



KALEON

Initiation of Coverage

≡ EQUITA

VOTE NOW

CAST YOUR VOTE FOR EQUITA
IN THE 2026 DEVELOPED
EUROPE RESEARCH

extel

Italy: Research
Italy: Small&Mid Caps
Italy: Trading & Execution
Italy: Sales
Italy: Corporate AccessPOLLING: JANUARY 26th - FEBRUARY 13th, 2026

KALEON

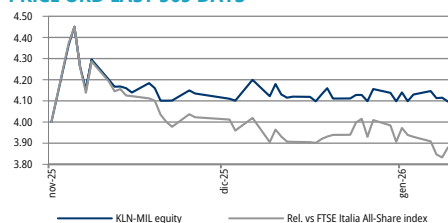
Initiation of Coverage

BUY ord. (Prev.: n.a)Target: **€ 5.00** (Prev.: n.a)

Risk: High

STOCKDATA	ORD		
Price (as of 05 Feb 2026)	4.1		
Bloomberg Code	KLN IM		
Market Cap (€ mn)	58		
Free Float	31%		
Shares Out (mn)	14.1		
52 week Range	-		
Daily Volume	25,766		
Performance (%)	1M	3M	1Y
Absolute	-0.6	na	na
Rel to FTSE Italia All-Share	-0.6	na	na
MAIN METRICS	2024	2025E	2026E
SALES Adj	21.7	23.0	24.7
EBITDA Adj	5.5	6.1	7.2
EBIT Adj	3.1	3.4	3.9
NET INCOME Adj	1.5	2.0	2.4
EPS Adj - €	10.9	14.4	17.0
DPS Ord - €	0.0	0.0	0.0
MULTIPLES	2024	2025E	2026E
P/E ord Adj	n.a.	28.5x	24.1x
EV/EBITDA Adj	n.a.	9.1x	7.9x
EV/EBIT Adj	n.a.	16.3x	14.5x
REMUNERATION	2024	2025E	2026E
Div. Yield ord (A)	n.a.	0.0%	0.0%
FCF Yield Adj	n.a.	-0.5%	-1.0%
INDEBTEDNESS	2024	2025E	2026E
NFP Adj	-12.7	3.2	2.6
D/Ebitda Adj	2.3x	n.m.	n.m.

PRICE ORD LAST 365 DAYS

Analyst: Emanuele Gallazzi
e.gallazzi@equita.eu | +39 02 6204.215

GUARDIAN OF BEAUTY

Kaleon is uniquely positioned in Italy's cultural tourism market as the only operator managing multiple heritage sites through an integrated service model. Building on over 40 years of expertise developed within the Borromeo cultural sites on Lake Maggiore, the company is now expanding its asset-light platform to third-party locations, targeting a highly fragmented and underexploited market with significant growth potential. We initiate the coverage with a BUY rating and a target price of € 5.0ps (7.8x-6.8x EV/EBITDA 2027E-28E).

■ A unique and scalable model in Italian cultural tourism...

Kaleon stands out as a first mover in the professional management and enhancement of Italy's cultural heritage, a segment historically dominated by small, local operators and public entities. Founded in 1983 by the Borromeo family and originally focused on administrative and marketing support for the Terre Borromeo sites, the company has progressively evolved into **a fully integrated operator** combining heritage conservation, visitor services, and experiential tourism.

As of today, **the company oversees 6 cultural sites located on the Lake Maggiore** (Italy): Isola Bella, Isola Madre, Parco Pallavicino, Rocca di Angera, Parco del Mottarone and Castelli del Cannero.

Its business model rests on three key pillars:

- **Asset-light strategy:** Kaleon manages cultural sites without owning them, focusing on redevelopment, enhancement, and efficient operation;
- **Centralized management:** the company leverages synergies across sites, integrating marketing, logistics, and service design, unlike the fragmented Italian landscape where most sites are run independently;
- **Customer-centric diversification:** Kaleon enriches the visitor experience and extends average spending and stay duration by adding food & beverage, hospitality, retail point of sales and events to its ticketing core.

We view this business model as highly distinctive in the Italian context. Despite hosting 61 UNESCO World Heritage Sites, Italy's cultural sector remains under-managed and under-exploited. Kaleon's scalable, professional approach represents a modern and replicable platform to transform the country's historical assets into a sustainable economic and cultural engine.

■ ...operating in a high-growth and resilience niche

Italy's tourism market reached € 176bn in 2024, but within it, **cultural tourism (€ 6bn segment)** is the most dynamic, expected to grow at **+14% CAGR (2024-28E)**, far outpacing general tourism growth (+2% CAGR 2024-2034E). This trend is supported by several long-term factors:

- **Cultural travelers spend ca. 25% more per day than average tourists** (€93 vs €74), reflecting higher education and income levels;
- **Heritage destinations benefit from year-round seasonality and lower cyclicality** compared to coastal tourism;
- **The rise of experiential travel among younger cohorts** reinforces demand for authentic, shareable experiences;
- **Structural tailwinds** such as the growing international tourism, the expansion of the global middle class and media/VIP advertising.

■ Multiple organic growth levers across existing sites....

We see compelling opportunities for Kaleon to unlock untapped potential within its existing asset base. Key drivers include:

- **Service expansion:** upcoming openings include new hospitality capacity across Isola Bella and Stresa (2027) and two new F&B locations sola Bella (2026), together with the relaunch of Villa Pallavicino as a premium destination featuring fine dining, events and boutique accommodation;
- **Dynamic pricing:** following the 2025 introduction of flexible ticket options, Kaleon plans to adopt full dynamic pricing in 2027, optimizing tariffs by demand peaks. The company has already achieved a strong pricing track record, with a +7% ticket CAGR (2019–24);
- **Cross-selling and bundling:** Kaleon's venues are located within a short radius, allowing attractive combined ticket packages and multi-site experiences. The existing Isola Bella–Isola Madre ticket is already the group's second-best seller, proving the model's scalability;
- **Marketing and demand diversification:** the company is strengthening partnerships with European and U.S. tour operators, expanding influencer collaborations, and targeting repeat visits from domestic customers through temporary exhibitions, special openings, and seasonal events.

■ ...supporting a 7% top-line CAGR 2025-28E and a low-DD EBITDA CAGR

Supported by the above-mentioned initiatives, we forecast Kaleon's revenues to grow at a **+7.1% CAGR over 2024A–28E**, reaching **€ 28.5mn by 2028E**, driven by both organic growth and the ramp-up of new services. The strongest contributions will come from:

- **Hospitality:** from € 0.1mn in 2024A to € 1.3mn in 2028E, supported by the new Stresa and Villa Pallavicino openings;
- **Food & Beverage:** +15% CAGR (from € 2.9mn in 2024A to € 5.0mn in 2028E), mainly from new F&B locations on Isola Bella (contributing € ~1mn at full run-rate in 2027).

Ticketing will remain the core business (74% of revenues in 2024 moving to 69% in 2028E), growing at **+5.5% CAGR**, supported by c.1% annual volume growth, a 3.5% price effect from dynamic pricing and bundled ticketing and the contribution of Castelli di Cannero (c1%).

On this trajectory, we expect **EBITDA to grow at +12% CAGR 2024–28E**, reaching **€ 8.7mn in 2028E**, with margins improving from 25.4% in 2024A to **~30.5%**, a level already achieved in 2023. Operating leverage, scale efficiencies, and pricing optimization should all contribute to margin expansion. In parallel, **FCF generation is set to strengthen progressively:**

- **2025–26** will still be impacted by higher capex linked to new openings (F&B, hospitality, maritime transport),
- **from 2027 onward**, capex should normalize to ~9% of revenues, supporting an annual FCF of **€ 3/4mn**. We expect NFP to move from € -12.7mn **in 2024A to € +10.1mn (net cash) in 2028E**, including net IPO proceeds for ca. € 14mn.

■ KLN can become the national platform for the Italy's cultural tourism sector

We see Kaleon's listing as a **catalyst for sector consolidation**. Italy's heritage management remains highly fragmented: over **44k private historical residences**, half of which are idle or underutilized due to financial constraints and regulatory hurdles. Kaleon's business model (professional management without ownership transfer) addresses these pain points, offering both economic sustainability and respect for family heritage. **With a growing pipeline of potential targets across Northern and Central Italy**, we believe the IPO will enhance Kaleon's visibility, credibility, and deal-making capacity, positioning it as a **national platform and reference consolidator** in Italy's cultural tourism sector.

■ We initiate the coverage with a BUY rating and a target price of € 5.0ps

For the above-mentioned reasons, **we initiate the coverage of Kaleon with a BUY rating and a DCF-based target price of € 5.0ps at which KLN would trade at 7.8x-6.8x EV/EBITDA 2027-28E and 24x-19.5x PE adj. ex-cash 2027-28E**. Importantly, our valuation is based solely on **organic performance** and does **not factor in any additional upside** from the deployment of **IPO proceeds**. Kaleon currently boasts a **strong financial structure (net cash 2025E = € +3.2mn)**, providing **full financial flexibility** to evolve into a **national platform and reference consolidator** in Italy's **cultural tourism sector**.

MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	17.5	21.5	21.7	23.0	24.7	26.8
Growth	n.a.	23.0%	0.7%	5.9%	7.7%	8.5%
EBITDA Adj	5.5	6.7	5.5	6.1	7.2	8.2
Growth	n.a.	23.2%	-18.1%	11.4%	16.4%	14.0%
EBIT Adj	n.a.	4.4	3.1	3.4	3.9	4.3
Growth	n.a.	n.a.	-30.4%	10.7%	13.7%	10.4%
PBT Adj	n.a.	4.2	2.7	3.6	3.7	4.2
Growth	n.a.	n.a.	-35.6%	32.9%	1.9%	13.6%
Net Income Adj	n.a.	2.9	1.5	2.0	2.4	2.7
Growth	n.a.	n.a.	-47.0%	32.2%	18.2%	13.6%
MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	31.2%	31.3%	25.4%	26.7%	28.9%	30.4%
Ebit Adj margin	n.a.	20.7%	14.3%	14.9%	15.7%	16.0%
Pbt Adj margin	n.a.	19.7%	12.6%	15.8%	14.9%	15.7%
Net Income Adj margin	n.a.	13.5%	7.1%	8.8%	9.7%	10.2%
SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	n.a.	20.5	10.9	14.4	17.0	19.3
Growth	n.a.	n.a.	-47.0%	32.2%	18.2%	13.6%
DPS ord(A) - €c	n.a.	0.0	0.0	0.0	0.0	0.0
BVPS	n.a.	0.3	0.4	0.8	0.9	1.1
VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	n.a.	17.3	18.8	13.2	9.0	10.3
FCF	n.a.	2.0	1.2	-0.3	-0.6	3.3
CAPEX	n.a.	2.7	4.9	5.3	6.0	2.5
Working capital	n.a.	-0.3	-1.9	-2.0	-1.8	-0.9
INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	n.a.	-13.9	-12.7	3.2	2.6	5.9
D/E Adj	n.a.	2.96	2.04	n.m.	n.m.	n.m.
Debt / EBITDA Adj	n.a.	2.1x	2.3x	n.m.	n.m.	n.m.
Interest Coverage	n.a.	32.2x	25.9x	20.5x	35.8x	81.6x
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	n.a.	n.a.	n.a.	28.5x	24.1x	21.2x
PBV	n.a.	n.a.	n.a.	5.4x	4.4x	3.6x
EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	n.a.	n.a.	n.a.	2.4x	2.3x	2.0x
EV/EBITDA Adj	n.a.	n.a.	n.a.	9.1x	7.9x	6.5x
EV/EBIT Adj	n.a.	n.a.	n.a.	16.3x	14.5x	12.4x
EV/CE	n.a.	n.a.	n.a.	4.2x	6.3x	5.2x
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%
FCF Yield Adj	n.a.	n.a.	n.a.	-0.5%	-1.0%	5.6%
Roce Adj	n.a.	n.a.	10.6%	14.6%	23.3%	29.3%

Source: Company data and Equita SIM estimates

TABLE OF CONTENTS

INVESTMENT SUMMARY	6
■ UNIQUE BUSINESS MODEL IN THE ITALIAN CULTURAL TOURISM MARKET.....	6
■ ITALIAN CULTURAL TOURISM MARKET: A HUGE POTENTIAL YET TO BE UNLOCKED.....	7
■ UNTAPPED POTENTIAL IN KALEON'S CULTURAL SITES: WE SEE MULTIPLE LEVERS FOR ORGANIC GROWTH.....	9
■ 2025-2028E ESTIMATES: HSD TOP-LINE WITH EBITDA MARGIN REACHING 30.5%.....	10
■ IPO PROCEEDS TO ACCELERATE KALEON'S PORTFOLIO EXPANSION STRATEGY EXPLOITING ITALIAN HISTORICAL FRAGMENTATION IN THE HERITAGE MANAGEMENT	11
■ SWOT ANALYSIS.....	14
COMPANY OVERVIEW	15
■ SHAREHOLDER BASE AND IPO STRUCTURE.....	16
■ TOP MANAGEMENT: QUICK OVERVIEW	17
■ IPO RATIONALE.....	17
THE REFERENCE MARKET	18
■ ITALIAN CULTURAL TOURISM: A HUGE POTENTIAL YET TO BE UNLOCKED.....	18
■ COMPETITIVE ENVIRONMENT: IN A FRAGMENTED MARKET, SOME OPERATORS ARE PIONEERING MORE PROFESSIONALIZED AND CENTRALIZED APPROACHES.	20
UNIQUE PORTFOLIO OF TROPHY ASSETS	22
■ LAKE MAGGIORE: SECOND LARGEST LAKE IN ITALY WITH FULL POTENTIAL STILL TO BE UNLOCKED	24
THE BUSINESS MODEL	26
OPPORTUNITIES FOR ORGANIC GROWTH: A CLEAR PIPELINE OF NEW INITIATIVES	31
OPPORTUNITIES FOR MARKET CONSOLIDATION: MOVING ITALY TO NEXT STEP	32
FOCUS ON EXISTING RENTAL AGREEMENTS	34
KEY FINANCIALS: 2022-2024 PERFORMANCE	35
■ CASH CONVERSION	37
■ CAPITAL STRUCTURE AND NET DEBT	38
■ BUSINESS SEASONALITY	38
1H25 RESULTS REVIEW	39
2025E-28E ESTIMATES	40
■ 2025 RESULTS: WE EXPECT A SOLID SET OF RESULTS WITH HIGH VISIBILITY	40
■ 2025-2028E ESTIMATES: HSD TOP-LINE WITH EBITDA MARGIN REACHING 30.5%.....	40
WE INITIATE COVERAGE WITH A BUY AND A TARGET PRICE OF € 5.0PS	43
PEER GROUP MULTIPLES	45
■ BRIEF DESCRIPTION OF THE COMPARABLE	46
SWOT ANALYSIS	48
APPENDIX – KALEON'S APPROACH ON ESG THEMES	49
STATEMENT OF RISKS FOR KALEON	49

INVESTMENT SUMMARY

■ Unique business model in the Italian cultural tourism market

Kaleon, derived from the Greek word for “*beauty*”, is a company dedicated to the professional management and enhancement of Italy’s historical, artistic, and cultural heritage. The business was founded in 1983 by the Borromeo family under the name **SAG (Servizi Amministrativi Generali)**, with the primary objective of overseeing the administrative, management, and marketing functions of **Terre Borromeo**, a brand that identifies the family’s exclusive and irreplaceable cultural and historical sites.

Over more than four decades, the company has progressively evolved from a family office-style management structure into a **fully integrated operator** with a distinctive expertise in cultural asset management, heritage conservation, and tourism development. Its activities have gradually expanded from core preservation to include complementary services such as ticketing, hospitality, food & beverage, and event management, all designed to enhance the visitor experience while ensuring the sustainable valorization of cultural sites.

The company currently oversees 6 cultural sites located on the lake Maggiore (Italy):

- **Isola Bella:** 58% of 2024 revenues or approx. € 12.2mn;
- **Isola Madre:** 23% or approx. € 4.9mn;
- **Parco Pallavicino:** 8% or approx. € 1.7mn;
- **Rocca di Angera:** 7% or approx. € 1.4mn;
- **Parco del Mottarone:** 4% or approx. € 0.8mn;
- **Castelli di Cannero:** 0% as it started to contribute to Kaleon’s P&L from end of June 2025.

Kaleon’s business model is based on three main pillars:

- **Asset-light strategy:** Kaleon manages cultural sites without owning them, focusing on redevelopment, enhancement, and efficient operation;
- **Centralized management:** the company leverages synergies across sites, integrating marketing, logistics, and service design, unlike the fragmented Italian landscape where most sites are run independently;
- **Customer-centric diversification:** Kaleon enriches the visitor experience and extends average spending and stay duration by adding food & beverage, hospitality, retail point of sales and events to its ticketing core.

This model is distinctive in the Italian cultural landscape. Italy’s cultural heritage is unparalleled - home to the largest number of UNESCO World Heritage Sites worldwide (61). It is often said that certain parts of Italy could thrive on tourism alone if only cultural assets were managed more effectively. While this may be an oversimplification for a country of ~59mn inhabitants, we believe that the fragmented, local-first approach lacking a broader strategic vision remains a key limitation in Italy’s tourism and cultural sectors. By contrast, other countries’ ability to market their cultural assets is, in many cases, enviable. Against this backdrop, **we see significant value in Kaleon’s coordinated, centralized management model.**

In 2024, Kaleon generated **revenues of €21.7mn and an EBITDA of € 5.5mn (EBITDA margin 25.4%)**. The business mix is still largely dominated by **ticketing (74% of sales)** followed by **Food & Beverage (13%), retail (4%), and other activities (including hospitality and events) the remaining 9%**. While ticketing remains the company’s core revenue stream, the increasing contribution from ancillary services underscores the ongoing diversification of the business model, with several initiatives underway to further expand these complementary areas.

KALEON IN A NUTSHELL

Undisputed track-record in unlocking full site potential...

- Founded in 1983 to handle the administrative, management, and marketing activities of "Terre Borromeo", a brand that identifies the **Borromeo's Family exclusive and unreplaceable cultural and historical sites**
- Leadership in renovating, reopening and **managing proprietary and third-party assets**
- Heritage management **leveraging on private ownership and centralized approach** (vs. single management)

... thanks to a customer-centric offering

- Guided tours of cultural sites
- Food & Beverage and boutiques
- Accommodations
- Adventure parks, sports equipment rental
- Borromeo's Archive
- Location rental for events and weddings
- Programs dedicated to school trips

Kaleon at a glance

100% Share capital owned by the Borromeo Family	+500 years Borromeo Family ownership of sites in the current portfolio
6 Trophy sites in the portfolio	c.1m Annual visitors (2024)
€22m Revenues (2024)	~2.5x 2015-2024 Revenues growth
25%-30% EBITDA Margin (2022-2024)	55% Cash conversion ⁽¹⁾ (2024)

(1) Computed as (EBITDA – Maintenance capex) / EBITDA
Source: Company presentation

■ Italian cultural tourism market: a huge potential yet to be unlocked

Italy is the world's leading cultural destination, home to 61 UNESCO World Heritage Sites and an unparalleled concentration of museums, archaeological parks, palaces, and historic villas. The country's tourism market, valued at € 176bn in 2024¹, is expected to expand at a modest +2% CAGR through 2034. By contrast, Kaleon's core market, **cultural tourism**, a € 6bn niche, is poised for sustained outperformance, with projected double-digit growth (+14% CAGR 2024–2028²), underpinned by:

- **Higher spending profile:** cultural travelers spend on average €93/day vs €74³ for general tourists, reflecting higher education, wealth, and lower price sensitivity given the unique, non-replicable nature of cultural experiences;
- **Uniqueness and scarcity:** Italy's heritage and artistic legacy cannot be replicated elsewhere; nearly half of foreign visitors cite culture as their primary reason for travel⁴;
- **Extended seasonality:** unlike coastal or mountain tourism, cultural visitation is evenly spread across the year, supported by exhibitions, festivals, and city breaks, reducing revenue volatility.

KALEON – INTERNATIONAL TOURISM IN ITALY

Italy among the top global destinations for international tourism:

- 2nd in Europe for overnight stays, with +15% in total presences (2023)
- 5th most visited country in the world for international arrivals (2023)

Increase in overall spending by international tourists...

... although visitor flows is still recovering from the pandemic impact

Total international tourist expenditure in Italy (€bn)⁽¹⁾

- The overall spending by foreign tourists in Italy has continued to increase surpassing pre-pandemic levels in 2023 and reaching €56.7bn in 2024 (+10.3% vs. 2023)
- Total international tourist expenditure is expected to reach €77.4bn in 2034, reflecting a CAGR 2024-2034 of 3.2%.

International tourist arrivals (million people)

- In 2024, Italy was chosen by approximately 88.6m foreign tourists, with an increase of 3.4% compared to the previous year
- Absolute volumes more than doubled those recorded in 2020, further demonstrating the strength of the recovery (although visitor flows have not yet return to pre-pandemic levels)

Source: World Travel and Tourism Council: "Economic impact 2024 - Italy" (2024); Banca d'Italia: "Indagine sul turismo internazionale"
Note: (1) 2023 real prices

Source: Company presentation

¹World Travel and Tourism Council: "Economic impact 2024 – Italy" (2024).

²Source: Management elaborations on Rome Business School Research Center "Il business del turismo in Italia" (2024).

³Source: Management elaborations on Rome Business School Research Center "Il business del turismo in Italia" (2024).

⁴Source: Unioncamere-Isnat, 2023.

We expect the market to continue to grow at attractive pace over the next few years, supported by:

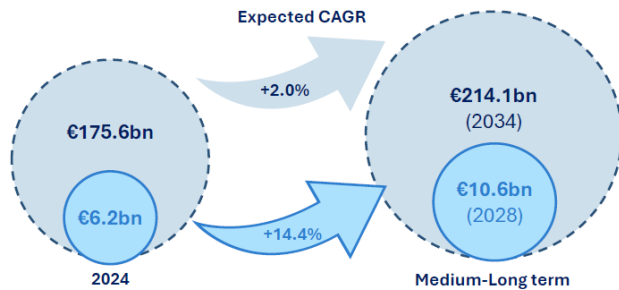
- 1. International tourism:** Italy ranks #2 in Europe and #5 globally for international overnight stays⁵, with spending reaching €56.7bn in 2023 (+10% YoY, +14% vs 2019). Asian and Gulf markets are the fastest-growing in-bound segments;
- 2. VIP and media exposure:** the global appeal of Italian landmarks continues to rise, amplified by celebrity endorsements, social media, and the use of iconic sites for weddings, fashion events, and film production (e.g., Lake Como's transformation into a luxury destination following George Clooney's residency);
- 3. Heritage enhancement and digitalization:** both private and public investments are strengthening Italy's cultural infrastructure. Private spending on historic estates rose from € 1.5bn (2017) to € 1.9bn (2023)⁶, while the National Recovery and Resilience Plan (PNRR) allocates € 3.8bn⁷ for restoration, modernization, and digital visitor experiences;
- 4. Expansion of the global middle class:** the "travelling class" is expected to rise from 21% of the global population in 2024 to 33% by 2050⁸, with China and India alone adding over 53mn potential travelers;
- 5. Generational shift toward experiences:** younger cohorts, particularly Gen Z, prioritize travel and cultural immersion over goods consumption⁹, reinforcing long-term demand for authentic and shareable experiences.

In our view, these factors make **cultural tourism one of the most dynamic and defensible pockets of growth within Italy's broader tourism landscape**, combining premium pricing, low cyclicity, and sustained international demand. Kaleon is strategically positioned to benefit from these trends through its focus on heritage enhancement and experiential offerings.

KALEON – DISTINCTIVE FEATURES OF THE ITALIAN TOURISM SEGMENT

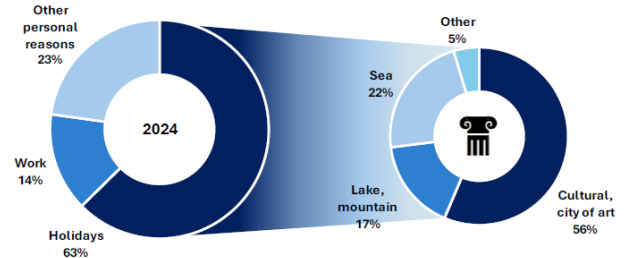
1 A higher expected growth rate...

Italian cultural tourism (●) vs. the overall Italian tourism market (●)



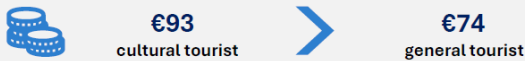
3 ... driven by the rising demand for culture-driven experiences

International tourists' preference (% of total expenditure)



2 ... and a higher daily average spending levels...

Daily average spending on purchases of goods and services



Source: World Travel and Tourism Council: «Economic impact 2024 - Italy» (2024); Management elaborations on Rome Business School Research Center: «Il business del turismo in Italia» (2024), exchange rate USD/EUR 1.128; Unioncamere-Isnat, 2023

Source: Company presentation

- In 2024, cultural heritage and city of arts represented the primary motivation for travel to Italy, surpassing other drivers such as nature and landscape
- Over half of foreign tourists stated they have chosen Italy specifically for cultural reasons

⁵ Source: Istat and Eurostat.

⁶ Source: "Osservatorio patrimonio culturale privato: V rapporto", Fondazione per la Ricerca Economica e Sociale ETS, 2024.

⁷ Source: Italian Ministry of Culture.

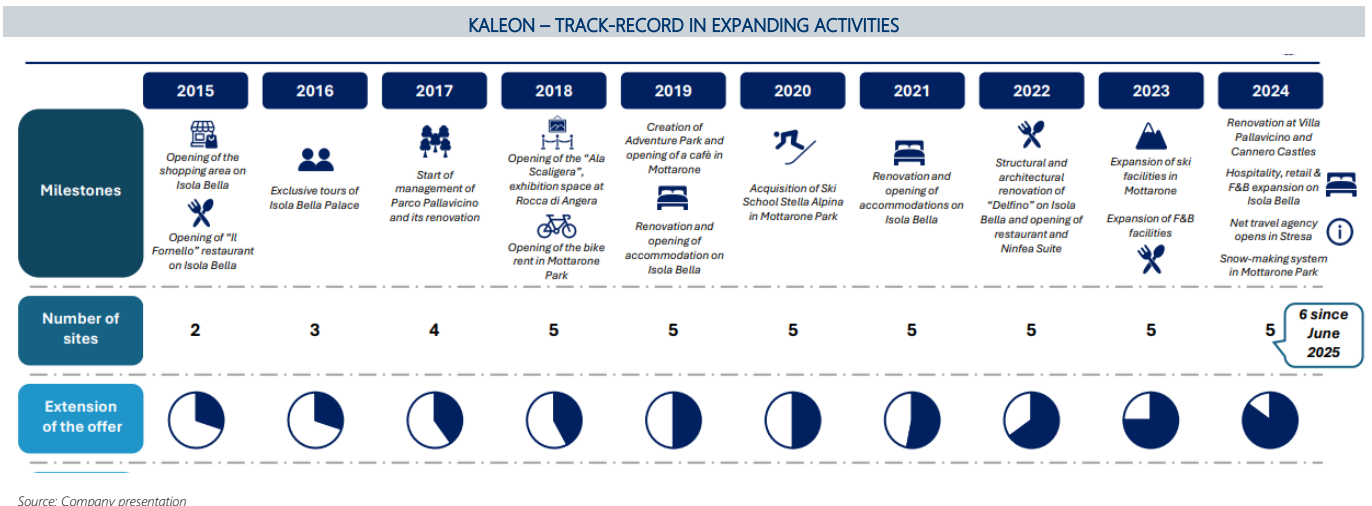
⁸ Source: "WTM Global Travel Report 2024", Tourism Economics, November 2024.

⁹ Source: "The way we travel now", McKinsey, May 29, 2024.

■ **Untapped potential in Kaleon’s cultural sites: we see multiple levers for organic growth**

We see compelling opportunities for Kaleon to drive organic growth, building on a solid base of six cultural sites under management, all of which still offer significant untapped potential.

Over the past decade, **Kaleon has substantially expanded its activities not only by taking on new cultural sites but also by enriching the range of services offered to visitors**. The table below outlines the company’s key milestones.



Looking ahead, **we see multiple levers to sustain growth**.

First, Kaleon is well positioned to capture the ongoing expansion of **cultural tourism**, a segment expected to grow at double-digit rates in the coming years. The company’s marketing strategy targets both **international and domestic audiences**: on the international side, Kaleon is strengthening partnerships with leading European and U.S. tour operators and increasing visibility through influencer collaborations; on the domestic side, it aims to boost repeat visits through temporary exhibitions, special events, and exclusive openings. We note that international tourists account for approximately 70% of total visitors and typically have higher average daily spending, providing a favorable mix for revenue growth.

Second, the company is advancing an ambitious **service expansion plan**, with new F&B locations on Isola Bella (2026), extended hospitality capacity on Isola Bella and in Stresa (2027), and the reopening of **Villa Pallavicino** as a new premium destination combining fine dining and boutique accommodation. Complementary initiatives (including the creation of a **travel agency in Stresa** and partnerships with maritime transport providers) are designed to enhance the overall visitor experience and logistical quality.

Kaleon also benefits from **cross-selling and bundling opportunities** thanks to the close proximity of its venues. Multi-site passes, such as the Isola Bella–Isola Madre ticket (currently the group’s second-best seller), demonstrate strong customer appeal. The expansion of hospitality services will further increase the likelihood of multi-site visits and longer stays, reinforcing Kaleon’s integrated destination model.

Finally, the company’s move toward **dynamic pricing** represents a key margin driver. After years of fixed-price structure, Kaleon introduced differentiated ticket options in 2025 and plans to fully implement demand-based pricing from 2027 onward. The company’s strong pricing track record (+7% ticket-price CAGR between 2019 and 2024) highlights both its pricing power and the perceived value of its offering.

Overall, we see Kaleon as structurally well positioned to unlock the **latent potential of its cultural asset portfolio**, combining favorable market tailwinds, scalable operations, and multiple internal levers (from service upgrades and dynamic pricing to synergies across sites) to sustain a **c7% organic growth** and long-term value creation.

■ **2025-2028E estimates: HSD top-line with EBITDA margin reaching 30.5%**

We expect Kaleon over 2024A–28E to deliver:

- **Revenues CAGR +7.1%** to € 28.5mn in 2028E;
- **EBITDA CAGR +12.2%** to € 8.7mn in 2028E;
- **Net income CAGR +19.2%** to € 3.1mn in 2028E;
- **Growing FCF** (€ ~1.5mn per year, or € ~3.1mn excluding expansion capex);
- **Net cash at € +10.1mn in 2028E** (from net debt of € +12.7mn in 2024A).

KALEON – 2025-28E ESTIMATES (€ mn)												
	2023A	%	2024A	%	2025E	%	2026E	%	2027E	%	2028E	%
Revenues	21.5	100.0%	21.7	100.0%	23.0	100.0%	24.7	100.0%	26.8	100.0%	28.5	100.0%
% Change	23.0%		0.7%		5.9%		7.3%		8.8%		6.2%	
Other	0.2		0.1		0.1		0.1		0.1		0.1	
Value of Production	21.7		21.8		23.1		24.8		26.9		28.6	
% change	14.7%		0.3%		5.9%		7.3%		8.8%		6.1%	
Raw materials	-1.4	6.4%	-1.4	6.6%	-1.5	6.7%	-1.6	6.5%	-1.8	6.8%	-2.0	7.1%
Services	-4.4	20.4%	-4.9	22.7%	-5.1	22.3%	-5.3	21.4%	-5.5	20.5%	-5.7	19.9%
Personnel	-7.4	34.5%	-7.7	35.5%	-8.1	35.3%	-8.6	34.8%	-9.1	33.8%	-9.5	33.4%
Use of third party assets	-1.4	6.4%	-1.7	7.8%	-1.8	7.8%	-1.9	7.9%	-2.1	7.7%	-2.3	8.1%
Other costs	-0.4	1.9%	-0.5	2.4%	-0.6	2.6%	-0.5	2.2%	-0.6	2.2%	-0.6	2.2%
EBITDA	6.7	31.3%	5.5	25.4%	6.1	26.7%	7.1	28.7%	8.2	30.4%	8.7	30.6%
% Change	23%		-18%		11%		15%		15%		7%	
D&A	-2.3		-2.4		-2.7		-3.2		-3.8		-3.9	
Provision	0.0		0.0		0.0		0.0		0.0		0.0	
EBIT	4.4	20.7%	3.1	14.3%	3.4	14.9%	3.9	15.6%	4.3	16.2%	4.8	16.9%
% change	36.3%		-30.4%		10.4%		12.6%		12.7%		11.0%	
Financial revenues (charges)	-0.2		-0.2		-0.3		-0.2		-0.1		0.0	
Extraordinary Items	0		0		0.5		0		0		0	
PBT	4.2		2.7		3.6		3.7		4.2		4.8	
Change%	32.4%		-35.6%		32.9%		1.9%		13.6%		13.7%	
Taxes	-1.3		-1.2		-1.1		-1.3		-1.5		-1.7	
Minorities	0.0		0.0		0.0		0.0		0.0		0.0	
Net profit	2.9		1.5		2.5		2.4		2.7		3.1	
Change%	16.3%		-47.0%		64.8%		-5.1%		13.6%		13.7%	
Net Profit Adj.	2.9		1.5		2.0		2.4		2.7		3.1	
Change%			-47.0%		32.2%		18.2%		13.6%		13.7%	
Tax rate (actual)	31.6%		43.7%		35%		35%		35%		35%	
NFP	-13.9		-12.7		3.2		2.6		5.9		10.1	
FCF	2.0		1.2		-0.3		-0.6		3.3		4.2	

Source: Company data on 2023-24 and Equita SIM estimates on 2025E-28E

We forecast Kaleon's revenues to grow at a **+7.1% CAGR over 2024–28E**, supported by a combination of organic initiatives and the ramp-up of new services. The strongest contribution is expected from **hospitality**, projected to expand rapidly from € 0.1mn in 2024A to € 1.3mn in 2028E, followed by **Food & Beverage**, growing at **+15% CAGR** (from € 2.9mn in 2024A to € 5.0mn in 2028E). These segments will benefit from the progressive opening of new assets:

- **Hospitality**: two renovated buildings in Stresa (short-term rentals) and the reopening of **Villa Pallavicino** rooms in 2027, together expected to add € ~1.1mn in revenues at full-speed in 2028;
- **F&B**: two new food locations on Isola Bella, expected to contribute € ~1.0mn of revenues at full run-rate in 2027.

Ticketing will remain the group's core business, with an expected CAGR of 5.5%, driven by **~1% volume growth**, **~3.5% price effect** (supported by the implementation of the dynamic pricing and bundled ticketing strategies) and **the contribution from Castelli di Cannero** (we estimate approx. € 0.8mn in 2028E accounting for 1% of the CAGR). As regards pricing, we see room to increase ticketing prices mainly at Isola Bella while in other locations we expect limited price increases). We remind that between 2019–24, average ticket prices grew at a **~7% CAGR**.

On this revenue trajectory, we forecast **adj. EBITDA** to grow at a **12% CAGR**, supported by operating leverage with margins expected to reach around **30.5% by 2028E**, up roughly **500bps vs 2024**, a level already achieved in 2023.

In parallel, **FCF generation** is expected to strengthen from 2027 onward. 2025 and 2026 will still be impacted by higher capex linked to expansion projects (new F&B outlets, hospitality facilities, and boats for Cannero), while from 2027 capex should normalize to around **10% of revenues**, supporting an annual FCF of **€ 3/4mn**. Overall, we expect Kaleon to close **2028E with a NFP of € +10.1mn**, including net IPO proceeds for ca. € 14mn.

■ **IPO proceeds to accelerate Kaleon's portfolio expansion strategy exploiting Italian historical fragmentation in the heritage management**

Prior to the IPO, **Kaleon's entire share capital was indirectly 100% owned by Vitaliano Borromeo through L6A4 Srl**. Mr. Borromeo is also the ultimate owner of the cultural sites currently managed by Kaleon.

On December 1st, Kaleon's shares began trading on **Euronext Growth Milan and Euronext Growth Paris**. The IPO comprised a **primary offering of 4.125mn shares (€16.5mn)** and a **secondary offering of 0.375mn shares (€1.5mn, greenshoe)**, for a total of **4.5mn shares (€18.0mn)** at an IPO price of **€4.00ps**. Following the IPO and the **exercise of the greenshoe**, **L6A4 Srl** retained a **68.1% stake**, while the **free float stands at 31.9%**.

Notably, since the IPO, **L6A4 has purchased 190k Kaleon shares on the market**, increasing its stake to **69.5%**.

The IPO was aimed to:

- **Raise financial resources to accelerate Kaleon's portfolio expansion strategy**, enabling investments in marketing and start-up activities to relaunch cultural sites and reopen them to the public (if not yet opened);
- **Increase visibility** of Kaleon's model among private owners of historical estates, triggering a **virtuous circle of inbound opportunities**, as families and institutions spontaneously present dossiers of cultural properties for Kaleon's consideration.

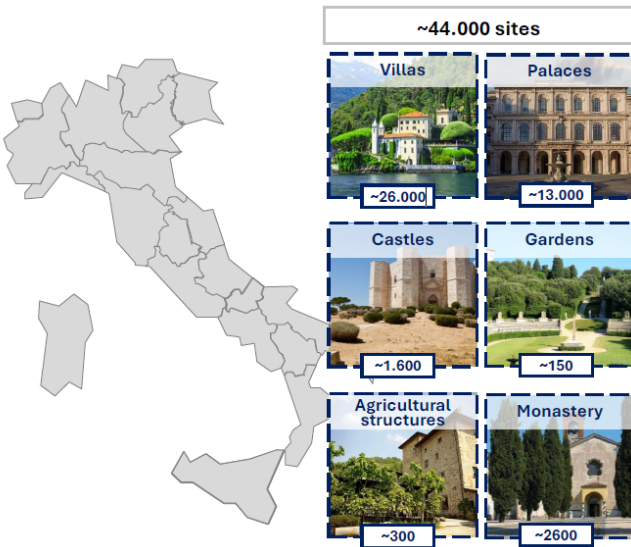
In our view, **the Italian cultural tourism market has always suffered from its fragmentation driven by: 1) ownership structure** (a large share of cultural heritage assets in Italy is owned by local public entities -municipalities, dioceses, superintendencies - or private families many of whom face financial resource constraints); **2) Regulatory and bureaucratic hurdles**; **3) Limited industrial approach** (heritage management in Italy is still perceived predominantly as a duty of preservation rather than as a sector where professionalization and business logic can coexist with conservation); **4) Lack of national coordination** (Italy does not have a strong central institution capable of aggregating and managing large numbers of sites under a unified valorization strategy).

This fragmentation translates into significant inefficiencies: limited cross-site synergies, underexploited commercial potential, and a structural funding gap. While cultural heritage represents a cornerstone of Italy's global brand and tourism appeal, its management often remains sub-scale, with operators unable to fully leverage economies of scale in marketing, visitor services, and ancillary revenue generation.

According to the *2024 Private Cultural Heritage Observatory Report* by the Fondazione per la Ricerca Economica e Sociale, **Italy's private historical residences remain significantly underutilized**. Indeed, **of ~44k historical residences, around 20k are partially or fully idle**, with financial constraints cited as the key obstacle preventing owners from undertaking the maintenance or restoration required to open properties to the public.

KALEON – ITALIAN CULTURAL HERITAGE

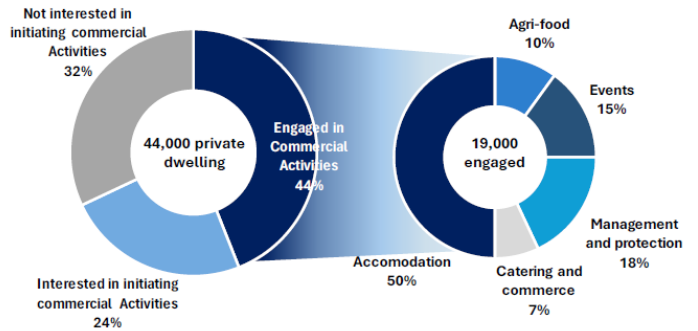
Market overview of potential targets



Source: Company presentation

A huge but poorly utilized private cultural heritage

Network of private historical residences (intended use of the properties)



- Approx. **44,000** private dwellings constitutes a fundamental part of the country's historical, artistic and cultural treasure
- Despite their cultural and economic potential, Italy's private historical residences remain significantly underutilized
- Approx. **20,000** private dwellings partially or completely idle (740 sqm of unused or inaccessible space for each property, equal to 30% of total surface)

In this context, **we believe Kaleon's model has strong potential for success in Italy**, as it addresses several of the key challenges:

1. **Coordinated management:** Kaleon provides professional management and financial resources, ensuring synergies across sites and enhancing commercial development.
2. **Respect for ownership:** unlike institutions such as FAI, which requires property transfers, Kaleon allows families to retain ownership of their cultural assets while entrusting professional management. This is a critical factor in Italy, where cultural and emotional attachment to family-owned assets is particularly strong;
3. **Financial relief and investment capabilities:** Kaleon assumes responsibility for the start-up investments required to revitalize and relaunch a cultural site, reducing the financial burden for owners;
4. **Know-how in restoring historical properties:** Kaleon has a deep expertise in heritage conservation with a modern approach. The company also benefits from extensive knowledge of Italian regulatory frameworks and maintains an ongoing dialogue with key cultural authorities.

Management has already identified a pipeline of potential targets beyond Lake Maggiore, which include:

KALEON – ONGOING DISCUSSION WITH THIRD-PARTIES OWNERS

Venue	Location	Size	Potential activities	Deal status
Garden	Veneto	100k visitors	Ticketing, F&B and events	LOI
Castle, Garden	Lazio	10k visitors (weekends only)	Ticketing, F&B, events and exhibitions	Dialogue ongoing
Castle	Veneto	n.a.	Ticketing and events	Dialogue ongoing
Medieval village	Emilia-Romagna	15 hectares	Ticketing, events and hospitality	Dialogue ongoing
Garden	Veneto	>160k sqm	Ticketing, events and hospitality	Preliminary analysis

Source: Company presentation

In our view, **the IPO could play a catalytic role by providing:**

- fresh capital to support start-up investments,
- stronger visibility in the eyes of asset owners and institutional partners,
- enhanced credibility in a sector where professional reputation and trust are crucial.

Over time, we believe **Kaleon can position itself as the de facto consolidator of a highly fragmented market, with the IPO functioning as both a financing and reputational accelerator.**

■ We initiate the coverage with BUY rating and a target price of € 5.0ps

We start our valuation discussion of Kaleon with a few preliminary considerations:

- Given Kaleon's organic investment program and the expected contribution from the Castelli di Cannero starting in 2026 (while related capex and start-up costs will be expensed in 2024–25), **we believe it is fair to base any meaningful valuation assessment on the company's 2026–27 numbers**;
- **We see EV-based multiples** (in particular EV/EBITDA) **as the most relevant valuation metrics for Kaleon**. Nonetheless, we also highlight Kaleon's **strong EPS growth trajectory**, with 2024A–2028E CAGR of c.19%, which is relevant when considering P/E-based approaches;
- Kaleon reports under Italian GAAP. Since the vast majority of assets are leased, IFRS 16 adoption would have a significant impact on both EBITDA and Net Debt. For this reason, when comparing Kaleon to other listed companies, **we deem it necessary to use ex-IFRS 16 figures** to ensure consistency;
- Our numbers capture the opportunities from organic growth. We note, however, that **further upside could come from the deployment of IPO proceeds** – which seems visible and key part of the Kaleon's equity story.

We **value Kaleon using a DCF model** given company's:

- unique profile making it difficult to identify direct valuation comparables, as no listed peers share a similar cultural asset management model;
- **Good visibility on topline**, underpinned by the structural growth of cultural tourism and self-help initiatives on ancillary services;
- **High and expanding margins**, supported by operating leverage and mix improvement;
- **Appealing cash flow profile**, with post-tax FCF to EBITDA conversion of around 55% on average.

Our DCF model is based on the following assumptions:

- **Explicit estimates until 2028**, assuming revenues CAGR 2024-2028E of 7.1% and EBITDA margin to improve to 30.6% in 2028E from 25.4% in 2024;
- Long-term growth (**g**) of 2.0%;
- **Risk-free rate of 3.5%** (10 years Italian Government bond);
- A beta unlevered of 1.15x;
- **A cost of equity of 10.0%** and a net cost of debt of 3.0%;
- **WACC of 8.6%** based on D/E ratio of 25%.

KALEON VALUATION									
Assumptions		DCF	2024	2025E	2026E	2027E	2028E	2029E	Beyond
g	2.0%	Sales	22	23	25	27	28	30	30
WACC	8.6%	Change %		5.9%	7.7%	8.5%	6.2%	4.1%	2.0%
		EBITDA adj.	5.5	6.1	7.2	8.2	8.7	9.1	9.3
		Change %	17%	11%	16%	14%	7%	4%	2%
		Margin	25.4%	26.7%	28.9%	30.4%	30.6%	30.6%	30.6%
		D&A	-2.4	-2.7	-3.3	-3.9	-4.0	-3.0	-2.0
		EBIT adj.	3.1	3.4	3.9	4.3	4.8	6.1	7.3
		Change %	11%	11%	14%	10%	11%	28%	19%
		Margin	14.3%	14.9%	15.7%	16.0%	16.8%	20.6%	24.1%
		Taxes	-1.2	0.0	-1.4	-1.5	-1.7	-2.1	-2.6
		EBIT after Tax	1.9	3.4	2.5	2.8	3.1	4.0	4.7
		Change %		80%	14%	10%	11%	28%	19%
		Capex			-6.0	-2.5	-2.6	-2.2	-2.0
		(increase) decrease in NWC			-0.2	-1.0	-0.3	0.3	0.0
		Free Cash Flow before minorities			-0.4	3.1	4.2	5.0	4.8
		FCF Minorities			0.0	0.0	0.0	0.0	0.0
		Free Cash Flow after minorities			-0.4	3.1	4.2	5.0	4.8
		Discount Factor			0.98	1.07	1.16	1.26	1.26
		PV of FCF			-0.4	2.9	3.6	4.0	3.8
Valuation									
NPV of Free Cash Flows (2026-2029) (€ mn)	10								
NPV of Terminal Value (€ mn)	58								
Estimated Enterprise Value (€ mn)	68								
2025 NFP (€ mn)	4								
Adjustments to NFP (€ mn)	-1								
KLN Equity Value (€ mn)	70								
Others (€ mn)	0								
Total Equity (€ mn)	70								
# of shares (mn)	14								
Target Price (€ ps)	5.0								

Source: Company data and Equita SIM estimates

We derive a **target price of € 5.0ps**, at which Kaleon would trade at **7.8x-6.8x EV/EBITDA 2027-28E and 24x-19.5x PE adj. ex-cash 2027-28**. We believe the valuation could benefit further from **Kaleon's re-leverage potential** (we prudently assume a D/E ratio of 17.6% in our WACC calculation). Indeed, our valuation is based solely on **organic performance** and does **not include additional upside** from the deployment of **IPO proceeds**. Kaleon currently boasts a **strong financial structure (net cash 2025E = € +3.2mn)**, providing **full financial flexibility** to evolve into a **national platform** and **reference consolidator** in Italy's **cultural tourism sector**. In this context, assuming a **2.0x ND/EBITDA target**, we estimate a **potential M&A firepower of ~€ 18mn**, which could accelerate Kaleon's **growth and market leadership**.

■ Swot analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Unique portfolio of <i>trophy assets</i> (Isola Bella, Isola Madre, Rocca di Angera, etc.) with strong international visibility. - Over 40 years of expertise in <i>heritage conservation</i> combined with professionalized site management. - Asset-light business model enabling scalability without heavy capital intensity. - Integrated approach (restoration, marketing, hospitality, events, F&B) enhancing both cultural and commercial value. - Proven ability to integrate ancillary services (F&B, retail, events, hospitality) to enhance monetization and visitor satisfaction. - Professionalized governance and management team with experience in tourism, event management, and heritage operations. - Strong brand recognition through "Terre Borromeo" and association with high-profile events (e.g., fashion shows, weddings, exhibitions). - High profitability (EBITDA margin >25%) and cash conversion (c55% in 2024). 	<ul style="list-style-type: none"> - Geographic concentration on Lake Maggiore (exposure to regional demand fluctuations, seasonality, and accessibility constraints) with high dependence on regional infrastructure. - Still relatively small scale compared with international peers in cultural asset management. - Limited track record outside Borromeo family properties (third-party expansion still in early phase). - Limited track record outside the Lake Maggiore region. - Heavy dependence on international tourism flows (exposure to macro/geopolitical shocks). - High weather sensitivity as most sites are open-air, making attendance and on-site spending highly dependent on weather conditions (rain or cold spells can significantly affect daily ticketing and F&B revenues); - High maintenance capex (c9% of revenues).

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Expansion into third-party cultural sites leveraging Kaleon's proven business model. - Strong growth in cultural tourism segment in Italy (+14% CAGR 2024–2028). - Increasing demand for premium experiences (luxury hospitality, events, curated tours). - Partnerships with fashion, media, and entertainment industries to boost visibility and monetization. - Development of year-round tourism via events, exhibitions, and diversified activities (beyond summer seasonality). - Digitalization of visitor experience (dynamic pricing, data-driven marketing, interactive guides). 	<ul style="list-style-type: none"> - Competition from other asset-light operators (e.g., CoopCulture, Opera Laboratori) and large cultural foundations (FAI, Zetema). - Regulatory and bureaucratic hurdles in Italy slowing down heritage restoration and concession agreements. - Rising operating costs (labor, energy, restoration) impacting margins; - Relevant extraordinary capex to conserve/preserve assets - Potential reputational risk in balancing <i>heritage conservation</i> with <i>commercial exploitation</i>. - Climate-related risks (extreme weather events affecting accessibility and preservation of open-air sites).

COMPANY OVERVIEW

Kaleon, derived from the Greek word for “*beauty*”, is a company dedicated to the professional management and enhancement of Italy’s historical, artistic, and cultural heritage. The business was founded in 1983 by the Borromeo family under the name **SAG (Servizi Amministrativi Generali)**, with the primary objective of overseeing the administrative, management, and marketing functions of **Terre Borromeo**, a brand that identifies the family’s exclusive and irreplaceable cultural and historical sites.

Over more than four decades, the company has progressively evolved from a family office-style management structure into a **fully integrated operator** with a distinctive expertise in cultural asset management, heritage conservation, and tourism development. Its activities have gradually expanded from core preservation to include complementary services such as ticketing, hospitality, food & beverage, and event management, all designed to enhance the visitor experience while ensuring the sustainable valorization of cultural sites.

In early 2025, the company adopted the new name **Kaleon**, a deliberate choice intended to reflect its mission and values. The rebranding underlines both the company’s long-standing respect for the cultural and historical treasures it safeguards and its ambition to position itself as a national player in the professional management of Italy’s cultural heritage.

The company currently oversees 6 cultural sites located on the Maggiore lake (Italy):

- Isola Bella;
- Isola Madre;
- Rocca di Angera,
- Parco and Villa Pallavicino;
- Parco del Mottarone;
- Castelli di Cannero.

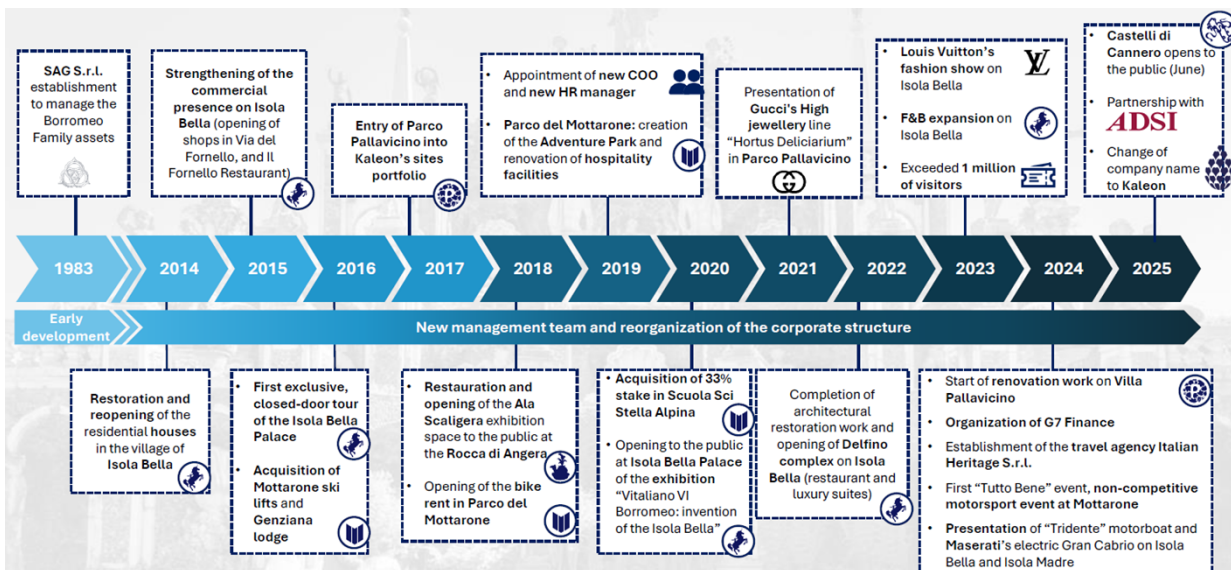
Building on the expertise gained in managing Borromeo’s assets, **Kaleon now aims to extend its leadership to the renovation and management of third-party cultural and historical sites**. Its business model is based on three main pillars:

- **Asset-light strategy:** Kaleon does not own the cultural sites but focuses on their redevelopment and management;
- **Centralized approach:** The company leverages synergies across sites, in contrast with the fragmented, asset-by-asset management model still prevalent in Italy;
- **Customer centricity:** By complementing cultural offerings with services such as dining, accommodation, and retail, Kaleon enhances both the visitor experience and the value of its sites;

This model is distinctive in the Italian cultural landscape. Italy’s cultural heritage is unparalleled - home to the largest number of UNESCO World Heritage Sites worldwide (61). It is often said that certain parts of Italy could thrive on tourism alone if only cultural assets were managed more effectively. While this may be an oversimplification for a country of ~59mn inhabitants, we believe that the fragmented, local-first approach lacking a broader strategic vision remains a key limitation in Italy’s tourism and cultural sectors. By contrast, other countries’ ability to market their cultural assets is, in many cases, enviable. Against this backdrop, **we see significant value in Kaleon’s coordinated, centralized management model.**

Over the past decade Kaleon’s growth trajectory has significantly accelerated, supported by the appointment of a new management team (new COO and HR manager in 2019 and new head of retail and new event manager in 2025) and a reorganization of the corporate structure. This evolution has been driven both by the expansion of services within existing sites and by the enlargement of the portfolio beyond Borromeo-owned properties (**Parco and Villa Pallavicino** were not originally part of the Borromeo family estate but came under Kaleon’s management first, and subsequently acquired by the Borromeo Family).

KALEON - HISTORY



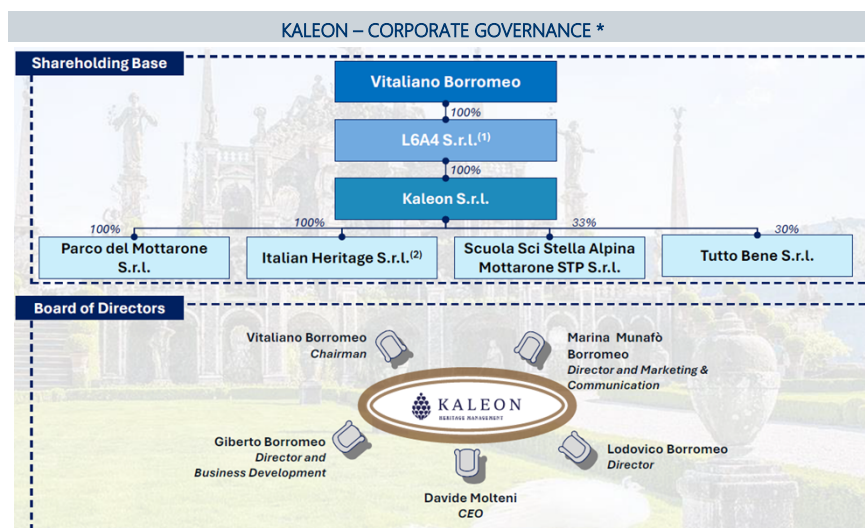
Source: Company presentation

In 2024, KALEON generated **revenues of € 21.7mn**, with the business mix still largely dominated by **ticketing (74% of sales)**. **Food & Beverage accounted for 13%**, **retail 4%**, and **other activities (including hospitality and events) the remaining 9%**. While ticketing remains the company's core revenue stream, the increasing contribution from ancillary services underscores the ongoing diversification of the business model, with several initiatives underway to further expand these complementary areas.

Over the 2015–2024 period, KALEON delivered a **+10% revenue CAGR**, reflecting both sustained visitor growth and the successful diversification of its service offering. Beyond supporting revenue diversification, the expansion into services such as F&B, retail, and hospitality has also **enhanced the overall visitor experience**, strengthening KALEON's positioning as a premium cultural destination operator.

■ Shareholder base and IPO structure

Prior to the IPO, **KALEON's entire share capital was indirectly 100% owned by Vitaliano Borromeo through L6A4 Srl**. Mr. Borromeo is also the ultimate owner of the cultural sites currently managed by KALEON.



(1) Date of incorporation: 25/10/2024; (2) Travel agency, date of incorporation 25/10/2024
 * KALEON is now an "S.p.A."

Source: Company presentation

On December 1st, Kaleon’s shares began trading on **Euronext Growth Milan and Euronext Growth Paris**. The IPO comprised a **primary offering of 4.125mn shares (€16.5mn)** and a **secondary offering of 0.375mn shares (€1.5mn, greenshoe)**, for a total of **4.5mn shares (€18.0mn)** at an IPO price of **€4.00ps**. Following the IPO and the **exercise of the greenshoe**, **L6A4 Srl** retained a **68.1% stake**, while the **free float stands at 31.9%**.

Notably, since the IPO, **L6A4 has purchased 190k Kaleon shares on the market**, increasing its stake to **69.5%**.

We also note that Kaleon holds minority stakes in two companies:

- **Tutto Bene Srl (30% stake)**: the company behind the motorsport event held annually on Mottarone. Other shareholders include an Italian automotive design studio and a Los Angeles-based media production company that collaborates, among others, with Formula 1 and Scuderia Ferrari.
- **Scuola Sci Stella Alpina Mottarone STP (33% stake)**: a professional partnership aimed at developing tourist flows to the Mottarone Park through ski and sport-related activities.

The Borromeo family

The Borromeo family is one of Italy’s most historic noble dynasties, with origins dating back to the 14th century in San Miniato near Florence.

After political turmoil in the 14th century, the family established itself in Milan through Vitaliano Borromeo, who built on the banking activities of his uncle Giovanni and became the progenitor of the Milanese line. Over the centuries, the Borromeo’s family rose to prominence through finance and close ties with ruling dynasties, acquiring key estates around Lake Maggiore, including Arona, Angera, and the islands that later became Isola Madre and Isola Bella.

The family’s legacy was further elevated by Saint Charles Borromeo (1538–1584), Archbishop of Milan and a central figure of the Catholic Reformation, canonized in 1610. His cousin, Cardinal Federico Borromeo, founded the Ambrosian Library and Academy in 1609, strengthening the family’s cultural and intellectual influence. Across generations, the Borromeos produced cardinals, statesmen, and patrons of the arts, intertwining their history with that of Milan, the Papacy, and European courts.

Today, the family remains custodian of an unparalleled cultural heritage and continues to play a central role in the preservation and promotion of historic sites through Kaleon, under the leadership of Prince Vitaliano Borromeo, eleventh head of the primogeniture line.

■ **Top management: quick overview**

MANAGEMENT TEAM			
	VITALIANO BORROMEO <i>Chairman</i>		ALESSANDRO PEDRAZZINI <i>CFO</i>
	GIBERTO BORROMEO <i>Executive Vice-President</i>		ANREA GASPERONI <i>COO</i>
	DAVIDE MOLTENI <i>CEO</i>		

■ **IPO rationale**

The IPO was aimed to:

- **Raise financial resources to accelerate Kaleon’s portfolio expansion strategy**, enabling investments in marketing and start-up activities to relaunch cultural sites and reopen them to the public (if not yet opened);
- **Increase visibility** of Kaleon’s model among private owners of historical estates, triggering a **virtuous circle of inbound opportunities**, as families and institutions spontaneously present dossiers of cultural properties for Kaleon’s consideration.

THE REFERENCE MARKET

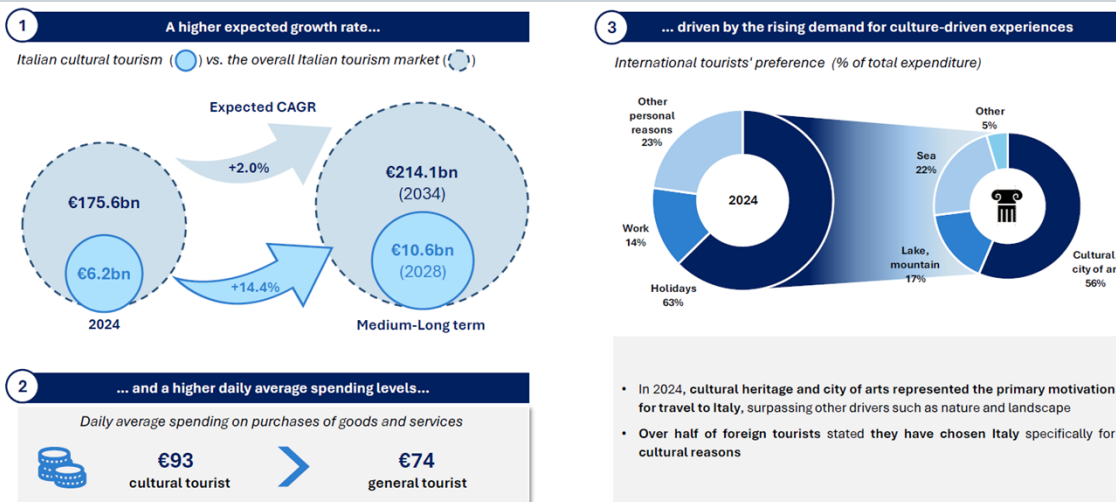
■ Italian cultural tourism: a huge potential yet to be unlocked

Italy is a world’s leading cultural destination, with a heritage unmatched in breadth and depth. The country hosts the largest number of UNESCO World Heritage Sites globally (61 as of 2025) and an extensive portfolio of museums, archaeological parks, palaces, and historic villas. According to the World Travel & Tourism Council¹⁰, the overall Italian tourism market is valued at € 176bn (2024), with a modest expected growth of around 2% per year (CAGR 2024–2034). By contrast, Kaleon’s core segment (cultural tourism, a niche market accounting for € 6bn) is projected to outperform the broader tourism industry, with double-digit growth expected over the next few years (+14% CAGR 2024–2028)¹¹.

In our view, several distinctive features explain why cultural tourism is structurally more attractive than the general tourism market:

- 1. Higher spending profile:** cultural tourists typically demonstrate a greater propensity to spend. In our view, this reflects their generally higher levels of education and wealth, combined with lower price sensitivity, as cultural experiences are unique and non-replicable. On average, they spend around €93 per day on goods and services, compared to €74 for general tourists¹²;
- 2. Uniqueness and non-replicability:** unlike sea or mountain vacations, which can be substituted by comparable destinations abroad, culture-driven experiences are intrinsically unique. Italy’s historical sites, artistic heritage, and monuments are the primary motivation for nearly half of foreign visitors choosing Italy as their destination¹³;
- 3. Extended seasonality:** cultural tourism tends to be less dependent on the summer/winter peak season compared to coastal or mountain destinations. Visitor flows are more evenly distributed throughout the year, supported by city breaks, cultural festivals, and exhibitions. This reduces seasonality risks and provides a more stable revenue base across different quarters.

KALEON – DISTINCTIVE FEATURES OF THE ITALIAN TOURISM SEGMENT



Source: World Travel and Tourism Council: "Economic impact 2024 - Italy" (2024); Management elaborations on Rome Business School Research Center: "Il business del turismo in Italia" (2024), exchange rate USD/EUR 1.128; Unioncamere-Isnat, 2023

Source: Company presentation

In our view, demand dynamics for cultural tourism are structurally supportive and underpinned by five key factors, which we expect to sustain sector growth not only in the short term but also over the long run:

¹⁰ "Economic impact 2024 - Italy".

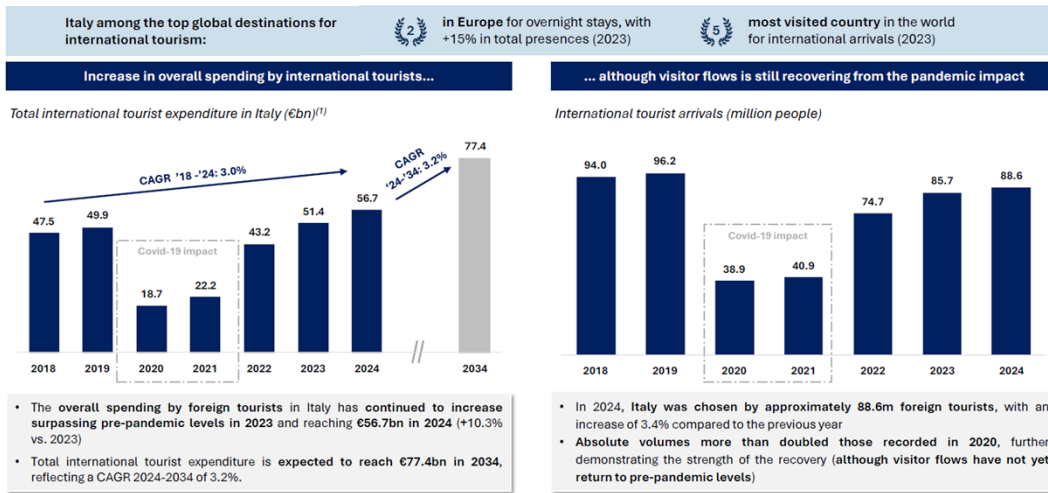
¹¹ Source: Management elaborations on Rome Business School Research Center "Il business del turismo in Italia" (2024).

¹² Source: Management elaborations on Rome Business School Research Center "Il business del turismo in Italia" (2024).

¹³ Source: Unioncamere-Isnat, 2023.

- **International tourism:** Italy continues to benefit from a strong rebound in international arrivals, with travelers increasingly seeking immersive and authentic experiences. In 2023, Italy ranked #2 in Europe and #5 globally for overnight stays by international tourist¹⁴, with total spending surpassing pre-pandemic levels in 2023 and reaching € 56.7bn in 2024 (+10% YoY and +14% vs 2019). European travelers account for approximately 70% of arrivals, while visitors from Asia, the Gulf countries, South Korea, and China represent the fastest-growing in-bound segments;

KALEON – INTERNATIONAL TOURISM IN ITALY



Source: Company presentation

- **VIP and media appeal:** Italian cultural and historical sites attract growing attention from celebrities, influencers, and global media, reinforcing their international visibility. Beyond leisure tourism, sites are increasingly used for high-profile weddings, fashion shoots, film productions, and corporate events. A well-known example is George Clooney’s purchase of Villa Oleandra in Lake Como in the early 2000s, which, thanks to extensive media coverage, helped position the lake as a premier luxury destination, particularly among U.S. travelers;
- **Heritage enhancement and modernization:** In recent years, investments in Italy’s cultural heritage have increased on both the private and public side. According to ADSI¹⁵, private spending on the preservation and enhancement of historic villas, gardens, and palaces rose from € 1.5bn in 2017 to € 1.9bn in 2023. On the public front, the National Recovery and Resilience Plan (PNRR) earmarked around € 2.7bn for the regeneration of cultural heritage and an additional € 1.1bn for digitalization¹⁶. Significant investments in restoration, visitor experience upgrades, and immersive activities have strengthened the appeal of cultural assets. The combination of restored architecture, curated exhibitions, and interactive formats positions Italy to capture an increasing share of premium and experience-driven travelers.
- **The expansion of the middle class in many emerging markets:** According to Tourism Economics¹⁷, the “travelling class”, defined as consumers with sufficient disposable income to undertake leisure travel, represented 21% of the global population in 2024. This share is expected to grow to 24% by 2030 and 33% by 2050. In China and India alone, the traveling class is projected to expand by more than 53mn people, creating a substantial new pool of potential cultural tourists;
- **Generational shift toward experiences:** younger cohorts are structurally more inclined to prioritize travel and experiences over goods consumption. A McKinsey survey¹⁸ showed that 52% of Gen Zers say they splurge on experiences, compared with just 29% of baby boomers. Cultural and historical activities are particularly attractive to these travelers, amplified by their high shareability across social media platforms.

¹⁴ Source: Istat and Eurostat.

¹⁵ Source: “Osservatorio patrimonio culturale privato: V rapporto”, Fondazione per la Ricerca Economica e Sociale ETS, 2024.

¹⁶ Source: Italian Ministry of Culture.

¹⁷ Source: “WTM Global Travel Report 2024”, Tourism Economics, November 2024.

¹⁸ Source: “The way we travel now”, McKinsey, May 29, 2024.

- **Competitive environment: in a fragmented market, some operators are pioneering more professionalized and centralized approaches.**

Italy attracts over 80mn international visitors annually¹⁹, ranking among the top global destinations, yet its ability to monetize cultural assets often lags behind peers such as France or Spain²⁰.

In our view, this gap is partly explained by the **highly fragmented nature of cultural asset management**. Indeed, still many cultural sites are operated independently, often with a **custodial rather than entrepreneurial approach**, which restricts scalability and weakens the visitor experience. In addition, marketing efforts tend to be local rather than coordinated, resulting in lower international visibility.

To capture the negative effect of the Italian market fragmentation, we believe the case study reported by Kaleon management to be particularly illustrative. It compares the Loire Valley Castles in France, managed centrally, with the Venetian Villas in Italy, managed individually, highlighting the resulting performance gap:

KALEON – LOIRA CASTLES VS VENETIAN VILLAS

	Loira Valley Castle	Venetian Villas
Size	300 castles, all open to the public	323 visitable Venetian Villas (out of 2k)
Unesco heritage	Yes, since 2000	Yes, since 1996
Annual visitors	4.7mn	Unknown
Reservation	Centralized website	No centralized website
Mobility	500 trains per days, c. 160 stations, 900 km of bicycle path	No public transport and bicycle path
Events	all-year events, exhibitions and concerts	Sometimes exhibitions, concerts and private events

Source: Company presentation

The gap is significant and clearly demonstrates how centralized and integrated management can maximize both the attractiveness and monetization potential of cultural assets.

Against this backdrop, **some operators - including Kaleon - are pioneering more professionalized and centralized approaches to cultural asset management**. These operators can be grouped into two broad categories:

1. **Asset-light operators**, which do not own the heritage sites but manage them under concession or partnership agreements. Key players in this segment include:
 - **ALES (Arte Lavoro e Servizi)** – an in-house company of the Ministry of Culture, specializing in museum management and restoration services. ALES directly manages the *Scuderie del Quirinale* in Rome and is active in more than 50 museums nationwide;
 - **CoopCulture** – a cooperative managing cultural sites, museums, and archaeological areas throughout Italy;
 - **Opera Laboratori** – a private company focused on the operational and managerial enhancement of cultural institutions, with a presence in 89 museums including the *Pinacoteca di Brera* (Milan) and the *Uffizi* (Florence);
 - **Arthemisia** – a private company specializing in the organization of exhibitions and temporary events, mainly in Italy but with international experience in curating art shows abroad;
 - **GEB Art** – a private operator providing integrated services such as ticketing, museum shops, and educational activities;
 - **SCABEC** – an in-house company of the Campania Region, responsible for managing and promoting cultural heritage at the regional level;
 - **Civita** – a non-profit organization active in consultancy, site management, and cultural marketing.
2. **Asset-owner operators**, which hold direct ownership or long-term stewardship of the cultural assets they manage. Key players in this segment include:
 - **FAI (Fondo Ambiente Italiano)** – Italy's National Trust, managing iconic villas, gardens, and historic properties.
 - **Zètema** – fully owned by *Roma Capitale*, it manages museums and archaeological sites under long-term agreements, including the *Mercati di Traiano* and the *Museo dei Fori Imperiali*.

¹⁹ Source: Bank of Italy; "Indagine sul turismo internazionale" (30/06/2025)

²⁰ According to Eurostat, in 2023 Italy earned approx € 51bn from international tourist vs € 66bn of France and € 85bn of Spain

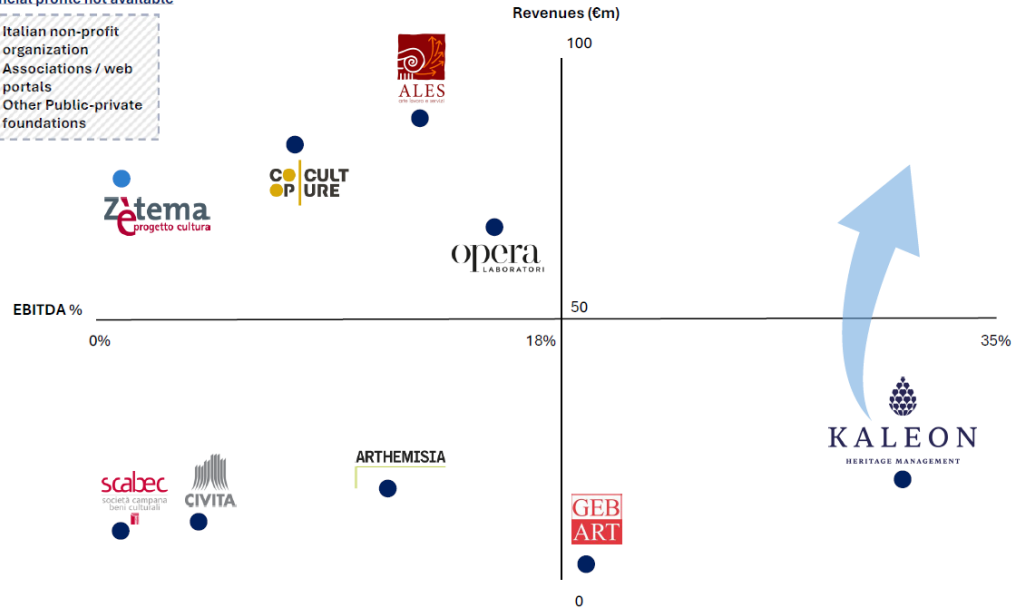
None of the above-mentioned companies are publicly listed.

KALEON – COMPETITIVE ENVIRONMENT

- The Italian landscape of companies managing artistic and cultural sites appears highly fragmented
- The main competitors may be classified into two broad categories based on their relationship with the assets they manage:
 - asset-light operators, which do not own the heritage sites but operate them under concession or partnership agreements
 - asset-owner operators, which hold direct ownership or long-term stewardship of the cultural assets under management
- The prevailing trend is toward aggregation, evolving into multi-asset operators to achieve economies of scale and foster synergies
- Kaleon is uniquely positioned to act as a consolidator in the market, becoming among the largest in the industry, with a higher EBITDA margin than its "cultural competitors"

Financial profile not available

- Italian non-profit organization
- Associations / web portals
- Other Public-private foundations



Source: Management elaboration on publicly available information
 Note: For illustrative and non-exhaustive purpose. This chart could not fully represent the entire market. Data refers to FY2023 annual report

Source: Company presentation

In our view, by integrating restoration, marketing, and visitor services into a coherent strategy, these operators can enhance both the economic sustainability of sites and the overall value proposition for tourists.

In this context, we believe Kaleon holds a unique positioning in the Italian cultural tourism landscape as the only operator managing multiple sites with a fully integrated service model and over 40 years of heritage conservation expertise.

While the preservation of cultural assets remains at the core of its mission, business growth also requires the ability to develop and manage complementary tourist activities such as food & beverage outlets, hospitality services, and curated experiences. This combination of conservation know-how and commercial capabilities positions Kaleon not only as a custodian of heritage but also as a professional operator able to maximize the cultural, experiential, and economic value of its assets.

KALEON – COMPETITIVE POSITIONING

- The sole player in Italy that enables owners of exclusive artistic and cultural sites to preserve and unlock the full potential of their assets, while making them accessible to visitors and maintaining the ownership

Alternative options for private dwelling owners	Self-management	Self-management with associations / web portals support	Italian non-profit organization	KALEON
KNOW-HOW <i>Know-how in managing historical site is key in preserve heritage and increase tourist flows</i>	1/4	1/2	1/2	1/2
INVESTMENT FIRE-POWER <i>The right investments in historical sites could significantly improve the tourists experience as well as protect from decay</i>	1/4	1/4	1/2	1/2
PROFIT GENERATION <i>If properly managed, thanks to targeted investments and marketing strategy, historical sites could generate profit</i>	1/2	1/4	1/4	1/2
PROPERTY OF THE VENUE	✓	✓	✗	✓

Source: Company presentation

UNIQUE PORTFOLIO OF TROPHY ASSETS

Kaleon’s current portfolio consists of six unique cultural and natural assets, all located on Lake Maggiore in north-western Italy. Each site combines historic value with strong tourist appeal, offering multiple levers for revenue growth and brand enhancement.



% of 2024 Revenues⁽¹⁾

Source: Group information
 Note: (1) Based on total site-based Revenues

Source: Company presentation

We note that all cultural sites, with the exception of Parco del Mottarone, will be open in 2025 from March 15 to November 2. Parco del Mottarone, instead, remains essentially open year-round. Starting in 2026, Kaleon plans to extend the operating season, opening in early March and closing in the second week of November.

Isola Bella (58% of Kaleon’s 2024 revenues)

A baroque masterpiece and the flagship of Kaleon’s portfolio, Isola Bella is home to the Borromeo Palace and its celebrated Italian gardens. The island attracts international visitors and has hosted global events such as fashion shows and high-profile weddings, positioning it as both a cultural landmark and a premium experiential venue.

ISOLA BELLA - KEY HIGHLIGHTS	
Owned by Borromeo family since	1604
Managed by Kaleon since	1983
2019 # of visitors (k)	478
2024 # of visitors (k)	517
2019-24 delta	8.3%
2019 revenues (EUR mn)	7.7
2024 revenues (EUR mn)	12.2
2019-24 CAGR	9.6%

Source: Company data

Isola Madre (23% of Kaleon's 2024 revenues)

Known for its botanical gardens and rare plant collections, Isola Madre is the largest island on Lake Maggiore. It combines natural heritage with cultural assets such as the 16th-century Borromeo Palace. Its appeal is particularly strong among international tourists seeking immersive, nature-driven cultural experiences.

ISOLA MADRE - KEY HIGHLIGHTS

Owned by Borromeo family since	1501
Managed by Kaleon since	1983
2019 # of visitors (k)	226
2024 # of visitors (k)	261
2019-24 delta	15.2%
2019 revenues (EUR mn)	2.6
2024 revenues (EUR mn)	4.9
2019-24 CAGR	13.0%

Source: Company data

Rocca di Angera (7% of Kaleon's 2024 revenues)

A medieval fortress overlooking the southern shores of Lake Maggiore, Rocca di Angera is a major heritage site with panoramic views, frescoed halls, and the Dolls and Toys Museum. Its event-hosting capacity and cultural exhibitions offer significant opportunities for growth.

ROCCA DI ANGERA - KEY HIGHLIGHTS

Owned by Borromeo family since	1449
Managed by Kaleon since	1983
2019 # of visitors (k)	74
2024 # of visitors (k)	70
2019-24 delta	-6%
2019 revenues (EUR mn)	1.1
2024 revenues (EUR mn)	1.4
2019-24 CAGR	5.2%

Source: Company data

Parco Pallavicino (8% of Kaleon's 2024 revenues)

A historic park and wildlife garden featuring over 50 animal species and centuries-old trees. The site appeals to families and school groups, complementing Kaleon's cultural portfolio with a strong educational and leisure dimension.

PARCO PALLAVICINO - KEY HIGHLIGHTS

Owned by Borromeo family since	2021
Managed by Kaleon since	2017
2019 # of visitors (k)	93
2024 # of visitors (k)	110
2019-24 delta	18.7%
2019 revenues (EUR mn)	1.0
2024 revenues (EUR mn)	1.7
2019-24 CAGR	11.6%

Source: Company data

Parco del Mottarone (4% of Kaleon’s 2024 revenues)

A natural park located on one of the most scenic mountains in northern Italy, offering hiking trails, panoramic viewpoints, and outdoor activities. The site strengthens Kaleon’s exposure to nature-based and sports tourism, with opportunities for year-round visitation.

PARCO DEL MOTTARONE - KEY HIGHLIGHTS	
Owned by Borromeo family since	1680
Managed by Kaleon since	2016
2019 # of visitors (k)	Not available
2024 # of visitors (k)	Not available
2019-24 delta	Not available
2019 revenues (EUR mn)	0.5
2024 revenues (EUR mn)	0.8
2019-24 CAGR	9.8%

Source: Company data


Castelli di Cannero (opened in June 2025)

The latest addition to the portfolio, a scenic ruin of a 16th century fortress renovated to host immersive exhibitions exploring history, legends, and the natural beauty of the lake. Following restoration and redevelopment, the Castelli opened to the public for the first time in June 2025, creating a new cultural attraction with strong potential to increase tourist flows to the region.

The Castelli di Cannero is owned by the Borromeo family since 1519.


KALEON – CASTELLI DI CANNERO CASE STUDY

Before vs ...



The maintenance of the site was entrusted to the Cannero Castles Foundation

... after the renovation




The costs of renovating the site to make it visitable were mainly borne by the Borromeo Family, also supported by a non-repayable loan from the Ministry of Culture and a bank loan specifically obtained by for the renovation

Opened to public in June 2025!

“Cannero Walking Tales”

Kaleon supported the exhibition set up as well as the costs related to marketing campaigns and the inauguration event

capex	opex
€0.2m in 2024 €0.7m in 1H2025	limited opex



Source: Company presentation

■ **Lake Maggiore: second largest lake in Italy with full potential still to be unlocked**

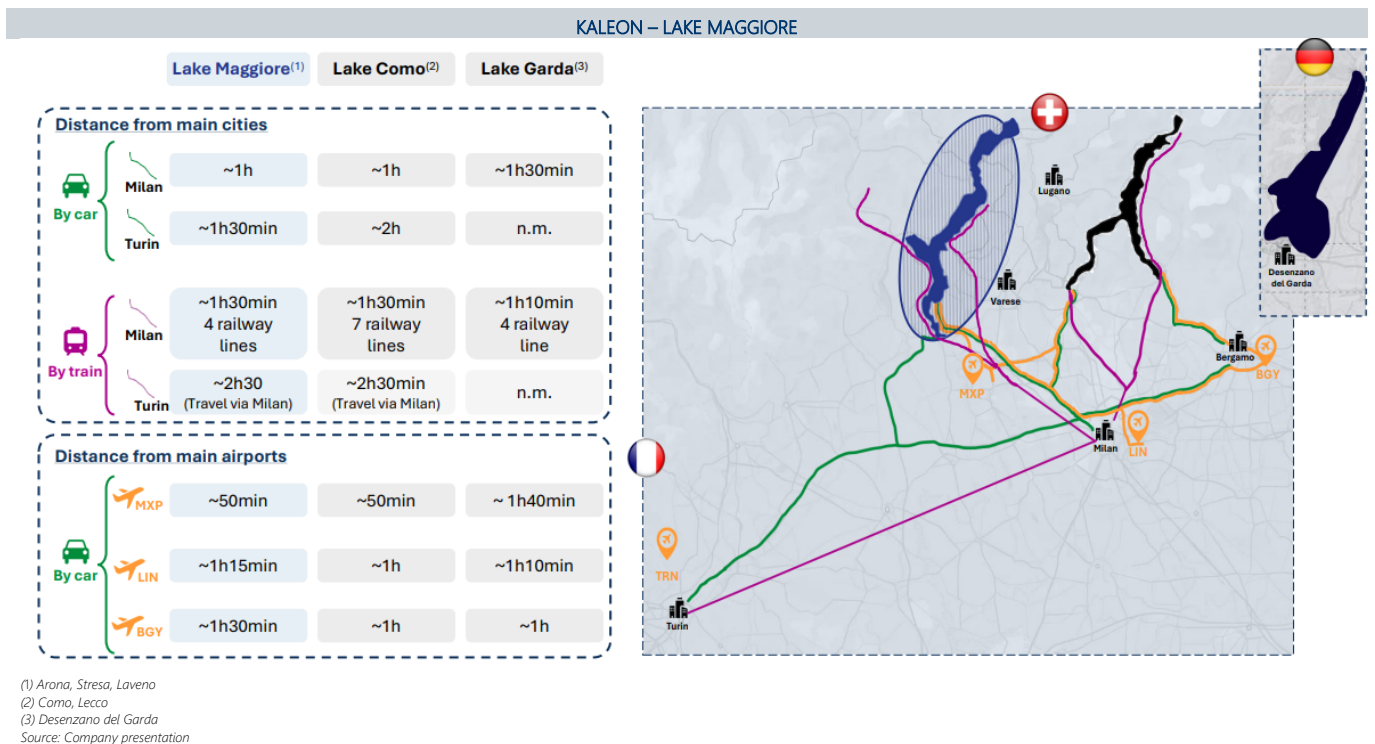
While we believe Kaleon has both the ambition and the potential to expand its asset management activities nationwide, **the company’s operations are currently concentrated around Lake Maggiore, in north-west Italy.** This makes Kaleon’s growth trajectory highly dependent on the international success of the Lake Maggiore destination.

Lake tourism in Italy has been showing strong momentum, emerging as a strategic driver of regional tourism development. According to data processed by the Tourism Studies Centre for Assoturismo Confesercenti, overnight stays in lake destinations grew by c.6.5% in recent years, outperforming most other tourism categories.

Within this context, **Lake Maggiore is Italy's second-largest lake after Lake Garda and ahead of Lake Como**. However, it remains a laggard in terms of international visitors²¹. In our view, this underperformance can be attributed to two main factors:

- **Geographical identity** – Lake Como's alpine setting and Lake Garda's diversified landscape have established more immediately recognizable positioning. By contrast, Lake Maggiore, despite being equally scenic, is larger and more dispersed, which makes it less distinctive to international tourists;
- **International visibility** – Lake Como benefits from strong media exposure and a high-profile celebrity presence, while Lake Garda has built a reputation around wellness and family-oriented tourism. Lake Maggiore, instead, has suffered from fragmented development and less strategic international promotion.

On the latter point, **we believe Kaleon** – working alongside local authorities – **can play a meaningful role in coordinating territorial promotion**. By professionalizing and centralizing marketing efforts, Kaleon could significantly enhance Lake Maggiore's international visibility, unlocking the underexploited tourism potential of the region. Moreover, while Lake Maggiore still lacks a high-end hospitality offering capable of attracting high-spending tourists, **there are encouraging signs of a trend reversal, with the upcoming opening of a major five-star hotel**.



Lastly, **in September 2025 Stresa submitted its candidacy to UNESCO for inclusion in the World Heritage list**. While we do not expect a potential recognition to materially increase regulatory constraints or obligations, we believe it would significantly enhance the area's standing, improving its international visibility and attractiveness.

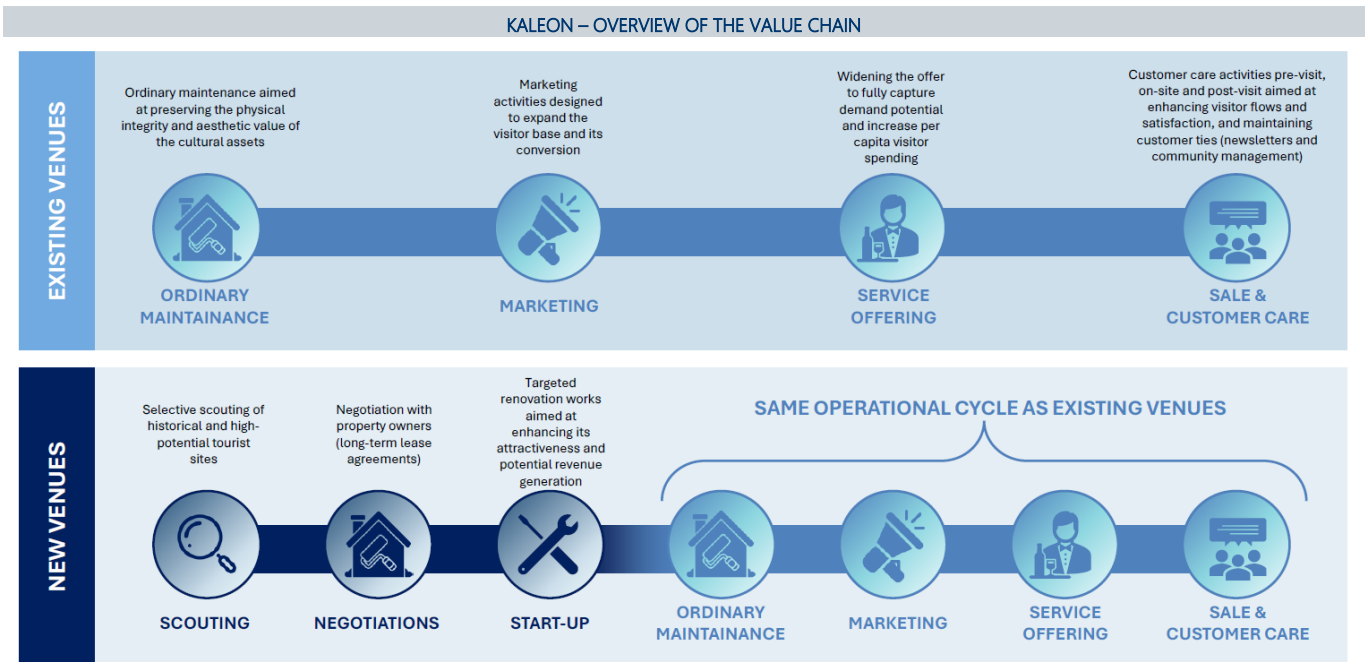
²¹ Source: Kaleon management elaborations on publicly available data.

THE BUSINESS MODEL

Kaleon’s business model is based on:

- **Asset-light strategy:** Kaleon does not own the cultural sites but focuses on their redevelopment and management;
- **Centralized approach:** The company leverages synergies across sites, in contrast with the fragmented, asset-by-asset management model still prevalent in Italy;
- **Customer centricity:** By complementing cultural offerings with services such as dining, accommodation, and retail, Kaleon enhances both the visitor experience and the value of its sites;

This model is distinctive in the Italian cultural landscape. Italy’s cultural heritage is unparalleled - home to the largest number of UNESCO World Heritage Sites worldwide (61). It is often said that certain parts of Italy could thrive on tourism alone if only cultural assets were managed more effectively. While this may be an oversimplification for a country of ~59mn inhabitants, we believe that the fragmented, local-first approach lacking a broader strategic vision remains a key limitation in Italy’s tourism and cultural sectors. By contrast, other countries’ ability to market their cultural assets is, in many cases, enviable. Against this backdrop, **we see significant value in Kaleon’s coordinated, centralized management model.**



Source: Company presentation

Kaleon’s value chain in managing historical and cultural venues can be broken down into several stages. The first three are typically performed at the outset of a new venue, while the subsequent phases apply throughout the management of cultural sites under Kaleon’s portfolio.

1. SCOUTING

Scouting is the initial activity, carried out by Kaleon’s internal team, which identifies potential new cultural sites through:

- Direct relationship;
- Personal networks;
- Dialoguing with local stakeholders;
- Partnership with associations.

On the last point, we flag that:

- Since April 2025, Kaleon has been a partner of **ADSI (Associazione Dimore Storiche Italiane)**, an Italian nonprofit association that brings together private owners of historic residences, including palaces, villas, castles, gardens, and rural estates. ADSI represents approx. **4.5k members** across all Italian regions. Through this partnership, Kaleon has already received more than **15 applications** from ADSI members, expanding its pipeline of opportunities;
- In parallel, Kaleon is in discussions with **Grandi Giardini Italiani**, a network of over **140 major historic and contemporary gardens** across 14 Italian regions and Canton Ticino (Switzerland), with the aim of establishing a similar collaboration.

The evaluation process considers several criteria: historical and artistic value, tourism development potential, accessibility and proximity to other destinations. For each shortlisted opportunity, Kaleon develops a detailed business plan that includes required capex for site revitalization, lease costs, tourism growth prospects, additional service opportunities, and potential synergies with other sites in the group's portfolio.

While Kaleon's current portfolio is concentrated around Lake Maggiore, the company is open to opportunities across Italy. Management also expects the planned listing to further increase visibility and attract new opportunities.

2. NEGOTIATIONS

Once a site with strong potential is identified, **Kaleon negotiates lease agreements with property owners to secure long-term access and management rights.** While contractual terms vary depending on the asset, **management indicated that they typically aim for:**

- **Fixed-duration contracts with tacit renewal:** when upfront start-up costs are significant, Kaleon targets contracts of at least 15 years; for less capital-intensive projects, shorter durations can be acceptable;
- **Inflation-linked and performance-based rent adjustments:** rents are generally indexed 100% to the ISTAT inflation index starting from the second year. In addition, management is open to considering flexible rent structures partially linked to the operating performance of the asset, allowing opportunities and risks to be shared with the landlord;
- **Quarterly advance payments,**
- **Clearly defined maintenance responsibilities:** Kaleon covers ordinary maintenance, while landlords are responsible for extraordinary interventions. Rent adjustments may apply in the case of major extraordinary works. We note that for Borromeo-owned assets, however, Kaleon also bears the cost of extraordinary capex (see chapter "*Focus on existing rental agreements*" for further details).

In structuring lease agreements, Kaleon also factors in its upfront start-up and marketing investments required to reposition cultural sites. A notable example is Parco Pallavicino, where **Kaleon initially secured a 10-year rent-free period in exchange for undertaking substantial initial investments.**

3. START-UP

Following contract finalization, Kaleon launches the start-up phase, which involves all works needed to enhance the attractiveness and revenue potential of the site. This includes restoration and maintenance of the asset, as well as the development or expansion of complementary services such as hospitality, F&B, and visitor experiences.

4. ORDINARY MAINTENANCE

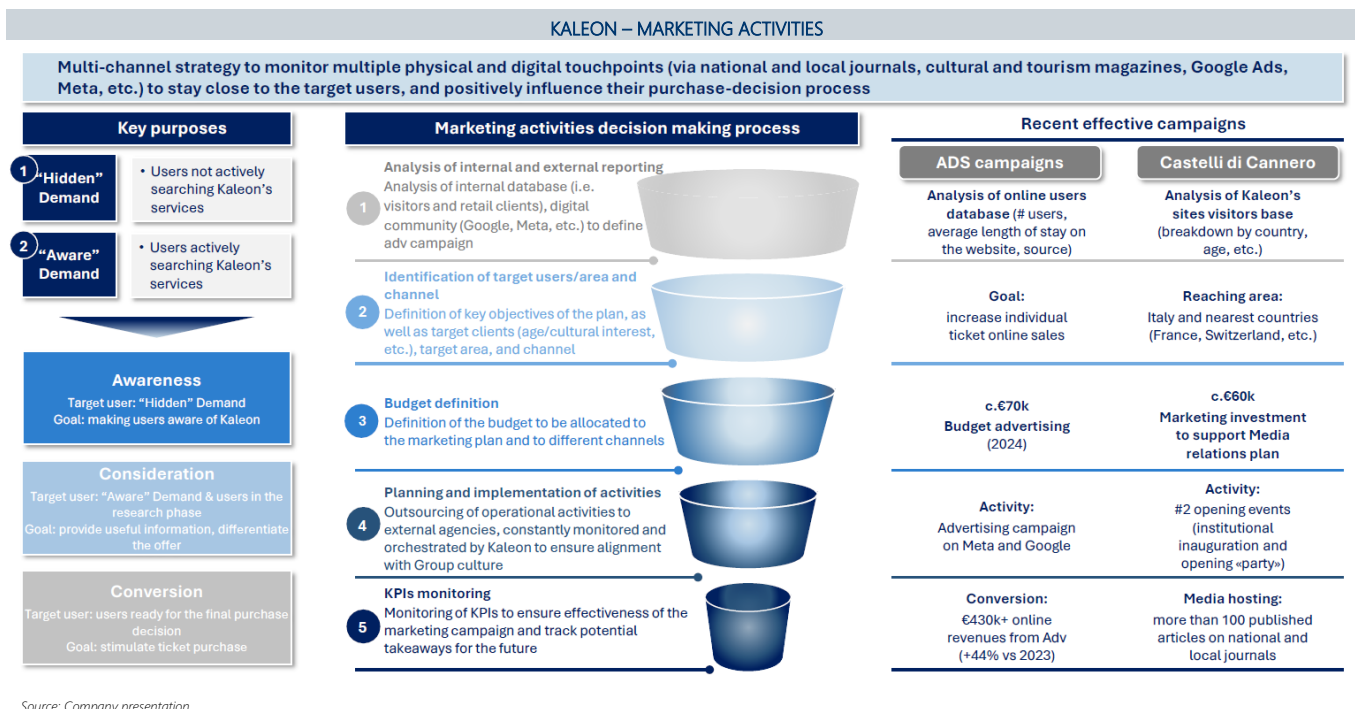
Once operational, Kaleon provides ongoing maintenance to preserve the cultural asset’s integrity and ensure a high-quality visitor experience. Ordinary maintenance covers both structural upkeep and day-to-day operations, aligned with heritage conservation best practices.

5. MARKETING ACTIVITIES

Marketing represents a critical success factor for Kaleon, as the ability to attract and retain visitors directly influences both ticketing revenues and ancillary services. The company has developed a structured, data-driven approach that leverages its proprietary **visitor database**, built over years of operations and covering hundreds of thousands of unique visitors. This database allows Kaleon to segment audiences by country of origin, demographics, purchasing behavior, and seasonal patterns, enabling highly targeted campaigns.

Kaleon allocates up to **5% of annual revenues** to marketing initiatives²². The marketing strategy is multi-channel, combining:

- **Digital advertising:** campaigns on Meta, Google, and other platforms, aimed at boosting direct online ticket sales and engaging younger, more tech-savvy audiences;
- **Traditional media:** local and national press coverage, TV and radio partnerships, often leveraged during new openings or seasonal events;
- **Events and public relations:** launch events, cultural festivals, and collaborations with institutions that enhance visibility and positioning;
- **Tourism ecosystem partnerships:** joint promotions with hotels, travel agencies, and regional tourism boards.



Recent examples highlight the effectiveness of this strategy:

- **Online Ticketing Campaign (2024):** €70k budget focused on Meta and Google, which significantly increased the share of direct online sales;
- **Castelli di Cannero Opening (2025):** supported by two high-profile opening events and more than 100 articles across national and local press, contributing to strong awareness of the new site.

²² Based on management indications during analyst presentation.

6. SERVICE OFFERING

Kaleon’s service model is built around creating a holistic visitor experience that extends beyond ticketing. While **admissions remain the largest revenue source**, the company has increasingly diversified into complementary services, which are designed both to enhance customer satisfaction and to unlock incremental revenue streams.

Ticketing and Guided Tours

Kaleon currently applies a **traditional differentiated pricing model**, which varies according to customer type (adults, children, schools, groups, seniors) and sales channel (online vs. on-site). **Starting in 2026, the company plans to introduce a more flexible pricing framework, with adjustments based on seasonality and day of the week.** Looking further ahead, **Kaleon is also developing a dynamic pricing system**, enabling ticket prices to reflect real-time visitor flows — maximizing revenues during peak periods while stimulating demand in off-peak times.

We underline that pricing is not subject to regulatory restrictions, giving Kaleon full flexibility to optimize its strategy.

Average ticket prices increased from €11.8 in 2019 to €16.6 in 2024, implying a 7% CAGR. This growth reflects both a favorable site mix — with Isola Bella outperforming other attractions and commanding the highest pricing — and the evolving visitor mix.

In addition to general admissions, **guided tours** have become increasingly popular with Kaleon organizing around 1.5k guided tour just in 1H25. These tours not only generate additional income but also position Kaleon as a provider of educational and cultural value, deepening visitor engagement.

KALEON – TICKETING

Pricing models

- Price ticket revised upwards every year
- No price limits set by cultural & territorial authorities

Differentiated pricing model

- By customer type:**
 - Adults
 - Children
 - Groups
 - Schools
 - Trade customers
- By ticket flexibility:**
 - Close date
 - Open date
- By channel:**
 - Web
 - Non-web

Differentiated pricing based on day type (weekday / non-working days), time slot and then dynamic pricing system based on time-slot segmentation and group type will be implemented in the short-medium term

Isola Bella Ticketing Interface Screenshot:

- Navigation: Tickets, Entries, Payment, Confirmation
- Ticket: Isola Bella
- Options: Ingresso, Visita guidata, Audioguida, Visita esclusiva
- Fixed dates calendar (September 2025) with price grid.
- Flexible dates: Adult €25.00, Child: 6 to 15 years old €16.00
- Callout: ~1,500 guided tours (1H 2025)
- Legend: Selected / Sold out / Unavailable / High / Medium / Low

Source: Company presentation

Complementary Services

Over the past decade, Kaleon has strategically broadened its activities beyond ticketing, developing a range of **ancillary services** designed to enrich the visitor experience and diversify revenue streams:

- Food & Beverage:** Cafés, restaurants, and refreshment points integrated within cultural sites. The offering spans from quick snacks and casual dining to gourmet-level restaurants, enabling Kaleon to target different customer segments;
- Retail:** Shops selling books, artisanal crafts, and exclusive souvenirs linked to the heritage of each site. In addition, Kaleon’s retail outlets also provide equipment rental services, such as sports and outdoor gear;

3. **Hospitality:** Boutique accommodation, most notably on Isola Bella, which opens the door to premium cultural tourism and multi-day experiences. This positioning is especially attractive to international visitors seeking full immersion;
4. **Events:** Kaleon leverages the uniqueness of its venues to host weddings, corporate gatherings, and cultural festivals. These events generate high-margin revenues while also reinforcing the prestige of the company's assets. Most events are held at Rocca di Angera, with a smaller number on Isola Madre. Isola Bella is reserved only for high-profile occasions – a prime example being the Louis Vuitton event in 2023, which generated approximately € 1.2mn of revenues.

Overall, Kaleon's integrated service model transforms cultural sites into **multi-experience destinations**, increasing both visitor satisfaction and average revenue per visitor. Management considers this diversification a key growth driver for the coming years.

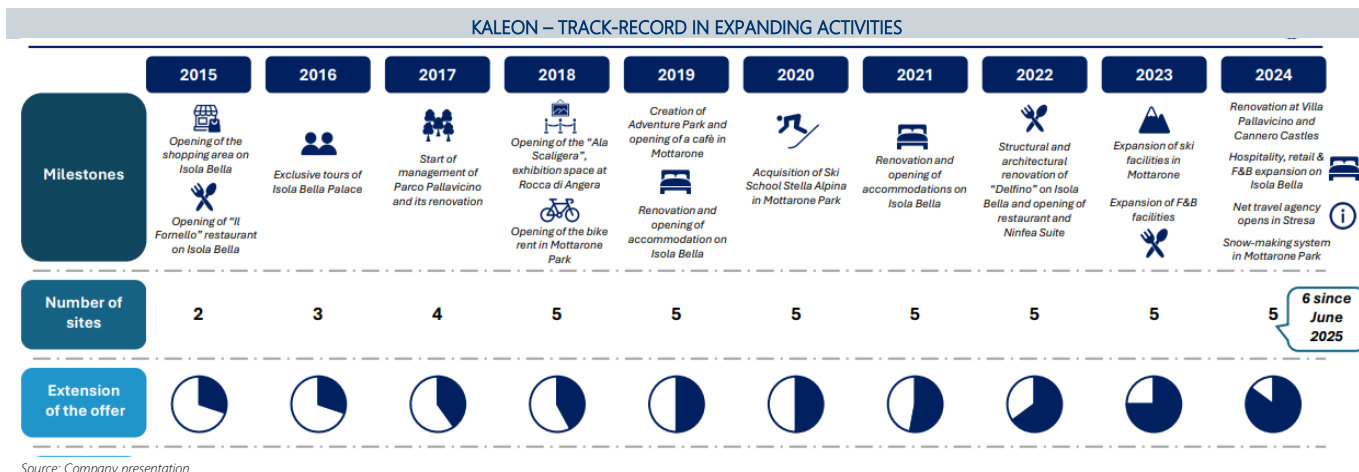
KALEON – SERVICES PROVIDED BY CULTURAL SITE						
	Isola Bella	Isola Madre	Rocca di Angera	Parco Pallavicino	Parco del Mottarone	Castelli del Cannero
Ticketing	<ul style="list-style-type: none"> - Visit of the Palazzo Borromeo (over 20 rooms, with Galleria Berthier – over 130 paintings) - Visit of the Italian-style baroque Garden (with 10 terraces) 	<ul style="list-style-type: none"> - Visit of the Botanical Garden (with the famous Cashmere Cypress and with species coming from all over the world) - Visit of the Palazzo Borromeo - Possibility to organize private visits 	<ul style="list-style-type: none"> - Visit of the Medieval Castle - Visit of the Medieval thematic Garden - Visit of the Toy and Doll Museum - Possibility to organize private visits 	<ul style="list-style-type: none"> - Visit of the Garden (Villa under renovation) - Animal sanctuary with more than 60 species of mammals and birds - Agreement for the organization of school trips 	<ul style="list-style-type: none"> - Skiing facilities: 15km of slopes with 6 chairlifts - Skiing school service - Adventure Park - Trail Park - Organization of seasonal and thematic events - Management of part of the road infrastructure 	<ul style="list-style-type: none"> - Visit of the Castle (including boat transportation and audio guide) - Immersive museum experience combining technology and tradition, augmented reality installations and interactive content, that presents the history of the site through narratives of battles, daily life, and local legends
Food & Beverages	<ul style="list-style-type: none"> - 1 café - 3 restaurants - 1 street food vendor - 2 food trucks 	<ul style="list-style-type: none"> - 1 café - 1 restaurant - 1 food truck 	<ul style="list-style-type: none"> - 1 café 	<ul style="list-style-type: none"> - 1 café - 1 food truck 	<ul style="list-style-type: none"> - 1 café - 1 restaurant 	<ul style="list-style-type: none"> None
Retail	<ul style="list-style-type: none"> - Shopping area "Vicolo del Fornello" (accessories, jewelleries, bookshop, etc.) - 8 boutiques 	<ul style="list-style-type: none"> - 1 bookshop - 1 boutique 	<ul style="list-style-type: none"> - 1 bookshop 	<ul style="list-style-type: none"> - 1 bookshop 	<ul style="list-style-type: none"> - Equipment rental: ski and bike 	<ul style="list-style-type: none"> - 1 bookshop
Hospitality	<ul style="list-style-type: none"> - 1 hotel (2 suites) - 6 apartments 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None
Events	<ul style="list-style-type: none"> - Possibility to organize private events 	<ul style="list-style-type: none"> - Possibility to organize private events 	<ul style="list-style-type: none"> - Possibility to organize private events (corporate and private) 	<ul style="list-style-type: none"> - Possibility to organize private events 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None

Source: Company data

OPPORTUNITIES FOR ORGANIC GROWTH: A CLEAR PIPELINE OF NEW INITIATIVES

We see compelling opportunities for Kaleon to drive organic growth, building on a solid base of six cultural sites under management, all of which still offer significant untapped potential.

Over the past decade, Kaleon has substantially expanded its activities not only by taking on new cultural sites but also by enriching the range of services offered to visitors. The table below outlines the company’s key milestones.



Looking ahead, we expect Kaleon’s organic growth to be sustained by the following drivers:

- **Underlying growth in cultural tourism:** Kaleon aims to capture both international and domestic demand. On the **international side**, the company is pursuing a multi-channel marketing strategy, leveraging collaborations with influencers and strengthening partnerships with leading European and U.S. tour operators to attract organized tour groups. For **Italian visitors**, Kaleon is focused on increasing repeat attendance through temporary exhibitions, special events, and extraordinary openings, such as night visits or during the Christmas season;
- **Expansion and enhancement of services:** Kaleon has already outlined a clear pipeline of initiatives, including:
 - 2026: opening of two new F&B locations on Isola Bella;
 - 2027: expansion of hospitality on Isola Bella and opening of two renovated villas in Stresa;
 - 2027: opening of Villa Pallavicino, which will feature a high-end restaurant and premium hospitality (with discussions ongoing on whether operations will be managed directly by Kaleon or entrusted to top-tier partners).
 - In parallel, Kaleon has established a **new travel agency in Stresa** to support international tour operators and to build **partnerships with maritime transport providers** to guarantee higher quality standards for visitors.
- **Cross-selling and bundling:** Kaleon can leverage the geographical proximity of its venues to promote combined ticket packages and multi-site experiences. Today, the combined ticket for Isola Bella and Isola Madre is already the second most sold. The planned expansion of hospitality services will also help extend visitor stays, increasing the likelihood of multi-site visits. Currently, almost all bundled tickets²³ include Isola Bella, with the aim of attracting tourists through the company’s most iconic asset and then driving them to other locations within the group;
- **Pricing strategy innovation:** Until 2024, Kaleon adopted a traditional fixed-price model across sites. In 2025, the company introduced more flexible ticketing options (lower prices for fixed-date tickets, higher for flexible entry). From 2027 onward, Kaleon plans to implement **dynamic pricing**, adjusting tariffs according to peak days and time slots. We note that, between 2019 and 2024, the company achieved a **+7% ticket pricing CAGR**.

²³ Source: www.terborromeo.it/ticket

OPPORTUNITIES FOR MARKET CONSOLIDATION: MOVING ITALY TO NEXT STEP

Currently, **Kaleon's activities are concentrated around a cluster of cultural sites located on Lake Maggiore**, where the company has successfully refined its operating model. **The group's long-term strategic objective is to expand its portfolio nationwide by transferring the know-how and managerial expertise developed over decades to a broader set of cultural venues across Italy.** This strategy is particularly relevant in a country that, despite being home to the world's largest concentration of cultural heritage (61 UNESCO World Heritage Sites and ~44k privately classified historical residences), still suffers from highly fragmented and undercapitalized asset management practices.

In our view, **the fragmented nature of the sector translates into significant inefficiencies:** limited cross-site synergies, underexploited commercial potential, and a structural funding gap. While cultural heritage represents a cornerstone of Italy's global brand and tourism appeal, its management often remains sub-scale, with operators unable to fully leverage economies of scale in marketing, visitor services, and ancillary revenue generation.

We believe this fragmentation is the result of several factors:

- **Ownership structure:** a large share of cultural heritage assets in Italy is owned by local public entities (municipalities, dioceses, superintendencies) or private families many of whom face financial resource constraints. This ownership fragmentation creates a dispersed landscape with limited incentives for coordinated commercial or organizational development;
- **Regulatory and bureaucratic hurdles:** cultural heritage in Italy is subject to strict regulations. Any restoration or valorization project requires lengthy authorizations, often discouraging single-asset owners;
- **Limited industrial approach:** Heritage management in Italy is still perceived predominantly as a duty of preservation rather than as a sector where professionalization and business logic can coexist with conservation. As a result, many sites lack professional marketing, pricing, or revenue management strategies, constraining both profitability and reinvestment capacity;
- **Lack of national coordination:** unlike other countries such as the UK (National Trust) or France (Centre des Monuments Nationaux), Italy does not have a strong central institution capable of aggregating and managing large numbers of sites under a unified valorization strategy. This absence of a national framework leaves individual owners or municipalities to operate in isolation, often without sufficient managerial skills or financial means.

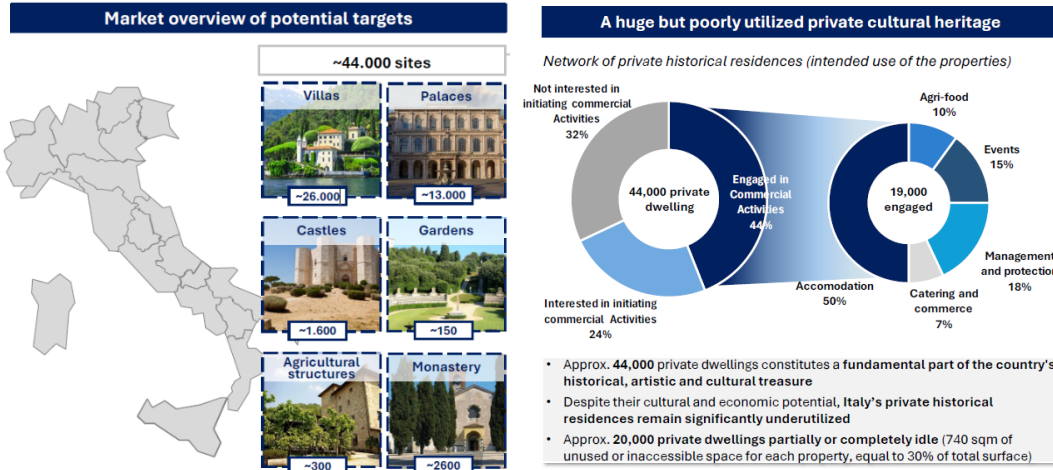
KALEON – COMPARISON WITH FAI, NATIONAL TRUST AND CMN

Model	Ownership	Scale	Funding Model	Approach to Site Management	Appeal to Private Owners
Kaleon	Assets remain privately owned (lease/concession model)	Currently 6 sites, expanding nationwide	Combination of operating cash flow + IPO proceeds	Full-service integration: restoration, marketing, F&B, hospitality, events	High – families retain ownership, Kaleon manages operations and invests in start-up
FAI (Italy)	Typically requires transfer of ownership to the foundation	~70 sites	Donations, member fees, fundraising, asset endowment	Conservation-focused, with strong emphasis on preservation	Low – requires relinquishing ownership
National Trust (UK)	Trust ownership (donations, bequests)	> 500 sites	Membership base (>5mn members), donations, events, retail	Highly professionalized, strong marketing and visitor engagement	Not applicable – assets transferred
CMN (France)	State-owned assets	~100 sites	State funding + ticket sales + events	Centralized, entrepreneurial approach with strong public backing	Not applicable – state model

Source: Company data, FAI, National Trust and CMN websites

In this context, according to the *2024 Private Cultural Heritage Observatory Report* by the Fondazione per la Ricerca Economica e Sociale, **Italy's private historical residences remain significantly underutilized**. Indeed, **of ~44k historical residences, around 20k are partially or fully idle**, with financial constraints cited as the key obstacle preventing owners from undertaking the maintenance or restoration required to open properties to the public. Between 2021/2023, ~50.5k maintenance interventions were recorded, with an average cost of € ~38k per property. Importantly, **extraordinary interventions needed to bring an asset back into tourism circulation are often multiples of that figure, creating a financial burden that private owners are unwilling or unable to absorb**.

KALEON – ITALIAN CULTURAL HERITAGE



Source: Company presentation

In this context, **we believe Kaleon's model has strong potential for success in Italy**, as it addresses several of the key challenges:

1. **Coordinated management:** Kaleon provides professional management and financial resources, ensuring synergies across sites and enhancing commercial development.
2. **Respect for ownership:** unlike institutions such as FAI, which require property transfers, Kaleon allows families to retain ownership of their cultural assets while entrusting professional management. This is a critical factor in Italy, where cultural and emotional attachment to family-owned assets is particularly strong;
3. **Financial relief and investment capabilities:** Kaleon assumes responsibility for the start-up investments required to revitalize and relaunch a cultural site, reducing the financial burden for owners.

Management has already identified a pipeline of potential targets beyond Lake Maggiore, which include:

KALEON – ONGOING DISCUSSION WITH THIRD-PARTIES OWNERS

Venue	Location	Size	Potential activities	Deal status
Garden	Veneto	100k visitors	Ticketing, F&B and events	LOI
Castle, Garden	Lazio	10k visitors (weekends only)	Ticketing, F&B, events and exhibitions	Dialogue ongoing
Castle	Veneto	n.a.	Ticketing and events	Dialogue ongoing
Medieval village	Emilia-Romagna	15 hectares	Ticketing, events and hospitality	Dialogue ongoing
Garden	Veneto	> 160k sqm	Ticketing, events and hospitality	Preliminary analysis

Source: Company presentation

In our view, **the planned IPO will play a catalytic role by providing:**

- fresh capital to support start-up investments,
- stronger visibility in the eyes of asset owners and institutional partners,
- enhanced credibility in a sector where professional reputation and trust are crucial.

Over time, we believe **Kaleon can position itself as the de facto consolidator of a highly fragmented market, with the IPO functioning as both a financing and reputational accelerator**.

FOCUS ON EXISTING RENTAL AGREEMENTS

One of Kaleon's distinctive features is its **asset-light approach**. Considering that Kaleon's majority shareholder (Vitaliano Borromeo) is also the owner of the main assets under management, we view transparency on lease contracts as particularly important.

In 2024, total rents paid amounted to **€ 1.4mn**, representing the vast majority of Kaleon's lease expenses.

The company has provided a wide disclosure on all existing lease agreements, summarized in the table below:

KALEON – DEEP DIVE ON RENTS FOR LOCATIONS

Site	Contract definition	Owner	Expiry date	Length (# years)	Tacit Renewal	Rents in 2024 (€'000) ⁽¹⁾
Castelli di Cannero	Castelli di Cannero	Borromeo V., Borromeo L.	31/05/39	15	✓	-
Isola Bella	Isola Bella	Borromeo V., Borromeo G.	31/12/38	15	✓	503.0
Isola Bella	Delfino (Restaurant)	Delfino S.r.L.	31/03/28	6	✓	205.9
Isola Bella	Isola Bella Stables	Borromeo V., Borromeo G.	31/12/38	15	✓	n.m.
Isola Bella	Isola Bella Shops	Borromeo V.	31/05/28	6	✓	n.m.
Isola Bella	Isola Bella Holiday Homes (contract #1)	Borromeo V.	28/02/29	6	✓	n.m.
Isola Bella	Isola Bella Holiday Homes (contract #2)	Borromeo V.	30/04/28	6	✓	n.m.
Isola Bella	Delfino (Suites)	Delfino S.r.L.	31/03/26	4	✓	n.m.
Isola Bella	Isola Bella Warehouse	Borromeo V.	28/02/29	6	✓	n.m.
Parco del Mottarone	Mottarone Station and Road	Borromeo F.M.	31/03/35	18	✓	n.m.
Parco del Mottarone	Mottarone Ski Slopes	Borromeo V.	31/12/27	6	✓	n.m.
Parco del Mottarone	Vetta al Mottarone	Borromeo V.	14/12/27	6	✓	n.m.
Parco del Mottarone	Residence Mottarone (contract #1)	Borromeo V.	30/11/27	6	✓	n.m.
Parco del Mottarone	Residence Mottarone (contract #2)	Borromeo V.	30/11/27	6	✓	n.m.
Parco del Mottarone	Ski School Sublease	Scuola Sci Stella Alpina Mottarone ⁽²⁾	30/11/25	1	✓	n.m.
Isola Madre	Isola Madre	Borromeo V., Borromeo G.	31/12/38	15	✓	212.0
Isola Madre	La Piratera	Borromeo V.	30/04/28	6	✓	n.m.
Rocca di Angera	Rocca di Angera	Borromeo V., Borromeo G.	31/12/38	15	✓	n.m.
Rocca di Angera	Osteria del Castello	Borromeo V., Borromeo F.M.	30/06/25	6	✓	n.m.
Stresa	Info Point Stresa	Non-related party	28/02/30	6	✓	n.m.
Others	Others	Non-related party	n.m.	n.m.	n.m.	n.m.
Total rents for locations						1,385
Other rents for locations (between Kaleon and Parco del Mottarone S.r.l.)						
Mottarone	Ski Lift group of assets	P. del Mottarone Srl	30/11/25	6	✓ (24 months extension)	224.2
Mottarone	Restaurant group of assets	P. del Mottarone Srl	30/11/25	6	✓ (24 months extension)	214.2
Mottarone	Rental group of assets	P. del Mottarone Srl	30/11/25	6	✓ (24 months extension)	n.m.
Mottarone	Adventure Park group of assets	P. del Mottarone Srl	30/11/25	6	✓ (24 months extension)	n.m.

Note: (1) Annual rents disclosure for contracts with annual rent higher than the significant threshold (€90k); (2) Sublessor
Source: Company presentation

Outside of rents with the Borromeo family, **Kaleon has a very limited exposure to third parties**, related exclusively to certain activities at Mottarone. As shown in the table, the Mottarone contracts have a six-year duration and were theoretically due to expire on November 30, 2025. However, the company has already secured a 24-month extension and does not foresee any risk of non-renewal.

According to management, the existing contracts have the following characteristics:

- **Standard assets** such as retail and F&B locations are priced on market terms (based on values provided by the *Osservatorio del Mercato Immobiliare*, which sets minimum and maximum €/sqm benchmarks for each municipality). For **cultural sites** such as Isola Bella, Isola Madre, and Rocca di Angera, lease values are determined by taking into account multiple factors, including required capex assumptions. These contracts have been in place for many years and, according to management, have been reviewed by legal advisors who did not identify any critical issues;
- All contracts are subject to a **100% annual adjustment to the ISTAT index** starting from the second year;
- **Kaleon bears full responsibility for both ordinary and extraordinary maintenance of the leased assets**. However, for new third-party agreements, **the company is planning to limit its responsibility to ordinary maintenance only**. No clauses allow for rent reductions or adjustments in the event of significant extraordinary maintenance expenses;
- Although the company has only disclosed data for 2023 and 2024, management indicated that historically **maintenance costs** have always been in the € 2.0/2.5mn range (consistent with 2023/24 values);
- **All assets are insured against extraordinary damages**.

Investments in maintenance for properties owned by the Borromeo family largely explain Kaleon's **€11mn of intangible assets**, which are booked as "improvements on third-party assets".

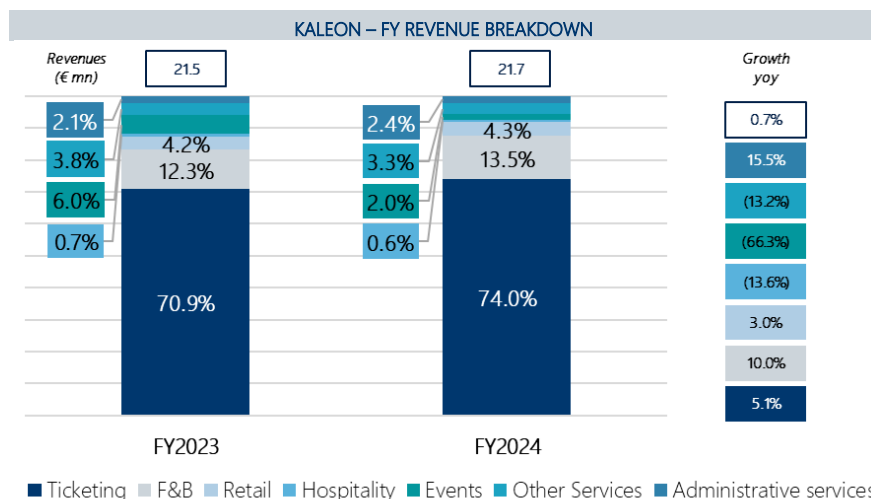
KEY FINANCIALS: 2022-2024 PERFORMANCE

As a preliminary note, **consolidated financial statements are only available from 2023 onward**. For 2022, Kaleon provided limited disclosure (revenues and EBITDA). In addition, **accounts are currently prepared under Italian GAAP**. This implies that IFRS adjustments – particularly IFRS 16, given the group’s heavy reliance on rental contracts – would materially affect both reported EBITDA and Net Debt.

Over the 2022–24 period, Kaleon delivered a revenue CAGR of ~7%, with sales increasing from €17.5mn in 2022 to €21.7mn in 2024. The growth was substantially organic with small contribution (c1% of revenues) from new initiatives (i.e. new F&B locations). Growth was uneven, however, with 2024 headline revenues broadly flat YoY (+0.7%). This trend was distorted by the absence of a large one-off event: the Louis Vuitton fashion show held on Isola Bella in 2023, which generated €~1.2mn in revenues at exceptionally high margins. Adjusting for this event, **underlying revenue growth would have been closer to ~7% YoY in 2024**, driven by:

- **Ticketing**: +5.1% YoY, supported by price increases with stable volumes;
- **Food & Beverage**: +10.0% YoY, consolidating its role as the second-largest revenue contributor and fastest growing division;
- **Retail**: +3.0% YoY;
- **Hospitality**: –13.6% YoY;

We highlight that Hospitality and Events remain marginal contributors to the top line and inherently volatile on a YoY basis.



Source: Equita SIM elaborations on company data

Kaleon also disclosed the revenue contribution by cultural site for 2024:

- Isola Bella: 58% or approx. € 12.2mn;
- Isola Madre: 23% or approx. € 4.9mn;
- Parco Pallavicino: 8% or approx. € 1.7mn;
- Rocca di Angera: 7% or approx. € 1.4mn;
- Parco del Mottarone: 4% or approx. € 0.8mn.

We remind that Castelli del Cannero started to contribute to Kaleon’s P&L from June 2025.

Despite broadly stable revenues, EBITDA declined by € -1.2mn in 2024, with margins moving from 31.3% in 2023 to 25.4%. The contraction is explained by:

- An unfavorable **mix effect**, given the extraordinary contribution of the 2023 Louis Vuitton event at very high margins;
- Higher **personnel and rental costs**, for a combined impact of € ~0.6mn;
- Extraordinary expenses (€ ~0.3mn) linked to the inaugural motorsport event organized by Tutto Bene Srl at Mottarone.

Management also highlighted that the decline in margins versus 2022 is primarily linked to personnel costs. Indeed, in 2022, Kaleon was still operating under Covid-related restrictions, with sites open mainly on weekends and a higher reliance on “on-call” contracts. In 2024, the company shifted to seasonal contracts, which provide greater continuity and service quality but also entail higher costs.

The table below offers more granularity on the evolution of the different cost lines and profitability in 2023-24. We note:

- **Personnel costs** are Kaleon’s largest expense line, representing 35.5% of revenues in 2024 (+110bps YoY). Given the high seasonality of the business, the company operates with a flexible workforce model: ~38% permanent staff and ~62% seasonal hires. Recruiting and retaining seasonal workers (typically employed March–October) is critical to operations and to maintaining the quality of the visitor experience. Management highlights strong loyalty among seasonal staff, with many returning year after year;
- **Services** (22.7% of revenues in 2024 vs 20.4% in 2023) include utilities, third-party services, maintenance, and marketing expenses. We believe the increase reflects both inflationary pressures and stepped-up marketing efforts;
- **Use of third-party assets** primarily relates to rental costs for locations, which totaled €~1.4mn in 2024.

KALEON – 2023-24 P&L (€ mn)				
	2023	%	2024	%
Revenues	21.5		21.7	
% Change	23.0%		0.7%	
Other	0.2		0.1	
Value of Production	21.7		21.8	
% change	n.a.		0.3%	
Raw materials	-1.4	6.4%	-1.4	6.6%
Services	-4.4	20.4%	-4.9	22.7%
Personnel	-7.4	34.5%	-7.7	35.5%
Use of third party assets	-1.4	6.4%	-1.7	7.8%
Other costs	-0.4	1.9%	-0.5	2.4%
EBITDA	6.7	31.3%	5.5	25.4%
% Change	23%		-18%	
D&A	-2.3		-2.4	
Provision	0.0		0.0	
EBIT	4.4	20.7%	3.1	14.3%
% change	n.a.		-30.4%	
Financial revenues (charges)	-0.2		-0.2	
Write-downs	0.0		-0.2	
PBT	4.2		2.7	
Change%	n.a.		-35.6%	
Taxes	-1.3		-1.2	
Minorities	0.0		0.0	
Net profit	2.9		1.5	
Change%	n.a.		-47.0%	
Net Profit Adj.	2.9		1.5	
Change%	n.a.		-47.0%	

Source: Company data

2024 EBIT fell by € ~1.5mn, reflecting the lower EBITDA and write-downs of ~€0.2mn, while D&A remained stable at € ~2.4mn.

Net financial charges remained stable at € 0.2mn in 2024. The average cost of gross debt was ~3%. Both in 2023 and 2024, Kaleon’s debt structure included € ~6.0mn of shareholder loans (partially converted into equity in 2025).

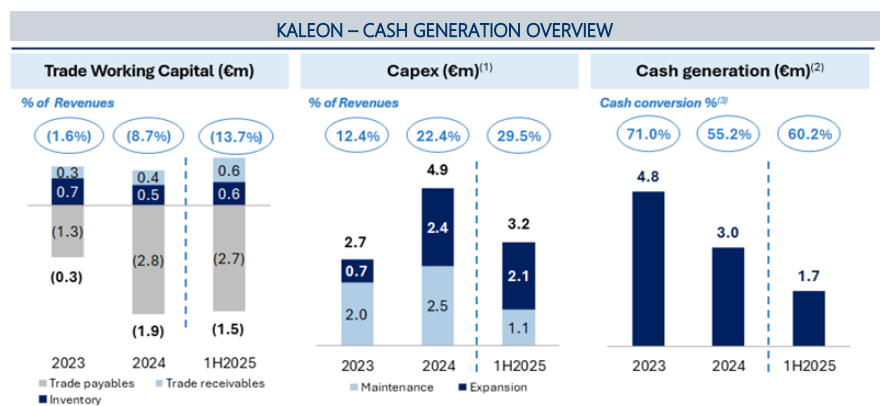
In 2024, Kaleon recorded an effective tax rate of ~44% (vs ~32% in 2023), **mainly impacted by:**

- **Non-deductible expenses:** € ~0.1mn;
- **Deferred tax realignment and reassessment:** € ~0.1mn.

■ Cash conversion

Kaleon has demonstrated a solid free cash flow profile, with a **cash conversion ratio**²⁴ consistently above 50% in both 2023 and 2024. We flag a few structural features of the Kaleon business model in terms of cash generation:

- **Maintenance capex** amounts to ~10% of revenues. Over 2023–24, the group invested € 3.1mn in **expansion capex**, mainly for extraordinary maintenance and new openings. Key projects included: *Castelli del Cannero* (2024), the renovation of *Villa Pallavicino* (2023–24), the purchase of two boats²⁵ (2024), and the implementation of a new ERP system (2024).
- Trade working capital was broadly neutral in 2023 and turned **negative by € 1.9mn in 2024**, driven by trade payables increase and better inventory management. In 2024, **DSO stood at just 6 days** while **DPO reached 97 days**, highlighting the favorable cash profile of the business. Management highlighted that the increase in payables in 2024 was largely **linked to delayed capex payments**. We therefore expect NWC to normalize in the coming years, but – given the structural characteristics of Kaleon’s business – to remain **slightly negative over the long term**.



(1) Excluding financial investment, tangible assets are mainly related to assets under construction, intangible assets are mainly related to improvements on third-party asset.

(2) Computed as EBITDA – Maintenance capex.

(3) Computed as (EBITDA – Maintenance capex)/EBITDA.

Source: Company presentation

KALEON – 2024A CASH FLOW (€ mn)

Cash flow statement	2024
Profit before taxes	2.7
D&A & Provision	2.6
Cash taxes	-1.2
(Other)	0.0
CF from op. (before NWC)	4.1
(Increase in receivables)	-0.1
(increase in inventories)	0.2
Increase in payables	1.4
(Increase) decrease in NWC	1.5
CF from op. (including NWC)	5.6
Capex	-4.9
(acquisitions) disposals	0.0
(Distribution of dividends)	0.0
Rights issue	0.0
Other	0.5
(Increase) decrease in net debt	1.2
FCF	1.2
Net debt	-12.7
ND/EBITDA	2.3x

Source: Company data

²⁴ (EBITDA – maintenance capex)/EBITDA

²⁵ Kaleon has acquired two boats to provide transportation services to the Castelli del Cannero.

■ **Capital structure and net debt**

At year-end 2024, Kaleon’s gross debt amounted to c. € 13mn, and broke down as follows:

- € ~6.8mn in unsecured bank loans;
- € ~6.0mn in shareholder loans.

In 2024, Kaleon’s average cost of debt stood at around 3%.

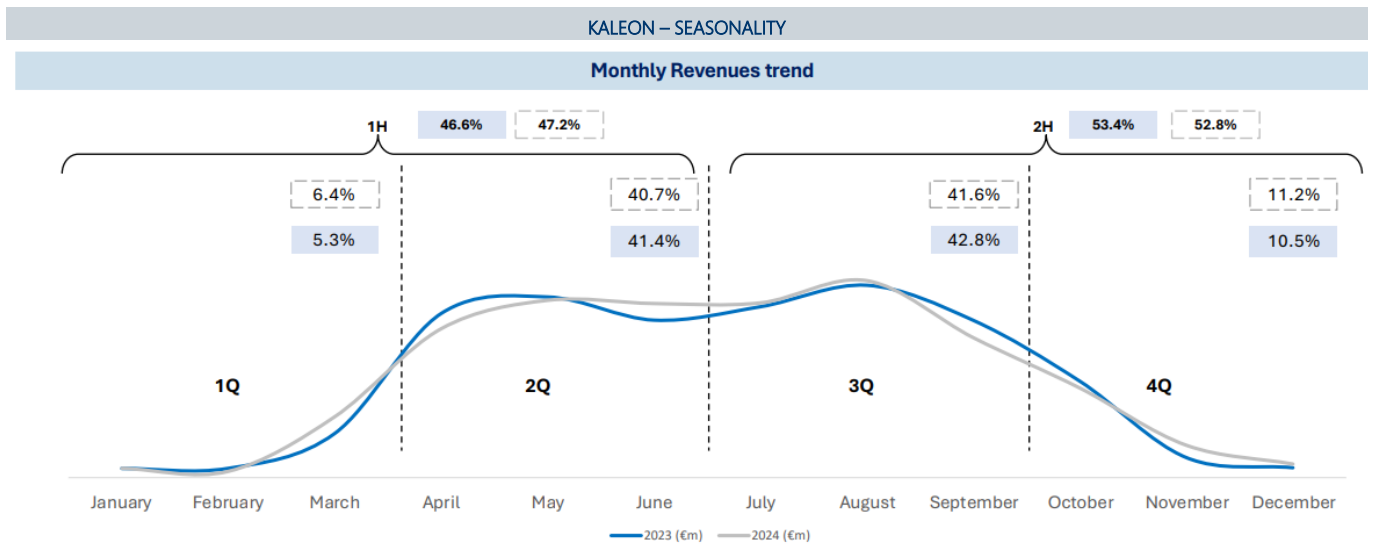
Ahead of the IPO, the shareholder loan was fully refinanced through:

- A **partial conversion into equity** for € 2mn, strengthening the company’s capital base;
- The issuance of **new bank loans for € 1.5mn and € 2.5mn by existing committed loans**.

■ **Business seasonality**

Looking at Kaleon’s business seasonality, we highlight that the vast majority of revenues are generated during the spring–summer period, with 2Q–3Q typically accounting for more than 80% of annual sales, while 1Q and 4Q remain marginal. This pattern reflects the natural concentration of tourist flows in the Lake Maggiore area and makes half-year reporting a more reasonable reference for investors, in our view.

Management aims to progressively smooth this seasonal exposure through the addition of new cultural sites, especially those with potential to attract visitors year-round. However, considering only the current perimeter, we do not expect material changes in seasonality over the next few years.



Source: Company presentation

We note that all cultural sites, with the exception of Parco del Mottarone, will be open in 2025 from March 15 to November 2. Parco del Mottarone, instead, remains essentially open year-round. Starting in 2026, Kaleon intends to extend the opening season of its sites from early March.

1H25 RESULTS REVIEW

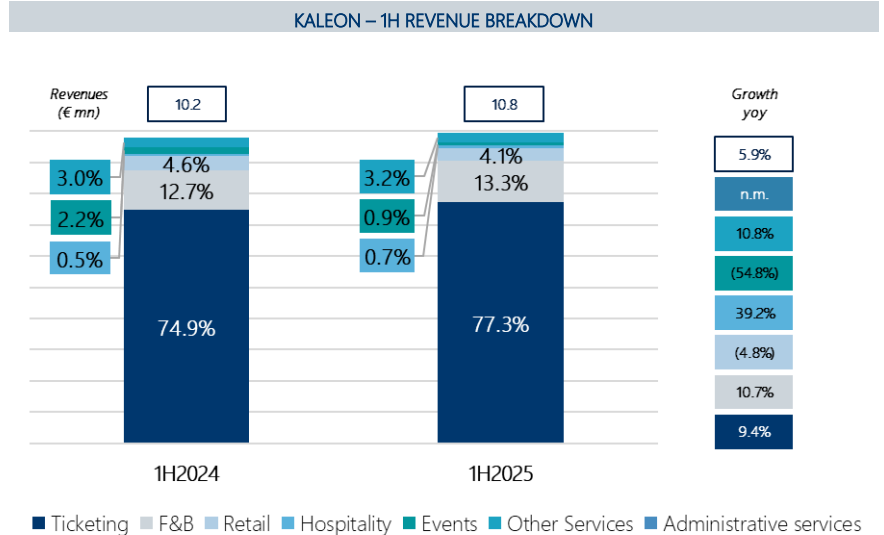
KALEON - 1H24 AND 1H25 RESULTS				
	1H24	%	1H25	%
Revenues	10.3		10.8	
YoY growth	n.a.		5.3%	
EBITDA	2.7	26.4%	2.9	26.3%
YoY growth	n.a.		5.5%	
EBIT	1.5	13.7%	1.4	13.2%
YoY growth	n.a.		-3.9%	
Adj. net income	0.7	6.7%	0.8	7.6%
YoY growth	n.a.		13.2%	
NFP	n.a.		-13.2	
Capex	n.a.		3.2	

Source: Company data

Kaleon reported a solid 1H25 performance, with revenues up **+7.7% LFL to € 10.8mn**, confirming the positive momentum of its core activities with ticketing and F&B up +9%/+11% YoY. **Reported growth stood at +5.3% YoY**, reflecting the exclusion of certain administrative service activities from the group perimeter as of February 2025.

Considering the **revenue breakdown we note**:

- **Ticketing (+9.4% YoY)** – growth was primarily driven by pricing, with volumes broadly stable. In our view, this underlines Kaleon’s ability to exert pricing power;
- **Food & Beverage (+10.7% YoY)** – continued double-digit growth, confirming the success of service expansion and enhanced visitor monetization;
- **Retail (-5.0% YoY)** – the only negative performer, but the decline was linked to the strategic repositioning of point-of-sale formats (notably at Isola Bella). To accelerate the turnaround, **the company appointed a new manager from outside the group to lead the business unit**. We view this as a short-term drag with potential medium-term upside if the relaunch strategy succeeds.



Source: Equita SIM elaborations on company data

In terms of profitability, **EBITDA** grew +5.5% YoY, reaching € 2.9mn, with margins broadly stable at solid levels (26.3%, -10bps YoY).

Adjusted Net Income rose slightly to € 0.8mn (vs € 0.7mn in 1H24). Reported NI stood at € 1.3mn, boosted by a **€ 0.5mn one-off gain** related to the deconsolidation of the administrative services unit.

Net debt increased marginally to **€ -13.2mn** (vs € -12.7mn FY24), as the company frontloaded **extraordinary capex** linked to the Castelli di Cannero project and other openings.

2025E-28E ESTIMATES

■ 2025 results: we expect a solid set of results with high visibility

We expect Kaleon to close 2025 with a solid set of results:

- **Revenues:** € 23.1mn (+5.9% YoY);
- **EBITDA:** € 6.1mn (+11.3% YoY);
- **Adj. Net income:** € 2.0mn (+31.9% YoY);
- **NFP:** € +3.2mn (€ -12.7mn at 2024YE).

KALEON – FY25 RESULTS (€ mn)			
	2024A	EXPECTED 2025E	YoY gr. %
Revenues	21.7	23.0	5.9%
EBITDA	5.5	6.1	11.3%
<i>Margin</i>	25.4%	26.7%	
EBIT	3.1	3.4	11%
<i>Margin</i>	14.3%	14.9%	
Net income rep.	1.5	2.5	65%
<i>Margin</i>	7.1%	11.0%	
Net income adj.	1.5	2.0	32%
<i>Margin</i>	7.1%	8.8%	
NFP	-12.7	+3.2	€ +15.9mn

Source: Equita SIM estimates on 2025E and Company data on 2024A

■ 2025-2028E estimates: HSD top-line with EBITDA margin reaching 30.5%

Our 2025E-28E estimates are based on the following main assumptions:

- **Revenues:** we forecast a CAGR of +7.1%, supported by services growth, with hospitality from € 0.1mn in 2024A to € 1.3mn in 2028E and F&B at +15% CAGR (from € 2.9mn in 2024A to € 5.0mn in 2028E). **Growth will be underpinned both by organic dynamics and new initiatives announced by management:**
 - **F&B:** two new food locations on Isola Bella, expected to contribute € ~1.0mn revenues at full-speed in 2027;
 - **Hospitality:** two new renovated buildings in Stresa (for short-term rental) and the opening of Villa Pallavicino rooms in 2027, for an expected contribution of € ~1.1mn revenues at full-speed in 2028.

Ticketing remains the group's core business, with an expected CAGR of 5.5%, driven by **~1% volume growth, ~3.5% price effect** (supported by the implementation of the dynamic pricing and bundled ticketing strategies) and **the contribution from Castelli del Cannero** (we estimate approx. € 0.8mn in 2028E accounting for 1% of the CAGR). As regards pricing, we see room to increase ticketing prices mainly at Isola Bella while in other locations we expect limited price increases). We remind that between 2019–24, average ticket prices grew at a ~7% CAGR.

KALEON – SALES BRAKDOWN (€ mn)

	2023A	% of revenues	2024A	% of revenues	2025E	% of revenues	2026E	% of revenues	2027E	% of revenues	2028E	% of revenues	2024A-2028E CAGR
Revenues	21.5		21.7		23.0		24.7		26.8		28.5		7.1%
Ticketing	15.3	71%	16.0	74%	17.5	76%	18.3	74%	19.1	71%	19.9	70%	5.5%
Food & Beverage	2.7	12%	2.9	13%	3.2	14%	3.9	16%	4.6	17%	5.0	18%	14.5%
Retail	0.9	4%	0.9	4%	1.0	4%	1.0	4%	1.1	4%	1.1	4%	5.0%
Hospitality	0.2	1%	0.1	1%	0.1	1%	0.4	1%	0.9	3%	1.3	4%	73.7%
Events	1.3	6%	0.4	2%	0.4	2%	0.5	2%	0.5	2%	0.5	2%	4.0%
Administrative services	0.4	2%	0.5	2%	0.0	0%	0.0	0%	0.0	0%	0.0	0%	n.m.
Others	0.8	4%	0.7	3%	0.7	3%	0.7	3%	0.7	3%	0.7	3%	n.m.
Other revenues	0.2		0.1		0.1		0.1		0.1		0.1		0%
Value of the production	21.7		21.8		23.1		24.8		26.9		28.6		7.0%
YoY change			0.3%		5.9%		7.3%		8.8%		6.1%		

Source: Company data on 2023-24 and Equita SIM estimates on 2025E-28E

- **EBITDA:** we expect a CAGR of 12.2%, from € 5.5mn in 2024A to € 8.7mn in 2028E. Margins should expand by ~500bps to 30.7%, mainly thanks to operating leverage as we expect the main costs to grow less than revenues:
 - **Personnel:** +5.4% CAGR to € 9.5mn in 2028E;
 - **Services:** +3.6% CAGR to € 5.7mn in 2028E;
 - **Rents** ("Use of third-party assets"): expected to rise broadly in line with Italian inflation (~1.5% pa) plus € ~0.3mn linked to new projects.
- **Financial expenses:** we expect financial expenses to slightly increase in 2025 (€ -0.3mn vs € -0.2mn in 2024A). For 2026E, we forecast financial expenses of € -0.2mn, reflecting higher interest charges related to the partial conversion of the non-interest-bearing shareholder loan into bank debt (interest rate at ~3.5%), partly offset by financial income generated by the IPO proceeds;
- **Tax rate:** ~35% over the 2025-28E period, in line with management indications;
- **Capex:** maintenance capex of € ~2.5mn pa (approx. 10% of revenues). Expansion capex of € ~2.9mn in 2025E and € ~3.5mn in 2026E to support growth projects (new F&B, hospitality, boats for Cannero). Overall, we estimate capex for: € 5.3mn in 2025E, € 6.0mn in 2026E, € 2.5mn in 2027E and € 2.6mn in 2028E;

KALEON – MAINTENANCE/EXPANSION CAPEX (€mn)

	2024A	% of revenues	2025E	% of revenues	2026E	% of revenues	2027E	% of revenues	2028E	% of revenues
Maintenance	2.5	12%	2.4	11%	2.4	10%	2.5	9%	2.6	9%
Expansion	2.4	11%	2.9	13%	3.6	14%	0.0	0%	0.0	0%
Total capex	4.9	23%	5.3	23%	6.0	24%	2.5	9%	2.6	9%

Source: Company data on 2024 and Equita SIM estimates on 2025E-28E

- **Trade Working Capital:** we expect TWC to be broadly stable in 2025, with normalization from 2026 as capex-related payables unwind. In our view, mix shift toward F&B and hospitality should imply slightly higher DIO (12 days in 2027E vs 9 in 2024), but with limited impact considering the size of the business. We expect TWC to remain slightly negative in the 2025-28E period (€ -0.6mn in 2028E vs € -1.9mn in 2024A);

KALEON – TRADE WORKING CAPITAL ANALYSIS (€ mn)

	2023A	2024A	2025E	2026E	2027E	2028E
Receivables	0.3	0.4	0.4	0.4	0.4	0.5
Inventories	0.7	0.5	0.6	0.6	0.9	1.0
Payables	1.3	2.8	2.9	2.8	2.3	2.1
TWC	-0.3	-1.9	-2.0	-1.8	-0.9	-0.6
TWC/sales	-2%	-9%	-9%	-7%	-3%	-2%
DSO	5	6	6	6	6	6
DIO*	11	9	9	9	12	13
DPO*	68	129	129	119	90	80

* Computed on operating costs

Source: Company data on 2023-24 and Equita SIM estimates on 2025E-28E

- **Dividends:** we assume no dividend distribution in our forecast period, consistent with recent years. However, management indicated that, following the IPO, the company may consider introducing a dividend policy with a payout ratio of up to 50%.

Based on these assumptions, we expect Kaleon over 2024A–28E to deliver:

- **Revenues CAGR +7.1%** to € 28.5mn in 2028E;
- **EBITDA CAGR +12.2%** to € 8.7mn in 2028E;
- **Net income CAGR +19.2%** to € 3.1mn in 2028E;
- **Growing FCF** (€ ~1.5mn per year, or € ~3.1mn excluding expansion capex);
- **Net cash at € +10.1mn in 2028E** (from net debt of € +12.7mn in 2024A).

KALEON – 2025-28E ESTIMATES (€ mn)												
	2023A	%	2024A	%	2025E	%	2026E	%	2027E	%	2028E	%
Revenues	21.5	100.0%	21.7	100.0%	23.0	100.0%	24.7	100.0%	26.8	100.0%	28.5	100.0%
% Change	23.0%		0.7%		5.9%		7.3%		8.8%		6.2%	
Other	0.2		0.1		0.1		0.1		0.1		0.1	
Value of Production	21.7		21.8		23.1		24.8		26.9		28.6	
% change	14.7%		0.3%		5.9%		7.3%		8.8%		6.1%	
Raw materials	-1.4	6.4%	-1.4	6.6%	-1.5	6.7%	-1.6	6.5%	-1.8	6.8%	-2.0	7.1%
Services	-4.4	20.4%	-4.9	22.7%	-5.1	22.3%	-5.3	21.4%	-5.5	20.5%	-5.7	19.9%
Personnel	-7.4	34.5%	-7.7	35.5%	-8.1	35.3%	-8.6	34.8%	-9.1	33.8%	-9.5	33.4%
Use of third party assets	-1.4	6.4%	-1.7	7.8%	-1.8	7.8%	-1.9	7.9%	-2.1	7.7%	-2.3	8.1%
Other costs	-0.4	1.9%	-0.5	2.4%	-0.6	2.6%	-0.5	2.2%	-0.6	2.2%	-0.6	2.2%
EBITDA	6.7	31.3%	5.5	25.4%	6.1	26.7%	7.1	28.7%	8.2	30.4%	8.7	30.6%
% Change	23%		-18%		11%		15%		15%		7%	
D&A	-2.3		-2.4		-2.7		-3.2		-3.8		-3.9	
Provision	0.0		0.0		0.0		0.0		0.0		0.0	
EBIT	4.4	20.7%	3.1	14.3%	3.4	14.9%	3.9	15.6%	4.3	16.2%	4.8	16.9%
% change	36.3%		-30.4%		10.4%		12.6%		12.7%		11.0%	
Financial revenues (charges)	-0.2		-0.2		-0.3		-0.2		-0.1		0.0	
Extraordinary Items	0		0		0.5		0		0		0	
PBT	4.2		2.7		3.6		3.7		4.2		4.8	
Change%	32.4%		-35.6%		32.9%		1.9%		13.6%		13.7%	
Taxes	-1.3		-1.2		-1.1		-1.3		-1.5		-1.7	
Minorities	0.0		0.0		0.0		0.0		0.0		0.0	
Net profit	2.9		1.5		2.5		2.4		2.7		3.1	
Change%	16.3%		-47.0%		64.8%		-5.1%		13.6%		13.7%	
Net Profit Adj.	2.9		1.5		2.0		2.4		2.7		3.1	
Change%			-47.0%		32.2%		18.2%		13.6%		13.7%	
Tax rate (actual)	31.6%		43.7%		35%		35%		35%		35%	
NFP	-13.9		-12.7		3.2		2.6		5.9		10.1	
FCF	2.0		1.2		-0.3		-0.6		3.3		4.2	

Source: Company data on 2023-24 and Equita SIM estimates on 2025E-28E

WE INITIATE COVERAGE WITH A BUY AND A TARGET PRICE OF € 5.0PS

We start our valuation discussion of Kaleon with a few preliminary considerations:

- Given Kaleon's organic investment program and the expected contribution from the Castelli di Cannero starting in 2026 (while related capex and start-up costs will be expensed in 2024–25), **we believe it is fair to base any meaningful valuation assessment on the company's 2026–27 numbers**;
- **We see EV-based multiples** (in particular EV/EBITDA) **as the most relevant valuation metrics for Kaleon**. Nonetheless, we also highlight Kaleon's **strong EPS growth trajectory**, with 2024A–2028E CAGR of c.19%, which is relevant when considering P/E-based approaches;
- Kaleon reports under Italian GAAP. Since the vast majority of assets are leased, IFRS 16 adoption would have a significant impact on both EBITDA and Net Debt. For this reason, when comparing Kaleon to other listed companies, **we deem it necessary to use ex-IFRS 16 figures** to ensure consistency;
- Our numbers capture the opportunities from organic growth. We note, however, that **further upside could come from the deployment of IPO proceeds** – which seems visible and key part of the Kaleon's equity story.

We **value Kaleon using a DCF model** given company's:

- unique profile making it difficult to identify direct valuation comparables, as no listed peers share a similar cultural asset management model;
- **Good visibility on topline**, underpinned by the structural growth of cultural tourism and self-help initiatives on ancillary services;
- **High and expanding margins**, supported by operating leverage and mix improvement;
- **Appealing cash flow profile**, with post-tax FCF to EBITDA conversion of ~55% on average.

Our DCF model is based on the following assumptions:

- **Explicit estimates until 2028**, assuming revenues CAGR 2024–2028E of 7.1% and EBITDA margin to improve to 30.56% in 2028E from 25.4% in 2024;
- Long-term growth (**g**) of 2.0%;
- **Risk-free rate of 3.5%** (10 years Italian Government bond);
- A beta unlevered of 1.15x;
- **A cost of equity of 10.0%** and a net cost of debt of 3.0%;
- **WACC of 8.6%** based on D/E ratio of 25%.

		KALEON VALUATION							
Assumptions		DCF	2024	2025E	2026E	2027E	2028E	2029E	Beyond
g	2.0%	Sales	22	23	25	27	28	30	30
WACC	8.6%	Change %		5.9%	7.7%	8.5%	6.2%	4.1%	2.0%
		EBITDA adj.	5.5	6.1	7.2	8.2	8.7	9.1	9.3
		Change %	17%	11%	16%	14%	7%	4%	2%
		Margin	25.4%	26.7%	28.9%	30.4%	30.6%	30.6%	30.6%
		D&A	-2.4	-2.7	-3.3	-3.9	-4.0	-3.0	-2.0
		EBIT adj.	3.1	3.4	3.9	4.3	4.8	6.1	7.3
		Change %	11%	11%	14%	10%	11%	28%	19%
		Margin	14.3%	14.9%	15.7%	16.0%	16.8%	20.6%	24.1%
		Taxes	-1.2	0.0	-1.4	-1.5	-1.7	-2.1	-2.6
		EBIT after Tax	1.9	3.4	2.5	2.8	3.1	4.0	4.7
		Change %		80%	14%	10%	11%	28%	19%
		Capex			-6.0	-2.5	-2.6	-2.2	-2.0
		(increase) decrease in NWC			-0.2	-1.0	-0.3	0.3	0.0
		Free Cash Flow before minorities			-0.4	3.1	4.2	5.0	4.8
		FCF Minorities			0.0	0.0	0.0	0.0	0.0
		Free Cash Flow after minorities			-0.4	3.1	4.2	5.0	4.8
		Discount Factor			0.98	1.07	1.16	1.26	1.26
		PV of FCF			-0.4	2.9	3.6	4.0	3.8
		NPV of Free Cash Flows (2026-2029) (€ mn)	10						
		NPV of Terminal Value (€ mn)	58						
		Estimated Enterprise Value (€ mn)	68						
		2025 NFP (€ mn)	4						
		Adjustments to NFP (€ mn)	-1						
		KLN Equity Value (€ mn)	70						
		Others (€ mn)	0						
		Total Equity (€ mn)	70						
		# of shares (mn)	14						
		Target Price (€ ps)	5.0						

Source: Company data and Equita SIM estimates

SENSITIVITY TO WACC / G				
		G		
		1.0%	2.0%	2.5%
WACC	9.6%	3.9	4.4	4.7
	8.6%	4.3	5.0	5.3
	7.6%	4.8	5.6	6.2

Source: Equita SIM estimates

We derive a **target price of € 5.0ps**, at which Kaleon would trade at **7.8x-6.8x EV/EBITDA 2027-28E** and **24x-19.5x PE adj. ex-cash 2027-28E**. We believe the valuation could benefit further from **Kaleon's re-leverage potential** (we prudently assume a D/E ratio of 17.6% in our WACC calculation). Indeed, our valuation is based solely on **organic performance** and does **not include additional upside** from the deployment of **IPO proceeds**. Kaleon currently boasts a **strong financial structure (net cash 2025E = € +3.2mn)**, providing **full financial flexibility** to evolve into a **national platform** and **reference consolidator** in Italy's **cultural tourism sector**. In this context, assuming a **2.0x ND/EBITDA target**, we estimate a **potential M&A firepower of ~€ 18mn**, which could accelerate Kaleon's **growth and market leadership**.

We initiate coverage of KLN with a BUY rating based on:

- **Scalable platform in Italian cultural tourism:** Kaleon is a first mover in the professional, asset-light management of cultural heritage sites, combining centralized operations with a diversified, experience-led offering (ticketing, F&B, hospitality, events). The model is highly scalable and replicable in a structurally under-managed and fragmented market;
- **Exposure to a fast-growing and resilient niche:** Cultural tourism is the most dynamic segment of Italy's tourism market, growing at **+14% CAGR (2024-28E)**, supported by higher-spending visitors, lower seasonality and long-term experiential travel trends;
- **Visible organic growth and margin expansion:** Embedded growth levers (service expansion, dynamic pricing, cross-selling and international distribution) support **~7% revenue CAGR** and **~12% EBITDA CAGR**, with margins expanding toward **~30%** and strengthening free cash flow from 2027 onwards;
- **Clear platform and consolidation upside:** A strong balance sheet and a management-only model position Kaleon as a **natural national platform and consolidator** in Italy's highly fragmented cultural tourism sector, with potential upside not reflected in current valuations.

PEER GROUP MULTIPLES

The company's unique profile makes it difficult to identify direct valuation comparables, as no listed peers share a similar cultural asset management model. That said, we consider a relevant reference to be companies managing **multi-leisure facilities** such as ski resorts, animal parks, and theme parks. We have deliberately excluded single-asset operators or companies with immaterial contribution from services as their business model differs to much from Kaleon.

The selected peer group shares key features with Kaleon:

- Ticketing as the core business;
- Exposure to the tourism macro trend (albeit in leisure rather than cultural tourism);
- Development of ancillary services as a key pillar of future growth;
- High margins (EBITDA margin c.30%);
- Growth through acquisition or management of new sites.

The peer panel includes four companies: two ski resort operators (**Vail Resorts** and **SkiStar**) and two theme park operators (**United Parks & Resorts** and **Six Flags Entertainment**). The group trades at ca. **8.0–7.5x EV/EBITDA 2026–27E** and ca. **16x–16.4x P/E adj. 2026–27E**.

MULTI-ASSETS LEISURE SITES MANAGEMENT COMPANIES

Tourism companies	Curr	performance			Last price	Mkt Cap (€ mn)	P/E			EV/EBITDA			EV/EBIT		
		3M	6M	12M			2026	2027	2028	2026	2027	2028	2026	2027	2028
United Parks & Resorts	USD	-22	-24	-31	36.2	1,675	9.9	9.1	n.m.	6.5	6.1	n.m.	9.7	9.0	n.m.
Vail Resort ⁽³⁾	USD	-6	-8	-18	136.6	4,144	20.3	17.3	15.5	8.9	8.3	7.9	13.9	12.6	11.8
SkiStar AB ^{(1) (2)}	SEK	7	10	-1	170.3	1,195	17.8	16.9	16.4	9.3	8.6	8.2	15.0	14.0	13.5
Six Flags Entertainment	USD	-15	-43	-61	17.4	1,493	n.m.	22.3	8.0	7.3	6.7	n.m.	15.8	13.6	n.m.
Average		-9	-16	-28		2,127	16.0	16.4	13.3	8.0	7.4	8.0	13.6	12.3	12.7
Median		-10	-16	-24		1,584	17.8	17.1	15.5	8.1	7.5	8.0	14.5	13.1	12.7

(1) Figures for SkiStar AB are ex-IFRS 16

(2) SkiStar financial year ended on 31 August. 2025 year refers to 1 September 2024 – 31 August 2025

(3) Vail Resort financial year ended on 30 July. 2025 year refers to 1 August 2024 – 31 July 2025

Source: FactSet (05/02/2026)

MULTI-ASSETS LEISURE SITES MANAGEMENT COMPANIES

Tourism companies	ND/EBITDA			Revenues CAGR 2026-28	EBITDA margin			EBIT margin		
	2026	2027	2028		2026	2027	2028	2026	2027	2028
United Parks & Resorts	3.3	3.0	n.m.	n.m.	36.7%	37.5%	n.m.	24.7%	25.4%	n.m.
Vail Resort ⁽³⁾	3.2	3.0	2.9	3.8%	28.7%	29.4%	29.9%	18.3%	19.4%	20.0%
SkiStar AB ^{(1) (2)}	0.1	-0.1	-0.3	4.5%	27.8%	27.7%	27.4%	20.0%	19.8%	19.3%
Six Flags Entertainment	5.3	4.8	n.m.	3.7%	28.3%	30.0%	32.3%	13.1%	14.8%	17.9%
Average	3.0	2.7	1.3	4.0%	30.4%	31.2%	29.8%	19.0%	19.8%	19.1%
Median	3.3	3.0	1.3	3.8%	28.5%	29.7%	29.9%	19.1%	19.6%	19.3%

(1) Figures for SkiStar AB are ex-IFRS 16

(2) SkiStar financial year ended on 31 August. 2025 year refers to 1 September 2024 – 31 August 2025

(3) Vail Resort financial year ended on 30 July. 2025 year refers to 1 August 2024 – 31 July 2025

Source: FactSet (05/02/2026)

In the comparison between Kaleon and Peers, **we note that Kaleon has:**

- **A higher expected growth profile**, with EBITDA and Net Income CAGR 2024-27E of c. 14%/19% vs c. 6%/8% for peers;
- **Exposure to cultural tourism**, a segment structurally more resilient than pure leisure;
- **A lower leverage profile**, with Kaleon having a net cash vs c. 3.0x ND/EBITDA for peers.

On the other hand, we flag the company's **smaller size** and the **execution risk** linked to the consolidation strategy of the fragmented Italian cultural market.

Overall, given the business model (third-party asset management, services development, pricing power) and the exclusivity of the destinations managed, we consider the **ski resort operators** (Vail Resort and SkiStar) **more relevant comparables** for Kaleon than theme park operators. These ski operators trade at ca. **8.5x–8.0x EV/EBITDA 2027–28E** and ca. **19.0x–17.1x P/E adj. 2027–28E**.

Looking at the Italian listed market, we see **no direct comparables**. However, we believe investors may draw a parallel with **Fiera Milano** (the largest Italian exhibition and congress operator). Despite operating in different industries (cultural tourism vs B2B marketing platforms), the two companies share fundamental characteristics:

- **An asset-light model** (in both cases, the majority shareholder is also the owner of the underlying real estate assets);
- **High margins and strong cash generation;**
- Organic business development through **service expansion;**
- **Non-substitutability of the experience** (Fiera Milano hosts some of the most important fairs in Europe, where participants have very limited alternative options).

While obvious differences remain, we do not consider this comparison misleading. On the contrary, we see **Fiera Milano as the closest listed benchmark in the Italian market**, offering investors a relevant framework for thinking about Kaleon's valuation. Given Fiera Milano's business model (with odd years structurally stronger due to the exhibition calendar), the stock is typically valued on a two-year average basis. In our view, **applying Fiera Milano's 2026–27 average multiple to Kaleon's 2026 figures appears reasonable. Fiera Milano is now trading at ca. 7.0x EV/EBITDA (ex-IFRS 16) average 2026-27E.**

We deliberately exclude **Italian Exhibition Group (IEG)**, the second-largest listed Italian trade fair operator, as its ownership of real estate assets and significant expansion capex plans create a structural divergence from Kaleon's asset-light model.

Overall, we note that Kaleon compares positively with Fiera Milano on several fronts: **higher profitability, stronger growth visibility, and exposure to a structurally more resilient macro trend** (cultural tourism vs B2B marketing budgets, which are inherently more cyclical).

FIERA MILANO - MULTIPLES

	Curr	performance			Last price	Mkt cap	P/E			EV/EBITDA			EV/EBIT		
		3M	6M	12M			2026	2027	2028	2026	2027	2028	2026	2027	2028
Fiera Milano*	EUR	-10	6	44	7.1	510	18.9	11.1	17.3	8.6	5.2	7.2	10.4	5.8	8.7

* Figures for Fiera Milano are ex-IFRS 16
Source: FactSet (05/02/2026), Equita estimates

FIERA MILANO - FUNDAMENTALS

	ND/EBITDA			Revenues CAGR	EBITDA margin			EBIT margin		
	2026	2027	2028		2026-2028	2026	2027	2028	2026	2027
Fiera Milano*	n.m.	n.m.	n.m.	1.5%	13.0%	18.6%	13.6%	10.7%	16.3%	11.2%

* Figures for Fiera Milano are ex-IFRS 16
Source: FactSet (05/02/2026), Equita estimates

■ Brief description of the comparable

We provide a brief description of the comparable mentioned in the previous chapter:

- **Vail Resort (ticker: MTN US)**

Established in 1997 and based in Broomfield, Colorado, Vail Resorts is the largest global operator of ski resorts, with more than 40 mountain destinations across the U.S., Canada, Australia, and Europe. Its revenues are driven by lift tickets, season passes, lodging, retail, and real estate. In fiscal 2025, the company generated **US\$ 3.0bn** in revenues and employs approximately 7.6k staff.

VAIL RESORTS

- **SkiStar (TICKER: SKISB SS)**

Founded in 1975 and headquartered in Sälen, Sweden, SkiStar is the leading operator of ski resorts in Scandinavia. The group manages resorts in Sweden and Norway and has also expanded into mountain tourism, lodging, property development and retail. In fiscal 2024/25, SkiStar reported revenues of roughly **SEK 4.6bn** (≈€420 mn) with around 0.9k employees.

SKISTAR



- **United Parks & Resorts (Ticker: PRKS US)**

Founded in 1959 and headquartered in Orlando, Florida, United Parks & Resorts operates a portfolio of theme and marine parks including SeaWorld, Busch Gardens and Sesame Place. The company generates revenues primarily from park admissions and in-park spending, supported by a growing season pass base. In 2024, United Parks reported revenues of about **US\$ 1.7 bn** and employs around 16.7k people.



- **Six Flags Entertainment (Ticker: FUN US)**

Headquartered in Arlington, Texas, Six Flags is one of the largest regional theme park operators in North America, with 27 parks across the U.S., Mexico, and Canada. The company's business is built on admissions, season passes, food & beverage, merchandise and sponsorships. In 2024, Six Flags generated about **US\$ 1.6 bn** in revenues and employed over 2k full-time and 30k seasonal workers.



- **Fiera Milano (Ticker: FM IM)**

Fiera Milano Group is the main trade fair and congress operator in Italy, and it also ranks among the top ones at international level. Fiera Milano Group acts both as a venue manager, covering the entire value chain from renting its exhibition areas to providing ancillary services, and as an event organiser, with a portfolio of owned events currently amounting to more than 20 (out of approximately 60 hosted on average each year). In 2024 FM generated revenues of € 273mn.

SWOT ANALYSIS

As a summary of the group position in the reference market we report the “Strength”, “Weaknesses”, “Opportunities” and “Threat” analysis of Kaleon in the following table:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> - Unique portfolio of trophy assets (Isola Bella, Isola Madre, Rocca di Angera, etc.) with strong international visibility. - Over 40 years of expertise in <i>heritage conservation</i> combined with professionalized site management. - Asset-light business model enabling scalability without heavy capital intensity. - Integrated approach (restoration, marketing, hospitality, events, F&B) enhancing both cultural and commercial value. - Proven ability to integrate ancillary services (F&B, retail, events, hospitality) to enhance monetization and visitor satisfaction. - Professionalized governance and management team with experience in tourism, event management, and heritage operations. - Strong brand recognition through “Terre Borromeo” and association with high-profile events (e.g., fashion shows, weddings, exhibitions). - High profitability (EBITDA margin >25%) and cash conversion (c55% in 2024). 	<ul style="list-style-type: none"> - Geographic concentration on Lake Maggiore (exposure to regional demand fluctuations, seasonality, and accessibility constraints) with high dependence on regional infrastructure. - Still relatively small scale compared with international peers in cultural asset management. - Limited track record outside Borromeo family properties (third-party expansion still in early phase). - Limited track record outside the Lake Maggiore region. - Heavy dependence on international tourism flows (exposure to macro/geopolitical shocks). - High weather sensitivity as most sites are open-air, making attendance and on-site spending highly dependent on weather conditions (rain or cold spells can significantly affect daily ticketing and F&B revenues) - High maintenance capex (c9% of revenues)
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> - Expansion into <i>third-party cultural sites</i> leveraging Kaleon’s proven business model. - Strong growth in <i>cultural tourism</i> segment in Italy (+14% CAGR 2024–2028). - Increasing demand for <i>premium experiences</i> (luxury hospitality, events, curated tours). - Partnerships with fashion, media, and entertainment industries to boost visibility and monetization. - Development of <i>year-round tourism</i> via events, exhibitions, and diversified activities (beyond summer seasonality). - Digitalization of visitor experience (dynamic pricing, data-driven marketing, interactive guides). 	<ul style="list-style-type: none"> - Competition from other asset-light operators (e.g., CoopCulture, Opera Laboratori) and large cultural foundations (FAI, Zetema). - Regulatory and bureaucratic hurdles in Italy slowing down heritage restoration and concession agreements. - Rising operating costs (labor, energy, restoration) impacting margins; - Relevant extraordinary capex to conserve/preserve assets - Potential reputational risk in balancing <i>heritage conservation</i> with <i>commercial exploitation</i>. - Climate-related risks (extreme weather events affecting accessibility and preservation of open-air sites).

APPENDIX – KALEON’S APPROACH ON ESG THEMES

Kaleon places a strong emphasis on ESG principles, fully aligned with its mission to safeguard and enhance Italy’s cultural heritage. The company’s approach can be summarized across four main pillars:

1. **Cultural heritage preservation:** At the core of Kaleon’s daily operations is a commitment to the preservation of cultural and artistic heritage, particularly around Lake Maggiore. Through careful restoration and conservation initiatives, the company safeguards historic landmarks while offering visitors cultural and educational experiences that celebrate the region’s rich history;
2. **Environmental stewardship:** Kaleon is actively engaged in preserving local ecosystems by protecting native flora and fauna and rehabilitating natural areas. The company is committed to fostering sustainable tourism, minimizing environmental impact while ensuring long-term preservation of natural resources;
3. **Social responsibility:** Kaleon contributes to local communities by creating jobs, supporting regional supply chains, and driving sustainable economic growth. Its activities generate positive spillovers in hospitality, conservation, and related services, thereby strengthening community engagement and regional development;
4. **Animal welfare & education:** Within Parco Pallavicino, Kaleon manages an animal sanctuary dedicated to the care and preservation of various species, including endangered ones. This initiative not only ensures animal welfare but also serves an educational role, raising public awareness on biodiversity and conservation issues.

STATEMENT OF RISKS FOR KALEON

The primary elements that could negatively impact the stock performance include:

- **Higher operating costs** (labour, energy and F&B), potentially **pressuring margins**;
- **Increased regulatory and bureaucratic constraints** in Italy, which could **delay heritage restoration projects**;
- A **slowdown in international cultural tourism**, leading to **lower visitor numbers** across Kaleon’s sites;
- **Rising competitive intensity** from other asset-light operators (e.g. CoopCulture, Opera Laboratori) and large cultural foundations (FAI, Zetema);
- Execution risk related to the **third-party asset management strategy**, potentially resulting in **lower-than-expected IRRs**;
- **Extreme weather events**, which could negatively affect **site accessibility, preservation and visitor flows**.

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	17.5	21.5	21.7	23.0	24.7	26.8
Growth	n.a.	23.0%	0.7%	5.9%	7.7%	8.5%
EBITDA Rep	5.5	6.7	5.5	6.1	7.2	8.2
Growth	n.a.	23.2%	-18.1%	11.4%	16.4%	14.0%
Margin	31.2%	31.3%	25.4%	26.7%	28.9%	30.4%
Depr. & Amort	n.a.	-2.3	-2.4	-2.7	-3.3	-3.9
Other Provisions & Write Down	n.a.	0.0	0.0	0.0	0.0	0.0
D&A	n.a.	-2.3	-2.4	-2.7	-3.3	-3.9
EBIT Rep	n.a.	4.4	3.1	3.4	3.9	4.3
Growth	n.a.	n.a.	-30.4%	10.7%	13.7%	10.4%
Margin	n.a.	20.7%	14.3%	14.9%	15.7%	16.0%
Net Interest Charges	n.a.	-0.2	-0.2	-0.3	-0.2	-0.1
Financial Expenses	n.a.	-0.2	-0.4	0.2	-0.2	-0.1
Non Recurrings	n.a.	0.0	-0.2	0.5	0.0	0.0
PBT Rep	n.a.	4.2	2.7	3.6	3.7	4.2
Growth	n.a.	n.a.	-35.6%	32.9%	1.9%	13.6%
Income Taxes	n.a.	-1.3	-1.2	-1.1	-1.3	-1.5
Tax rate	n.a.	31.6%	43.7%	35.0%	35.0%	35.0%
Minority Interest	n.a.	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	n.a.	0.0	0.0	0.0	0.0	0.0
Net Income Rep	n.a.	2.9	1.5	2.5	2.4	2.7
Growth	n.a.	n.a.	-47.0%	64.8%	-5.1%	13.6%
Margin	n.a.	13.5%	7.1%	11.0%	9.7%	10.2%
Net Income Adj	n.a.	2.9	1.5	2.0	2.4	2.7
Growth	n.a.	n.a.	-47.0%	32.2%	18.2%	13.6%
Margin	n.a.	13.5%	7.1%	8.8%	9.7%	10.2%
CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	n.a.	5.2	4.0	5.2	5.7	6.6
Chg. in Working Capital	n.a.	0.8	1.5	-0.2	-0.2	-0.9
NCF from Operations	n.a.	5.9	5.5	5.0	5.5	5.7
CAPEX	n.a.	-2.7	-4.9	-5.3	-6.0	-2.5
Financial Investments	n.a.	0.0	0.0	0.0	0.0	0.0
NCF from Investments	n.a.	-2.7	-4.9	-5.3	-6.0	-2.5
Dividends paid	n.a.	0.0	0.0	0.0	0.0	0.0
Capital Increases	n.a.	0.0	0.0	14.2	0.0	0.0
Other changes in financing	n.a.	-1.3	0.6	2.0	-0.1	0.0
CHG IN NFP	n.a.	2.0	1.2	15.9	-0.6	3.3

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

This publication has been prepared by the following financial analyst(s) on behalf of EQUITA SIM SpA (licensed to practice by CONSOB resolution no. 11761 of December 22nd 1998 and registered as no. 67 in the Italian central register of investment service companies and financial intermediaries) to which he/she/they is/are bound by an employment contract: Emanuele Gallazzi

In the past EQUITA SIM has not published studies on Kaleon

EQUITA SIM is distributing this publication via e-mail to more than 900 qualified operators and to unqualified operators via Borsa Italiana website on Monday, 09 February 2026 at 08:00 AM.

The prices of the financial instruments shown in the report are the closing prices of the date indicated in the first page stock data table.

EQUITA SIM intends to provide continuous coverage of the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the issuer's periodical financial reporting and of any exceptional event occurring in the issuer's sphere of activity.

The information contained in this publication is based on sources believed to be reliable. Although EQUITA SIM makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information. If there are doubts in this respect, EQUITA SIM clearly highlights this circumstance. The most important sources of information used are the issuer's public corporate documentation (such as, for example, annual and interim reports, press releases, and presentations) besides information made available by financial service companies (such as, for example, Bloomberg and Reuters) and domestic and international business publications. It is EQUITA SIM's practice to submit a pre-publication draft of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. This note has been submitted to the issuer.

The recommendation was produced using proprietary Excel models that are stored on company servers. The models are backed up at the end of each month.

EQUITA SIM has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them.

Furthermore, it is pointed out that EQUITA SIM SpA is an intermediary licensed to provide all investment services as per Italian Legislative Decree no. 58/1998. Given this, EQUITA SIM might hold positions in and execute transactions concerning the financial instruments covered by the present publication, or could provide, or wish to provide, investment and/or related services to the issuers of the financial instruments covered by this publication. Consequently, it might have a potential conflict of interest concerning the issuers, financial issuers and transactions forming the subject of the present publication.

Equita SIM S.p.A. performs or has performed in the last 12 months the role of specialist for financial instruments issued by Kaleon. Equita SIM S.p.A. performs or has performed in the last 12 months the role of Nomad for the listing of Kaleon. Equita SIM S.p.A. performs or has performed in the last 12 months the role of Global Coordinator in the public offer concerning financial instruments issued by Kaleon.

In addition, it is also pointed out that, within the constraints of current internal procedures, EQUITA SIM's directors, employees and/or outside professionals might hold long or short positions in the financial instruments covered by this publication and buy or sell them at any time, both on their own account and that of third parties.

Research Division management alone determines the remuneration of the analysts who produced the publication, and their remuneration is not linked to Equita SIM's Investment Banking transactions. It is linked to Equita SIM's total revenue, which includes the revenue of the Investment Banking and Sales & Trading Divisions.

For more details on the policies and principles designed to ensure the integrity and independence of Equita SIM analysts, please refer to the policy on organizational mechanisms of the Research activity available at www.equita.eu on the "Legal notices" section.

The recommendations to BUY, HOLD and REDUCE are based on Expected Total Return (ETR – expected absolute performance in the next 12 months inclusive of the dividend paid out by the stock's issuer) and on the degree of risk associated with the stock, as per the matrix shown in the table. The level of risk is based on the stock's liquidity and volatility and on the analyst's opinion of the business model of the company being analysed. Due to fluctuations of the stock, the ETR might temporarily fall outside the ranges shown in the table.

EXPECTED TOTAL RETURN FOR THE VARIOUS CATEGORIES OF RECOMMENDATION AND RISK PROFILE

RECOMMENDATION/RATING	Low Risk	Medium Risk	High Risk
BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR < 10%	-5% <ETR < 15%	0% <ETR < 20%
REDUCE	ETR <= -5%	ETR <= -5%	ETR <= 0%

The methods preferred by EQUITA SIM to evaluate and set a value on the stocks forming the subject of the publication, and therefore the Expected Total Return in 12 months, are those most commonly used in market practice, i.e. multiples comparison (comparison with market ratios, e.g. P/E, EV/EBITDA, and others, expressed by stocks belonging to the same or similar sectors), or classical financial methods such as discounted cash flow (DCF) models, or others based on similar concepts. For financial stocks, EQUITA SIM also uses valuation methods based on comparison of ROE (ROEV – return on embedded value – in the case of insurance companies), cost of capital and P/BV (P/EV – ratio of price to embedded value – in the case of insurance companies).

Ord KLN IM MOST RECENT CHANGES IN RECOMMENDATION AND/OR IN TARGET PRICE:

Date	Rec.	Target Price	Risk.	Comment
nil				

DISCLAIMER

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments.

EQUITA SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, EQUITA SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The estimates and opinions expressed in the publication may be subject to change without notice.

EQUITY RATING DISPERSION AS OF DECEMBER 31, 2025
(art. 6, par. 3 Delegated Regulation (EU) 2016/958 of 09 March 2016)

	COMPANIES COVERED	COMPANIES COVERED WITH BANKING RELATIONSHIP
BUY	59.2%	63.2%
HOLD	37.5%	30.9%
REDUCE	0.7%	1.5%
NOT RATED	2.6%	4.4%

The list of all conflicts of interest, rating dispersion, last 12 months recommendation made by Equita SIM's analysts and other important legal disclaimers are available on www.equita.eu in the "Legal notices" section.

This document has been provided to you solely for informational purposes and may not be reproduced or distributed, directly or indirectly, to any other person, nor may it be published, wholly or in part, for any reason, without EQUITA SIM's specific authorisation. By accepting this document, you agree to comply with the limitations indicated above.

For Entities and Clients in the United Kingdom

Equita is registered as a UK's "Overseas Persons Exclusion" ("OPE"): this means that Equita has not established an actual or deemed permanent place of business in the UK. Equita is not a member of the "Financial Conduct Authority" and Research Analysts and Research Reports must comply with requirements for fairness, balance and disclosure of potential conflicts of interest.

This research report is only being offered to UK "investment professionals" and "high net worth companies" and the investment to which it relates is available only to such persons and that any other person(s) should not act or rely upon it.

For Entities and Clients in the United States

Equita is not registered as a broker-dealer with the U S Securities and Exchange Commission, and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Equita is not a member of the Financial Industry Regulatory Authority. It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest.

This research report is only being offered to Major U S Institutional Investors and is not available to, and should not be used by, any U S person or entity that is not a Major U S Institutional Investor. Equita can not and will not accept orders for the securities covered in this research report placed by any person or entity in the United States. Orders should be placed with our correspondent, Auerbach Grayson & Co. 212-557-4444.