PRIVATE EQUITY

HAT SGR
Investing in Italian Private Equity Technology

Itinerari Previdenziali

New investment opportunities as a solution to the “great wealth transfer”

February 19, 2025

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Our history in numbers

Italian Private Equity Fund Investing in Technology Companies

- HAT has a **consolidated track record into Italian private equity investments** in the growing and dynamic **technology sector**.
- The guiding light of HAT is the belief that the transformative power of **technology** is the key to an even better future: a **healthier planet**, a **smarter economy**, an **inclusive community** and a **broader path to prosperity**. For this reason, HAT remains singularly-focused on capturing the opportunities in this market.
- The mission of HAT is to develop and promote the **best investment solutions**, delivering **top-quartile performances** to its investors with a **strong attention to risk mitigation**, and creating **lasting impact** for portfolio companies and the communities in which we live.
- Since inception in 2007, HAT has raised €**500** million, launched **five investment funds** and 1 advisory mandate, made **38 direct investments** and more than **50 add-on investments**, representing more than **90 transactions in the technology industry**. And now, HAT is targeting €**200** million for its **fifth fund: HAT Technology Fund 5**.

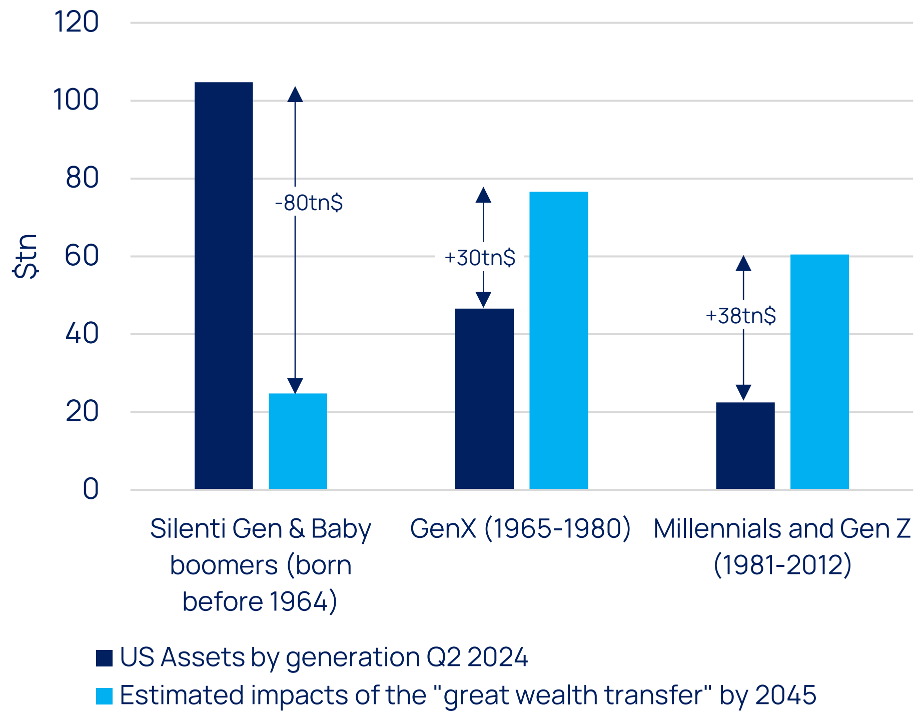
18	€500	90+	6
Years in Operation	Raised Capital (million)	Investments	Private Equity of the Year Awards
20+	**21%**	**2.7x**	**2**
Professionals	IRR	Cash-on-Cash	IPO

Breaking down the event’s title

The “great wealth transfer”

New investment opportunities as a solution to **the “great wealth transfer”**

The impacts of the “great wealth transfer”



1. **Financial Innovation and Investment Trends**
Shifts in investment strategies, growing interest in digital financial services, alternative assets, and sustainability-focused investments.

2. **Healthcare Advancements and Personalization**
Increased spending on private healthcare, wellness technologies, and personalized medical innovations.

3. **Generational Redefinition of Legacy:**
New perspectives on philanthropy, entrepreneurship, and wealth stewardship for societal impact.

4. **Technological Disruption Across Sectors:**
Accelerated adoption of emerging technologies in industries beyond finance, including education, real estate, and consumer experiences.

Sources: US data “Survey of Consumer Finances and Financial Accounts of the United States” and “Cerulli Associates, “The Cerulli Report: U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021”.

Breaking down the event's title

The main investment needs and focus of GenX and Millennials

New investment opportunities as a **solution to** the "great wealth transfer"

the needs of

51%

of Gen X showed interest in Tech Funds o tech-driven PE strategies in 2023 (6)

78% of Millennials states to consider ESG factors in their investment decisions (7)

35%

of Generation X investors express interest in accessing private investment opportunities (3)

Investors that would use social media channels to choose and interact with an advisor (1)

95% Under 35

13% Over 65

39%

of US Family Offices acknowledge having strong digital capabilities (2)

3x

weight of Alternative Investments in Millennials and Gen Z portfolios vs older generations (5)

59%

of millennials are more likely than the average investor to seek wealth managers who **continuously enhance their digital platforms** with new features (4)

Sources: (1) "Intergenerational wealth transfer can be captured with tech" by IE Investmnet Executive, (2) "PwC's 2023 US Family Business Survey", (3) "Generation X Report" by Natixis, (4) "How can today's millennial investors drive tomorrow's business growth?" by EY, (5) BofA Private Bank Study of Wealthy Americans Finds Generational Divide in Investing, Giving and Preserving Wealth, (6) "Trends in philanthropy 2025, spotlight on Next Gen" by UBS, (7) Morgan Stanley

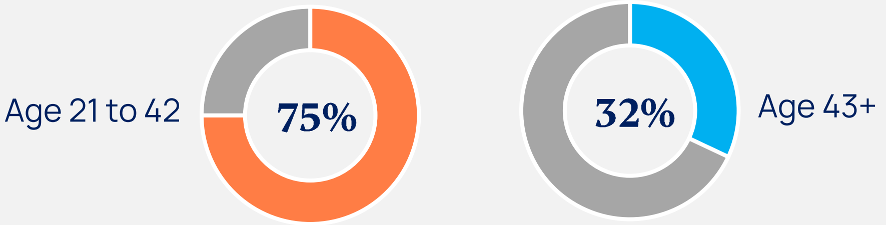
Breaking down the event’s title

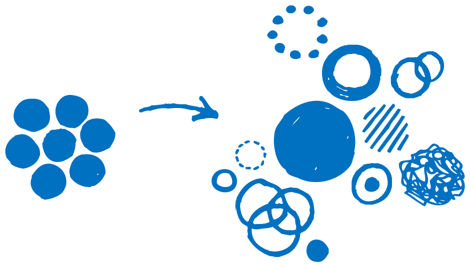
As we understand the upcoming needs, we must identify the appropriate investment opportunities

~~New~~ **investment opportunities** as a solution to the “great wealth transfer”

Appropriate

Agree or strongly agree that “it’s not possible to achieve above-average returns solely with traditional stocks and bonds





Tailor and value existing investment proposition and carefully design new investment opportunities

HAT SGR

Italian Private Equity Fund Investing in Technology Companies

The Fund

- HAT Technology Fund 5 focuses on Lower-Mid Market through selected **expansion** capital and **minority buyout** investments into **8** to **12 technology businesses**, mainly in **Italy**.
- The Fund, targeting €**200** million in capital commitments, is a **continuation of the successful investment strategy** of previous funds of HAT.

The Market

- Technology persists as a **powerful global MegaTrend**, impacting macro economy, business and society. The recent revaluation offers an **attractive entry point**.
- Italian digital market prospects a **superior annual growth** with respect to Europe in general, as it still has to reach its maturity in a context of **strong digitization needs**.

The Manager

- HAT is an established **Italian private equity investment firm in Technology** sector with €**500** million in raised capital across 5 funds and 1 advisory mandate, targeting €200 million for its fifth fund: HAT Technology Fund 5.
- Since it was founded in 2007, HAT has concluded **90+** investments.

Track Record

- HAT has proven its ability to **successfully execute on the target strategy** across **multiple market cycles**.
- HAT Funds have achieved strong aggregate performance, generating **attractive returns** with average MOIC of **2.7x** and IRR of **21%**.

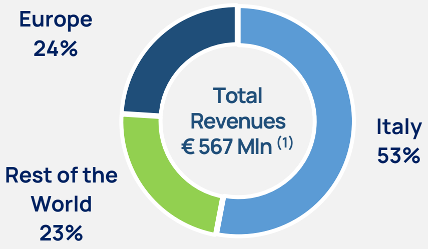
An Italian portfolio with an international DNA

Opportunities of an Italian focused portfolio

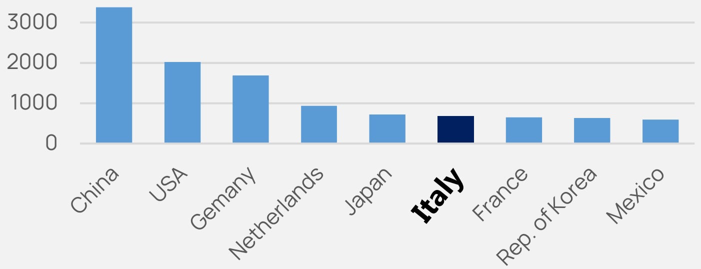
Mitigated Risks and Strategic Opportunities in Italian Investments

- **Strong Export Resilience:** The risks of investing in Italy-focused funds are significantly mitigated by the country's **robust export-driven economy**. Italian companies consistently derive a substantial portion of their revenues from international markets. This trend plays a role especially in the **Industry 4.0/5.0** (including automation/robotics) focused companies we invest in.
- **Global Export Leader:** Italy ranks as the 6th largest exporter worldwide, highlighting its deep integration into global trade. The breakdown of Hat Technology Fund 4 revenues shows a great revenues geographic diversification.
- **Attractive Valuations:** Technology investments in Italy are accessible at notably lower entry multiples compared to the global market, creating opportunities for high-value growth at competitive costs. **HAT's entry multiple (EV median** for tech deals stands at **6.3**, while the median over the last 10 years globally is much higher, **11.1x**.

Hat Technology Fund 4 revenues breakdown by Geography



World Countries ranked by Export (bn€)



Attractive entry multiple (EV/EBITDA) for technology focused deals[2]

6.3x VS 11.1x

(1) Data as of 31/12/2022 (2) Italian multiple obtained as the median of EV/EBITDA of HAT SGR Tech focused deals since inception. Global multiple from Aventis Advisors research, based on 606 deals from 2015 to 2024 https://aventis-advisors.com/it-services-valuation-multiples/
WTO data for 2023. Source for global multiple

Italian Technology Market

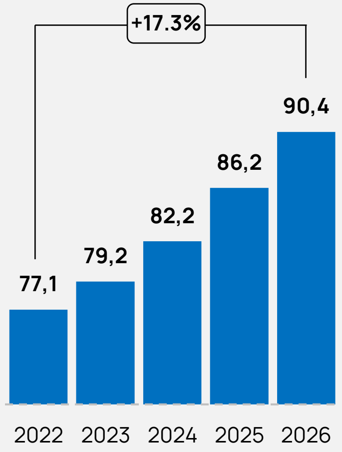
Italian Digital Market is one of the best European ones

- The last 5 years trend has been **exceptional** for **Italian Digital market**, as proven by the European Commission's analysis on the DESI (Digital Economy and Society Index). From this report **Italy emerges as the best overperformer country** in Europe (2018-2022) with respect to 2017 expectations.
- The Italian Technology market is **a small and fragmented contest** that has not yet reached its maturity, and it prospects **a growth rate twice** as big as the European one. The Italian market reached €**77.1** billion in 2022 and is expected to grow further over time up to €**90.4** billion in 2026 (CAGR 2022-26E ~**3,8%**).
- **Digital Enablers & Transformers** will be the leading sub-sector of the Italian digital market and are projected to experience **double-digit growth** over the next years (CAGR 2022-26E ~**12.0%**).
- Italy will receive a total amount of **€41.3bn** from the **Recovery and Resilience Facility** to allocate to digitization and innovation, following the guidelines of the first mission of the Italian plan to **boost the digital transition of the economy**.

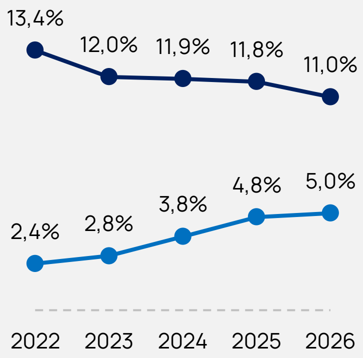
Rise of IoT devices accelerates Digital transformation

Number of IoT connected devices [3] (bn)

Italian Digital Market (bn€)



Growth of the Italian Digital Market vs Digital Enabler & Transformer (%)



Digital Market Digital Enabler & Transformer

Article 8 of the SFDR

Sustainable Development Goals addressed by HAT 5

FinScience's Alternative ESG Score assesses corporate sustainability against contribution to each of the 17 Sustainable Development Goals (SDGs) of the UN 2030 Agenda. The 17 SDGs provide governments and businesses with a framework to guide actions and investments with a view to better managing present and future socio-environmental challenges.

Case Studies

Unique access to Italian Technology Star Companies

Exited

6.7x MoIC | **44%** IRR

S21°

Sector: **Software**
Activity: **Software (smart mobility)**
Duration: **2016->2021**
Value creation: **3 add-ons and managerialization**

3.3x MoIC | **35%** IRR

WIIT THE PREMIUM CLOUD

Sector: **Digital Enabler**
Activity: **Cloud Computing**
Duration: **2013->2017 (IPO)**
Value creation: **2 add-ons and Capex on technology systems**

5.1x MoIC | **39%** IRR

sia

Sector: **Fintech**
Activity: **Digital Payment**
Duration: **2014->2019**
Value creation: **2 add-ons in Italy and Europe**

5.1x MoIC | **85%** IRR

ASSIST DIGITAL

Sector: **Digital Enabler**
Activity: **AI and CRM**
Duration: **2012->2016**
Value creation: **2 add-ons**

2.8x MoIC | **32%** IRR

GPI

Sector: **Software**
Activity: **Healthcare SW**
Duration: **2013->2016 (IPO)**
Value creation: **14 add-ons in Italy and Europe**

1.7x MoIC | **21%** IRR

LUTECH

Sector: **Digital Enabler**
Activity: **System integrator**
Duration: **2014->2017**
Value creation: **11 add-ons**

2.4x MoIC | **47%** IRR

burke&burke emotion through technology

Sector: **Medical Tech**
Activity: **Med-device distribution**
Duration: **2021->2023**
Value creation: **Mngt report system, ESG policies**

In portfolio

+17%
Revenue Growth 2y CAGR

texor

Sector: **Software**
Activity: **ICT & System Integrator**
Year invested: **2024**
Value creation plan: **external acquisitions and OT capabilities development**

+76%
Revenue Growth 2y CAGR

PRIMAT CURTIS

Sector: **Industry 4.0**
Activity: **Technological Solutions**
Year invested: **2022**
Value creation: **2 add-ons, one in Italy and one in the USA**

Case Studies – Exit strategies

Companies' developments after HAT's exit

6.7x MoIC | 44% IRR
S21°
Sold to Bregal Unternehmerkapital

3.3x MoIC | 35% IRR
WIIT THE PREMIUM CLOUD
Listed on EURONEXT

5.1x MoIC | 39% IRR
sia
Sold to Nexi backed by BainCapital

5.1x MoIC | 85% IRR
ASSIST DIGITAL
Currently held by ARDIAN

2.8x MoIC | 32% IRR
Gpi
Listed on EURONEXT

1.7x MoIC | 21% IRR
LUTECH
Currently held by Apax PARTNERS

2.4x MoIC | 47% IRR
burke&burke emotion through technology
Sold to Palex Medical backed by Apax PARTNERS, FREMMAN CAPITAL

- We have been fostering **future market leaders,** as proven by the development that former portfolio companies had after our exit
- The fact that established and large funds have invested in our former portfolio companies is a **testament** to their quality and to the development we have been able to achieve as partners.

HAT

FOR MORE INFORMATION

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