



#### Maintenance, upgrade and support

- > Service upgrades with additional features/ technology integrations
- > Maintenance of sensor network and technological architecture
- > User support



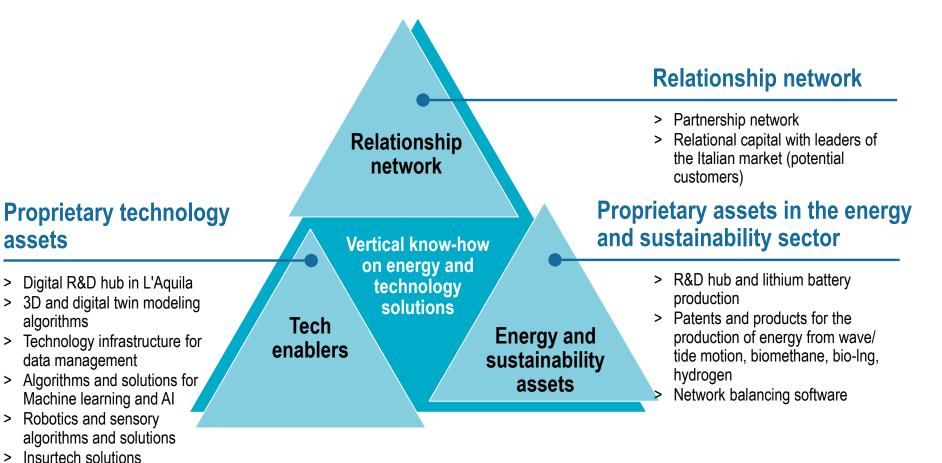






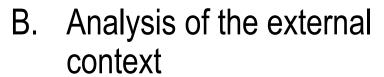
## Widech can leverage on technology and energy assets, vertical know-how and a strong relationship network

Key Widech's resources



Source: Roland Berger













## The context in which Widech operates seems to be growing strongly: sustainability is central in any corporate agenda

#### **Environmental Sustainability Drivers**

Climate change

Regulatory compliance and incentives

3 Circular Economy

"Social" and "Financial" demand

New technologies
- GreenTech

Criticality of the climate context at global level and consequent growth of the commitment in sustainability Mitigation actions induced by legislation and agreements at non-Community, Community and national level

Community framework in support of sustainability in the production-consumption chain with waste and pollution reduction objectives Consumer awareness towards "virtuous" and sustainable companies; demand from financial markets for green and sustainable sectors

Advanced tech enablers in rapid development, supporting new business models and measuring sustainability goals



Atmospheric phenomena (e.g. global warming, melting glaciers)



International agreements for climate protection, e.g. Paris Agreement



Set of rules in favor of a new production and consumption model, with specific targets for 2035



Attention and growing importance, from consumers and business clients towards "green" themes



Investments, performance and demand of financial investors for "Sustainability"



Evolution in innovation in "Green" patents, e.g. Green Technologies, combined with increasing investments in environmental sustainability services supported by new technologies



Human-induced pollution, linked to phenomena such as urbanization and industrial



European Legislative Framework, e.g. Green Deal, Recovery Fund and tax incentives

Source: Roland Berger



# C. Analysis of the competitive environment





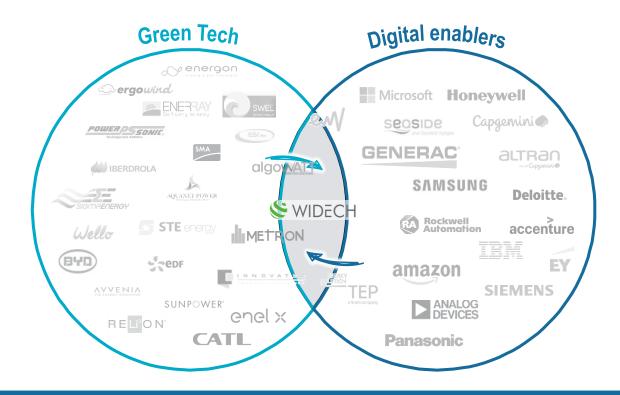




### Widech's competitive environment is at the intersection of 2 macrosectors, GreenTech and digital enablers

Competitive framework

Illustrative





Widech's positioning, converging with respect to the 2 macro-sectors, represents a *unicum* on the Italian competitive landscape and a strong element of differentiation

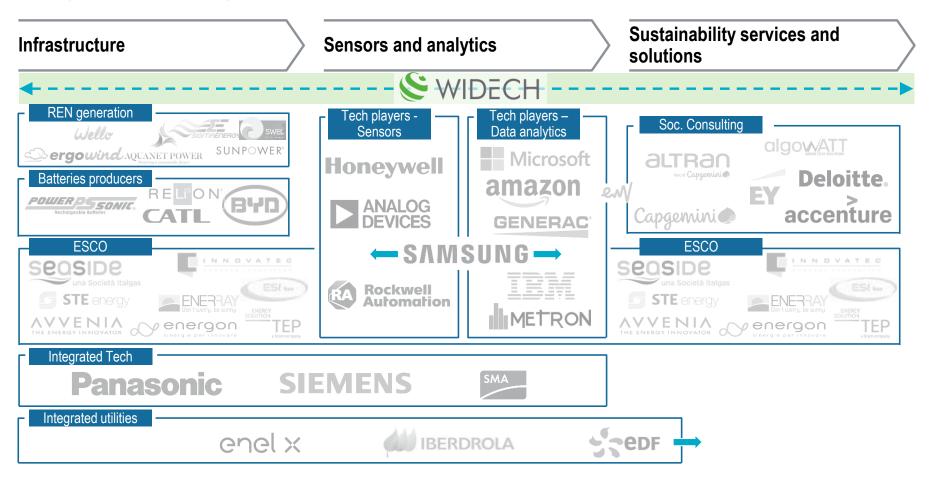
Source: Roland Berger





## The competitive landscape is characterized by a plurality of specialized players – only some utilities feature an integrated offer

Competitive landscape



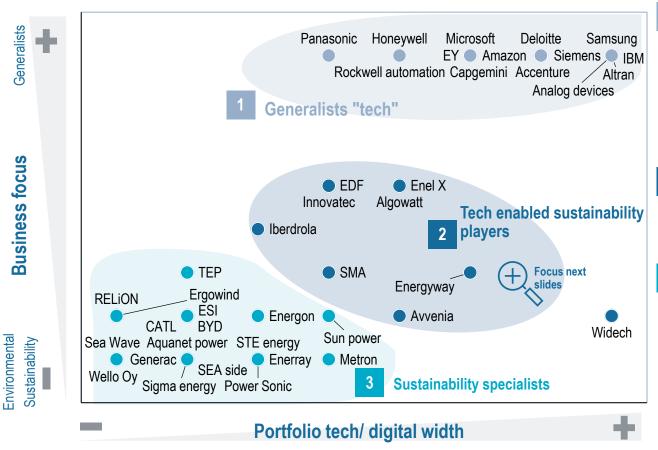
Source: Roland Berger





### Widech, *unicum* on the market, competes with players belonging to 3 clusters; "Tech enabled sustainability players" are the most similar

Digital enablers vs environmental sustainability coverage



#### "Tech" generalists

- > Technological "giants", consultancies and industrial OEMs, operating in various sectors of the market (global scale) including environmental sustainability
- > They boast a very advanced technological portfolio (e.g. computer vision, drones, ...)

#### 2 Tech enabled sustainability players

Player very focused on environmental sustainability with a broad and specific technology asset portfolio for the core business

#### 3 Sustainability specialists

- > They operate mainly or exclusively in the field of environmental sustainability – niche players
- > Specific technology portfolio limited to the business in which they operate

Source: Desk research; Roland Berger



### D. Strategic scenarios



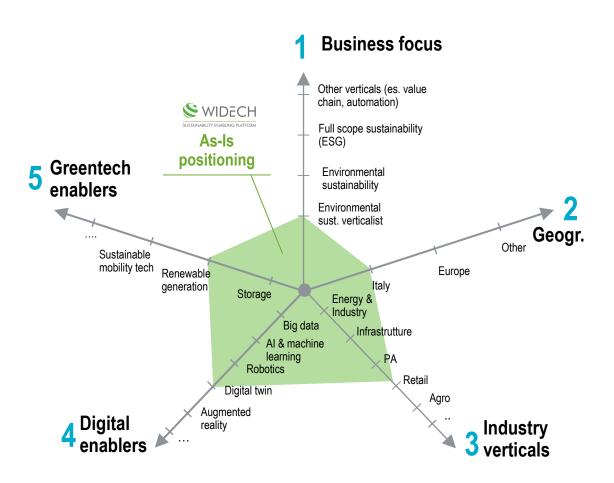






### Widech is an E2E specialist in environmental sustainability enabled by technology and focused on some Italian industry verticals

As-Is Strategic positioning



#### Strategic positioning in a nutshell

#### Business focus

> Focus on selected verticals (energy efficiency and power generation, storage and eco-friendly distribution) in the field of environmental sustainability

#### 2 Geographies

> Prevalent presence in the Italian market

#### 3 Industry verticals

 Offering focused on selected segments (Energy, Industrial products, PA, etc.) based on the business potential

#### 4 Digital enablers

> Strong supervision of the most relevant technologies to support the sustainability offering (AI, Machine learning, robotics, digital twins, etc.)

#### 5 Greentech enablers

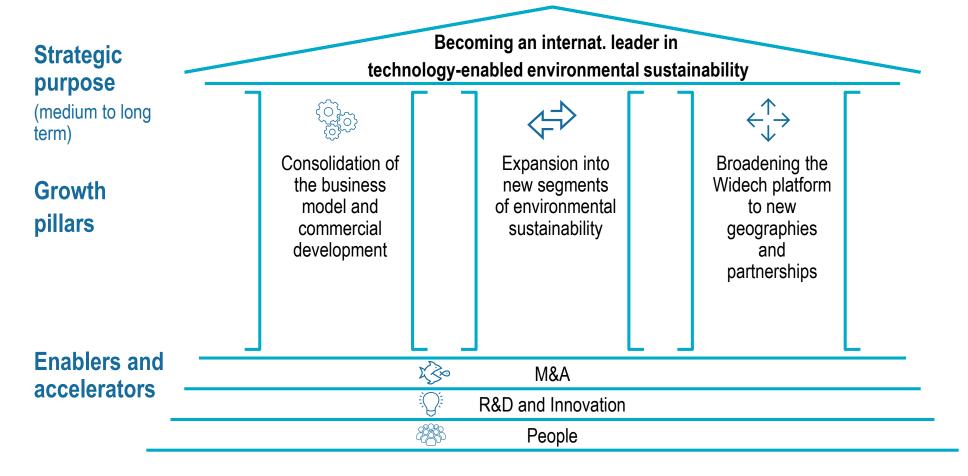
> Possession of selected green-tech technologies such as storage (batteries) and energy production from renewable sources (Bio-gas, biolng, wave/tidal)





### Widech aims to become an international leader in technologyenabled environmental sustainability

Strategic "Pillars"

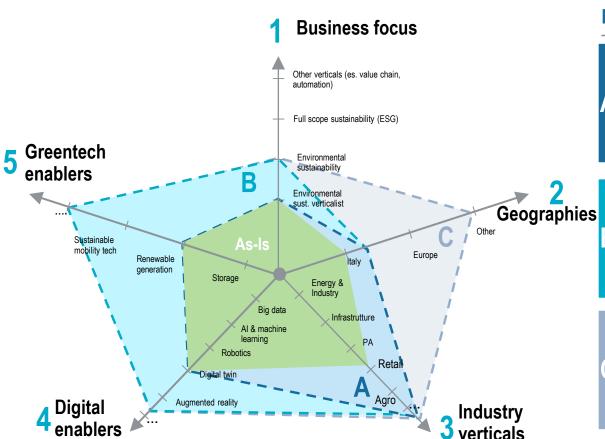






## Growth will be pursued by developing new verticals, integrating sustainability solutions and extending the geographical scope

Strategic routes



#### **Description**

#### **Environmental sustainability specialist**

- Consolidation of strategic positioning and current offering
- > Development of the offer towards **new verticals** and customer segments (e.g. pharma, retail, financial services ...)

#### **Environmental sustainability champion**

- Development of an integrated offer of environmental sustainability (mobility, waste management, etc.)
- > Integration of **digital and greentech enablers** to support the new offer

#### International environmental sust. champion

 Development of foreign markets (focus mainly on European and Mediterranean markets) leveraging on the presence abroad of subsidiaries and strategic partnerships





### Strategic paths differ according to the main growth axes and are to be considered sequential chronologically

	Environmental sustainability specialist	Environmental sustainability champion	International environmental sustainability champion
Business focus	<ul> <li>Maintaining focus on current verticals</li> <li>Development on the market of an integrated offer of services in these areas</li> </ul>	Development of new areas of supply to ensure total coverage of services in the field of environmental sustainability	> Development of <b>new areas of supply</b> to ensure <b>total coverage of services in the</b> <b>field of environmental sustainability</b>
2 Geographies	> Development mainly on the Italian market	> Development mainly on the Italian market	> Development of <b>new business in international contexts</b> (main focus on European and Mediterranean markets)
3 Industry verticals	> Expansion of the offer on <b>verticals additional</b> to those already operated by developing specific solutions	> Expansion of the offer on <b>verticals additional</b> to those already manned by developing specific solutions	> Expansion of the offer on verticals additional to those already operated by developing specific solutions
4 Digital enablers	> Use of the technologies currently in the portfolio for the development of the offer	> Development/ acquisition of digital enablers that enable to extend their offer to the new sustainability segments	> Integration of any new technologies necessary to support the extension of the offering
5 Greentech enablers	> Use of the technologies currently in the portfolio for the development of the offer	> Development/ acquisition of <b>green-techs that enable to extend their offer</b> to the new environmental sustainability segments	Integration of any new technologies necessary to support the extension of the offering
	Short-term	Long-term	

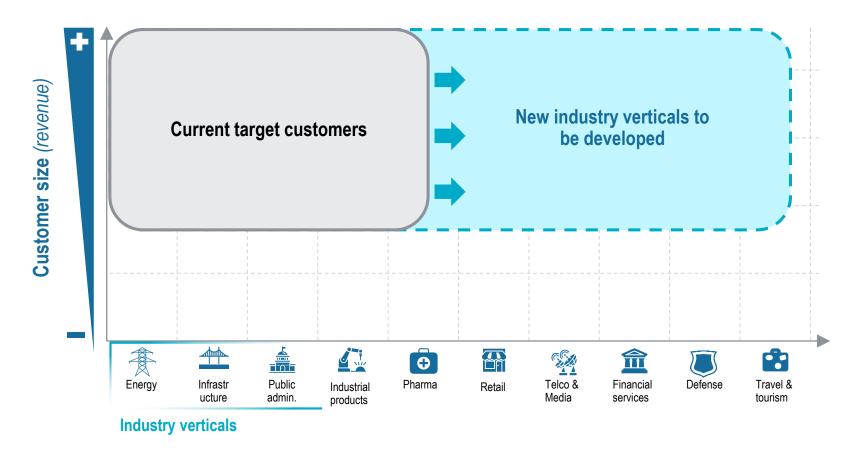
Main growth drivers





## In the first phase Widech will consolidate its strategic positioning and develop new target verticals

Strategic path A - Environmental sustainability specialist



already ongoing





## The consolidation of the business model and strategic positioning also actionable through inorganic operations already identified

Potential targets for inorganic operations

Target	Description	Role in the Widech platform	
1	<ul> <li>Technical engineering company specialized in the design and development of production technologies</li> <li>Developed and patented 3 energy production solutions for Biomethane, Bio-Lng and Hydrogen</li> </ul>	Factory product: Tech	<ul> <li>Energy Production technology provider</li> <li>Supply of specialized engineering services and implementation of the plants developed by the other group companies</li> </ul>
2	<ul> <li>Company specialized in the design, construction and commissioning of electromechanical systems and equipment</li> <li>Manufactures and sells energy storage systems and plants</li> </ul>	Platform: Energy system integrator	<ul> <li>Role of System integrator of the group by creating and installing the integrated solutions developed</li> <li>Energy storage installation and management skills provider</li> </ul>
3	<ul> <li>Oil &amp; gas engineering company specialized in the design and management of large infrastructure projects (oil&amp; gas processing, refining, offshore terminals, etc.)</li> <li>Expansion of the business perimeter towards Renewables, for players in the Oil&amp;Gas sector</li> </ul>	Platform: Commercial	<ul> <li>Platform for the development of innovative solutions dedicated to sustainability</li> <li>Provides access to large interlocutors in the oil and gas sector that can also be used as a lever for internationalization)</li> </ul>

Source: Widech; Roland Berger

The target companies identified are already part of the Widech network and/ or acquisition negotiations are

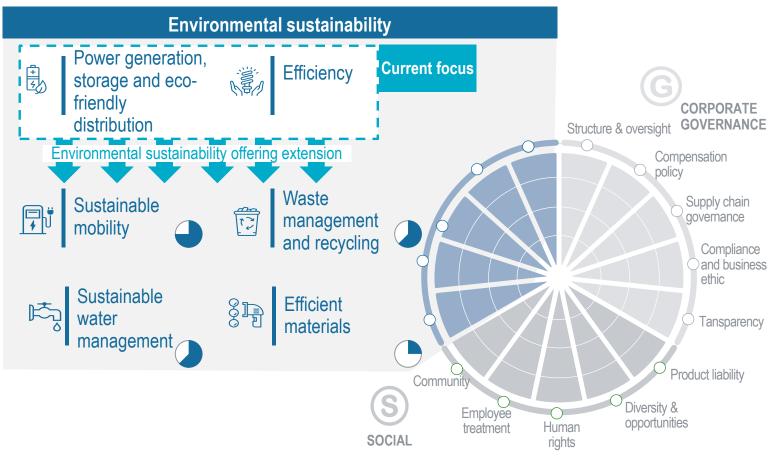




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## Once the positioning of environmental sustainability specialist will be consolidated, Widech could then expand their range of services

Strategic path B - Environmental sustainability champion





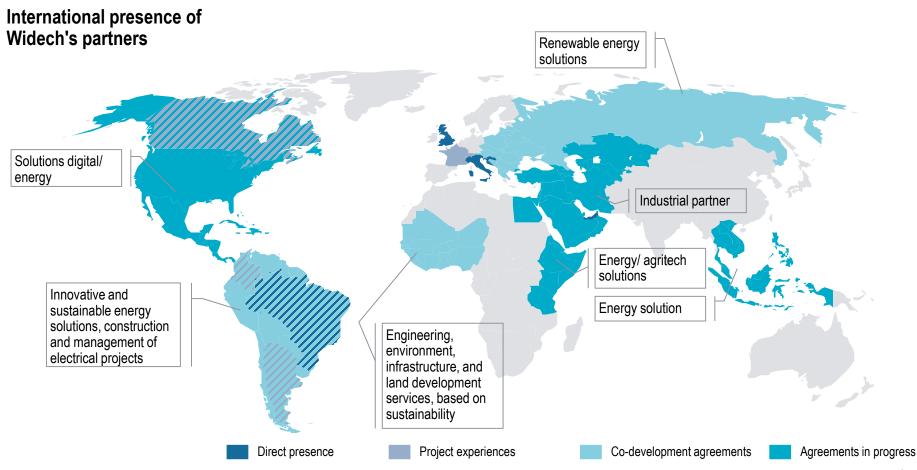




### Internationalization can leverage on partnerships and JV currently in definition or established

Strategic path C - International environmental sustainability champion

Illustrative

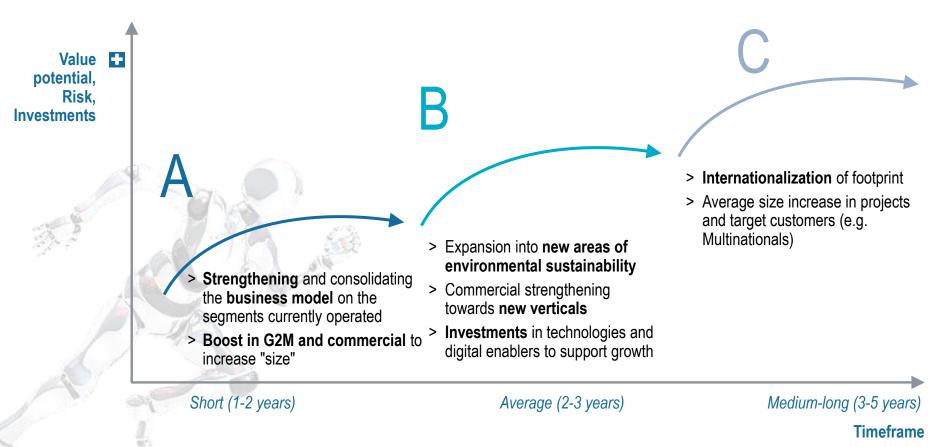






## The pursuit of the first 2 strategic routes is planned for the medium term; internationalization may be a longer-term step

Strategic roadmap







## In the future, the Group is hypothesized to be made up of 5 distinct business lines, 4 product-service lines and 1 of scope

Group future Business lines



Renewables



Energy efficiency and storage





Other energy services



ESG support (focus  $\underline{E}$ )



International business

- > Hydrogen
- > Biomethane
- > Bio-Ing
- > Solar
- > Wave

- > Energy efficiency
- > Electric storage
- > Demand response
- > Telemetry
- > Robotics
- > Lidar
- > Computer vision
- > Digital twins

- > Process re-engineering
- Management and control infrastr. (e.g. e-Fleet, public lighting remote control)
- > Technology-enabled consulting (e.g. blockchain, BI)
- > Financing (e.g. application support, tax incentives)

International extension of Group activities



## E. High-level economic projections









**Economic targets '25** 

## 5 macro-revenue lines will be developed and activated, through organic and inorganic initiatives

Overview Widech revenue lines

#### > Sale of plants and machinery primarily to business/ corporate on the 52 Renewables 20% hydrogen, biomethane, bio-lng, solar and wave segments 31 21 > Activities of global coordinator on the different projects Energy > Sale of energy management platforms 74 23 > **Storage systems** for automotive and electricity network efficiency 25% > **Demand response** for network balance and consumption for B2B/B2C 51 and storage > **Development and delivery of services** and technological solutions Other energy enabled by the assets held (e.g. patents, technologies/ digital enablers) 36% 16 services > Planning and advisory activities for environmental sustainability ESG support (also on new areas e.g. sustainable mobility, waste, ...) 52 25% 18 (focus E) > Support is provided through technology platforms and digital 34 technologies, mainly as-a-service > Sale of international projects through a network of global partners, in 35 International the fields of Renewables, Agritech, Sustainable Power Generation, 30% business Digital/ Energy, etc. Revenues Margin % Inorganic Organic





## Overall Widech has 2025 revenue targets of > EUR 255 m and industrial margin > EUR 65 m – M&A almost 1/3 of total revenues

Revenue and Industrial Margin build-up [2025; EUR m]

(qualified)

#### Revenues **Industrial Margin** 25-35 255-265 > Does not include structure, semi-variable 35 and staff costs 72 > It is not possible to estimate the 52 magnitude of these costs because they depend on the shape and size of the 18 future business, also depending on 25-35 34 possible acquisitions 16 > The estimation of these costs is 74 16 necessary to determine EBITDA 23 158 65-70 19 6 11 11 1 8-10 13 52 8-10 31 45 10 Renewables Energy Other **ESG** Internatio-Add-on Tot Renewables Energy **ESG** Other Internatio-Tot Add-on M&A efficiency services nalizaton M&A efficiency services nalizaton Inorganic growth Organic Growth Add-on M&A





## Business consolidation and growth will need to be supported by a significant investment plan

Overview investments organic growth - selection

R&D



Investments for patent portfolio expansion, improvement of detained technology assets and platform upgrades

2 "Production" centers



Installation/ start-up of production plant (e.g. for storage module production in Sicily and Piedmont – in progress) to increase production capacity

Talent acquisition and training



Creation and expansion of the Team through acquisition, training and coaching of the best professional-talent figures

Communication and branding



Communication plan (corporate) and branding especially in the initial development phase and in support of the go-to-market plan

Commercial development



Commercial investment and expansion of partner networks to support domestic and international growth plans

6 Structure



Consolidation and expansion of the operational and administrative structure to support operational (business-related) and corporate/ group (staff) activities



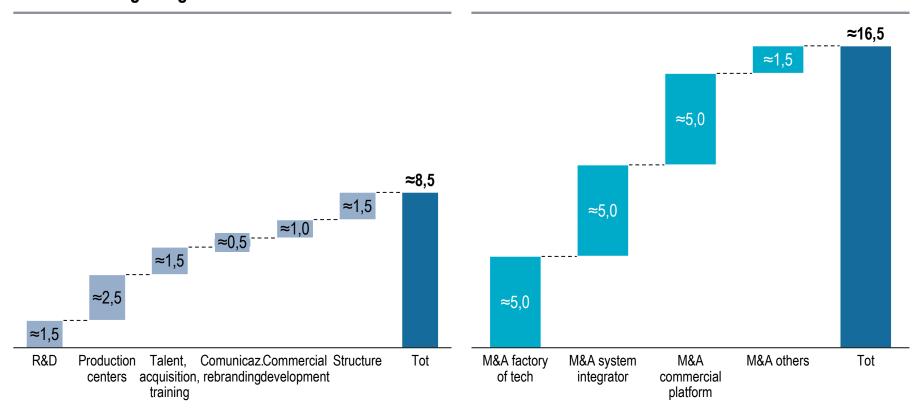


## Widech estimates EUR ≈ 9 m of investments for business consolidation and development and EUR ≈ 17 m for M&A

Overview investments – selection [EUR m]

#### Investments organic growth

#### **Investments for M&A business**







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