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## PRESS RELEASE

# SECO Completes the Acquisition of Garz & Fricke Group Creating the Listed European Champion in the IoT-AI Market

- **SUCCESSFULL CLOSING OF A TRANSFORMATIONAL DEAL REPRESENTING A KEY MILESTONE IN SECO'S GROWTH STRATEGY**

Arezzo, October 13, 2021 – SECO S.p.A. ("**SECO**"), reference player in the field of technological innovation, Internet of Things and Artificial Intelligence solutions, listed on the STAR segment of the Italian Stock Exchange (Ticker: IOT:MI), is pleased to announce the completion of the previously announced acquisition of the entire share capital of Garz & Fricke Holding GmbH ("**Garz & Fricke Group**" or the "**Company**"), a Hamburg headquartered producer and developer of hardware and software solutions for the industrial Internet of Things (IoT). The total consideration amounts to €180m and comprises a cash consideration of €165m and €15m newly issued SECO shares.

The acquisition of Garz & Fricke Group represents a unique strategic opportunity for SECO to establish a major international / pan European champion in the IoT/Edge Computing industry, creating the largest listed European player and the world's number 3 player in the industry.

SECO will leverage on Garz & Fricke Group's more than 200,000 new devices produced per year (of which c.65,000 already running IoT connectivity solutions) to further accelerate the deployment of SECO's CLEA IoT-AI platform in German-speaking countries. The acquisition will also combine Garz & Fricke Group's leading payment system solutions with SECO's CLEA IoT-AI platform, further strengthening SECO's product portfolio and IoT capabilities.

Garz & Fricke Group is expected to contribute revenues of c.€50m and an adjusted EBITDA of c.€12m for the full year ending in December 2022. SECO expects the combined entity to generate run-rate costs synergies of approximately €4m within 12 months from closing. Key identified synergy levers include purchasing efficiencies, integration of Garz & Fricke Group's glass-touch display procurement into SECO's Fannal production to reduce external sourcing, G&A optimisation and other general manufacturing efficiencies.

Additional Revenue synergies from horizontal and vertical cross/up-selling opportunities (i.e. integration of CLEA on existing Garz & Fricke Group's devices) of approximately €25m, with an effect on EBITDA of approximately €11m, are expected to be achieved in the next 3 years.



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**Massimo Mauri, CEO of SECO**, commented: *"The acquisition of Garz & Fricke Group is a landmark moment for SECO's growth project and a unique opportunity to continue to create value for our shareholders and customers, in line with the strategy we outlined to the market earlier this year during the IPO process. We see the acquisition of Garz & Fricke Group as a key milestone to strengthen our European and global leadership position, reinforcing our strategic access to a key market like Germany and further accelerating the adoption of CLEA on an enlarged customer basis, as well as adding key competences and technologies to our product portfolio in order to continue to deliver the highest standards of quality and service to our customers. Finally, we look forward to welcoming the management team and all the people of Garz & Fricke Group into our organisation and to make them an integral part of our project."*

### About SECO

SECO (IOT.MI), listed on the Italian Stock Exchange (STAR segment), develops and manufactures cutting-edge technological solutions, from miniaturized computers to fully customized integrated systems combining hardware and software. SECO also offers CLEA, a proprietary end-to-end IoT-AI analytics software suite, made available on a SaaS basis, that allows clients to gather insightful data from their on-field devices in real time. SECO employs over 500 people worldwide and operates through 3 production plants, 6 R&D hubs and sales offices in 9 countries. With a turnover of more than €75 million as of December 31, 2020, SECO serves more than 200 blue-chip customers which are leaders in their respective fields, including Medical, Industrial Automation, Aerospace & Defense, Fitness, Vending and many other sectors. SECO R&D capabilities are further enhanced by long-lasting strategic partnerships with tech giants and collaborations with universities, research centers, and innovative start-ups. Corporate social responsibility is part of the strategy of SECO, that undertakes several actions to reduce its environmental footprint and increase its impact on its people and local communities.

For more information: <http://www.seco.com/>

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