Document produced on
8 February 2026 at 11:24am CET
Document published on
8 February 2026 at 8:26am CET

# EQUITY RESEARCH

## KALEON
INITIATION OF COVERAGE

**BUY**
**TP 5.5€**
**Up/Downside: 35%**

## Preserving Heritage, Creating Value

**Kaleon is the only private European player positioned in Heritage Management for owners of heritage properties. Its model combines full outsourcing, guaranteed revenues and full preservation of ownership — a unique value proposition in a market with no direct competitor. The group operates a portfolio of iconic assets whose reputation has been established for four centuries: the Borromean Islands, in Italy, described by the New York Times as among the most fascinating places in the world.**

**The company sits at the intersection of three attractive dynamics:** growing demand for exclusive cultural experiences, the pressing need of property-owning families for sustainable preservation and value-creation solutions, and institutional appetite for sustainable asset-light models. **Kaleon offers a differentiated growth profile, with a defensible long-term value proposition.**

**We identify four investment pillars. i) An asset-light business model, differentiating and replicable,** generating **EBITDA margins above 25%. ii) A structurally supportive market: €6bn in cultural tourism in Italy,** growing at 11–15% per year, and 44,000 private historic properties to be developed. **iii) A visible growth trajectory:** an **organic CAGR of +8.8% over 2024–2029**, with significant optionality from external expansion. **iv) An attractive financial profile:** expected **cash conversion of around 40%** and an estimated positive net financial position of €5m at end-2025, following the €16.5m capital increase at IPO, providing a solid foundation for an expansion-driven investment strategy.

**Beyond these four pillars, we see optionality not captured in our valuation: the potential for a hotel partnership.** Accor's acquisition of Paris Society and the launch of Emblem illustrate the growing interest of major hotel groups in concepts anchored in exceptional cultural venues. **Kaleon would offer a differentiating asset: privileged access to Italian private heritage**, legitimacy with property-owning families and 40 years of conservation expertise. **It is important to note that this scenario is the result of our own analysis and does not reflect any stated intention by Kaleon's management. It is not factored into our valuation.**

**We initiate coverage of Kaleon with a BUY recommendation and a TP of €5.50 per share.** At **7x EV/EBITDA 2026e**, the stock trades at a **~30% discount to selected peers**, despite higher growth expectations and margins. We believe the group has a **solid track record** of **organic growth**, demonstrating the credibility of its expansion in a niche segment that requires **targeted investment and best-in-class execution**.

| **Key data** | |
|---|---|
| Price (€) | 4.1 |
| Industry | Tourism |
| Ticker | ALKLN-FR |
| Shares Out (m) | 14.125 |
| Market Cap (m €) | 57.6 |
| Next event | Sales 2025 - 16.02.2026 |

Source: FactSet

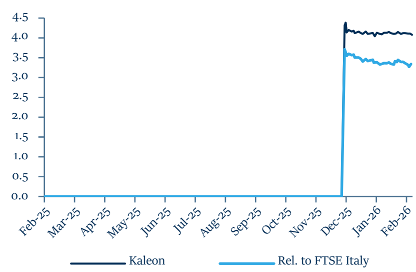
| **Ownership (%)** | |
|---|---|
| L6A4 S.r.l. (Vitaliano Borromeo) | 70.8 |
| Free float | 29.2 |

Source: TPICAP Midcap estimates

| **EPS (€)** | 12/25e | 12/26e | 12/27e |
|---|---|---|---|
| Estimates | 0.00 | 0.00 | 0.00 |
| Change vs previous estimates (%) | na | na | na |

Source: TPICAP Midcap estimates

| **Performance (%)** | 1D | 1M | YTD |
|---|---|---|---|
| Price Perf | -0.9 | -0.5 | 0.9 |
| Rel FTSE Italy | -1.0 | -0.9 | -1.0 |



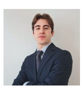

Source: FactSet

| TP ICAP Midcap Estimates | 12/24 | 12/25e | 12/26e | 12/27e |
|---|---|---|---|---|
| Sales (m €) | 21.7 | 23.3 | 26.3 | 28.8 |
| Current Op Inc (m €) | 5.5 | 6.1 | 7.4 | 8.4 |
| Current op. Margin (%) | 25.4 | 26.1 | 28.3 | 29.0 |
| EPS (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| DPS (€) | 0.00 | 0.00 | 0.00 | 0.00 |
| Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| FCF (m €) | 1.6 | -0.9 | -0.5 | 3.4 |

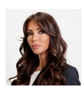
| Valuation Ratio | 12/25e | 12/26e | 12/27e |
|---|---|---|---|
| EV/Sales | 2.2 | 2.0 | 1.7 |
| EV/EBITDA | 8.6 | 7.1 | 6.0 |
| EV/EBIT | 8.6 | 7.1 | 6.0 |

Source: TPICAP Midcap

**Analyst**
Alessio Olmi
alessio.olmi@tpicap.com
+33149241801



**Equity Strategist**
Sarah Thirion
sarah.thirion@tpicap.com
+33153451072



**TP ICAP Classification: Public**

## Description

Kaleon Heritage Management specializes in the preservation, enhancement, and promotion of historical, artistic, and natural heritage. The company has successfully demonstrated that world-class family assets can generate both cultural value and economic returns. Leveraging the Borromeo family heritage, Kaleon has established a sustainable tourism platform that serves as a key economic driver for the Lake Maggiore region. The group currently manages six Borromeo-owned sites, attracting approximately 1 million visitors annually, and continues to expand its portfolio of heritage-based experiences. By combining heritage conservation with innovative tourism development, Kaleon creates a unique, high-margin business model where cultural stewardship and profitability coexist.

## SWOT Analysis

### Strengths

- Unique and prestigious asset portfolio (Borromean Islands)
- 40-year track record, ~1 million annual visitors
- High-margin asset-light model (EBITDA >25%)
- Integrated offering (culture, hospitality, F&B, events)

### Weaknesses

- Marked seasonality (60–70% of revenue between May and September) and sensitivity to weather conditions
- Geographic concentration on Lake Maggiore
- Modest size limiting economies of scale
- Dependence on Borromeo assets (>90% of revenue)

### Opportunities

- Fragmented Italian market (44,000 private dwellings)
- ADSI partnership (4,500 members, 15+ inbound requests)
- Cultural tourism growth (+11–15% CAGR)
- UNESCO candidacy for Stresa (September 2025)

### Threats

- Execution risk on external expansion
- Macro sensitivity (health crises, geopolitical shocks, cost inflation)
- Potential competition from new entrants
- Perceived conflict of interest (Borromeo lease agreements)

# 1 – Company Overview

## 1.1 — History and Vision

**Kaleon preservation and development of their historic heritage around Lake Maggiore. The** name “Kaleon” draws from the **ancient Greek καλός (kalós),** meaning beauty but also what is noble and virtuous in moral and ethical terms. This etymology reflects the group’s philosophy: creating economic value while preserving and passing on an exceptional cultural heritage.

**The Borromeo family is one of the oldest and most prestigious dynasties in northern Italy, with origins dating back to the 12th century.** They have owned the Lake Maggiore territories since the 15th century — Isola Madre since 1501, Rocca di Angera since 1449, Isola Bella since 1604. Unlike many European aristocratic families who sold or let their heritage deteriorate in the face of economic and tax constraints, the Borromeos have always viewed their properties not as private wealth to be exploited but as a heritage to be developed, respected, shared and passed on to future generations.

Over the centuries, this exceptional heritage has welcomed major historical figures: Napoleon Bonaparte in 1797, the writers Stendhal and Gustave Flaubert (who described Isola Madre as “the most voluptuous place he had ever seen”), the composer Franz Liszt, and Ernest Hemingway who set the final chapters of “A Farewell to Arms” on the Borromean Islands. **More recently, the sites hosted the G7 Finance summit in 2024 and the Louis Vuitton Cruise 2024 fashion show, demonstrating their enduring international appeal.**

## 1.2 — The Business Model: Three Founding Pillars

Kaleon’s business model is built on **three fundamental principles** that radically differentiate it from traditional heritage management approaches in Italy and Europe:

- **Asset-light: operational focus rather than ownership —** Kaleon does not acquire the cultural sites it manages but specialises in their transformation and operation via long-term leases (10–15 years). This approach offers several strategic advantages: i) limited capital intensity and balance sheet risk, ii) concentration of resources on operational expertise and value creation, iii) the ability to expand rapidly without real estate financing constraints, and iv) alignment of interests with owners who retain their heritage while benefiting from professional management.

- **Integrated ecosystem: a centralised approach generating synergies —** Kaleon creates value by connecting its portfolio of sites through shared infrastructure and expertise. Support functions (marketing, sales, administration, procurement) are centralised at group level, generating significant economies of scale. This approach represents a break from the traditional Italian model, characterised by fragmented, site-by-site management with no pooling of resources or overarching vision.

- **Experiential monetisation: beyond the simple cultural visit —** Kaleon enriches cultural visits with a comprehensive service offering — dining, accommodation, retail, premium events — that simultaneously elevates visitor satisfaction and generates diversified revenue streams. This strategy transforms a one-off visit into a multi-faceted immersive experience, significantly increasing average spend and length of stay. Overnight guests spend 3 to 4 times more than day visitors.

## 1.3 — Asset Portfolio: Six Exceptional Sites to Date

**Kaleon's asset portfolio at IPO constitutes an exceptional entry point.** The Borromean Islands were described by the New York Times in 2019 as among the most fascinating places in the world, a recognition that builds on a long tradition: Montesquieu already described the archipelago as "the most enchanting place of sojourn in the world," while Flaubert called the gardens of Isola Madre "the most voluptuous place in the world."

In 2024, Louis Vuitton chose Isola Bella for its Cruise fashion show, confirming the sites' positioning in the global luxury imagination. **These iconic assets represent the core of Kaleon's portfolio to date: Isola Bella and Isola Madre alone generate more than 70% of the group's revenue.** Complemented by **Parco and Villa Pallavicino** (undergoing hotel conversion), **Rocca di Angera** (a medieval castle housing the largest doll museum in Europe), **Parco del Mottarone** and **Castelli di Cannero**, the initial portfolio offers a diversity of experiences, on an asset base whose international reputation is already established. Kaleon does not need to build the reputation of its sites: it has existed for four centuries.

Those six exceptional heritage sites, all located in the Lake Maggiore region, collectively attracting close to **one million visitors annually** and **generating €21.7m in revenue in 2024**.

**Chart 1: Assets Currently Held by Kaleon**


Source: TP ICAP, Company Data

**Isola Bella is unquestionably the flagship of the portfolio.** Originally a simple rock with fishermen's houses in the 17th century, the island was transformed by Vitaliano VI Borromeo into a baroque masterpiece. The Borromeo Palace, with its halls adorned with paintings, tapestries and sculptures, and its grottoes decorated with pebbles and seashells, overlooks spectacular terraced gardens forming the Teatro Massimo. **The site alone generates more than €12m in annual revenue.**

# 2 – Market Analysis

## 2.1 — The Rise of Global Cultural Tourism

**Cultural tourism — defined as travel motivated by the tangible and intangible cultural attractions and products of a destination — is experiencing structural growth** driven by converging fundamental trends.

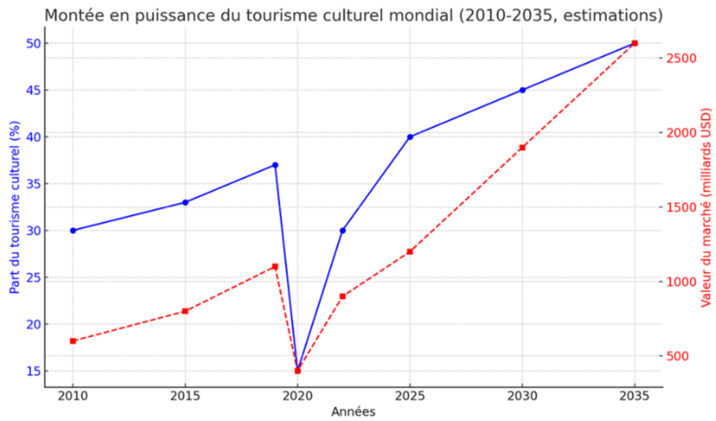
According to estimates from McKinsey, *Coherent Market Insights and Data Bridge Market Research*, the global cultural tourism market is **expected to grow by 11–15% per year between 2025 and 2032**, driven by several factors:

- **Search for meaning and authenticity:** travelers seek experiences offering discovery, emotion and connection with history and local cultures. Visits to historic sites, museums and festivals meet this need for meaning.
- **Rise of global middle classes:** a new customer base able to travel internationally, particularly to Europe perceived as an "open-air museum."
- **"Slow tourism" and short breaks:** development of low-cost and regional connections, dispersal of tourist flows, rise of slow tourism (travelling less far, less fast, better) and short breaks — a lasting post-pandemic trend according to McKinsey.
- **Cultural routes:** emergence of thematic itineraries connecting monuments, museums, landscapes and villages (UNESCO routes, Council of Europe cultural routes, abbey routes, Silk Road).

- **Secondary destinations:** desire for authentic, less standardized experiences through the discovery of heritage-rich secondary cities. Lake Maggiore is an emblematic destination of this trend.

- **Immersive technologies:** adoption of technologies enriching visits, making heritage more understandable, immersive and attractive.

**Chart 2: Estimated Growth of the Global Cultural Tourism Market**




Source: TP ICAP Midcap estimates 2025–2035 based on IMF projections (global cultural tourism market at USD 1.2 trillion in 2025 and c. USD 2.6 trillion in 2035), Data Bridge, Grand View Research. *2020: collapse of 74% in international arrivals across all forms of tourism (UNWTO/UNESCO).*

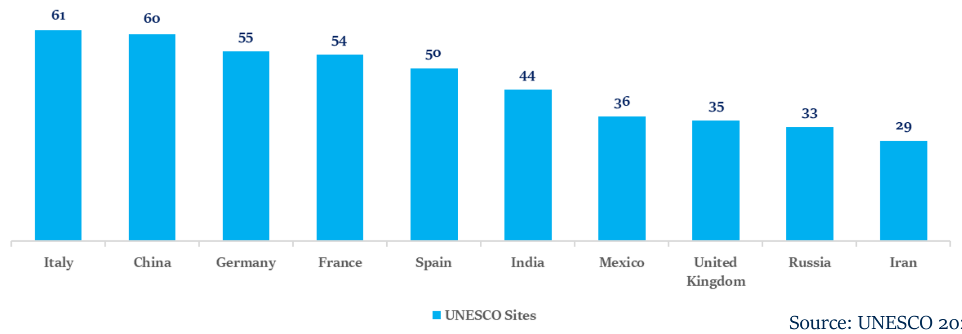
The **"cultural heritage" sub-category represented 55.5% of heritage tourism segment revenue in 2024.** According to McKinsey (*The State of Tourism and Hospitality 2024*), culture and authenticity enthusiasts (18% of 5,000 respondents) are active, high-budget travellers, typically spending more than $150/day, who enjoy cultural visits and are willing to pay for unique experiences.

## 2.2 — Italy: An Unrivalled Position in Cultural Tourism

**Italy occupies an absolutely unique position in the global cultural tourism landscape,** combining structural assets that no other country can claim to bring together. This exceptional configuration creates a particularly favourable growth environment for Kaleon.

**Italy holds the world record for sites inscribed on the UNESCO World Heritage List, with 61 listed sites, ahead of China and Spain.** The country is home to several universal capitals of art and history — Rome, Florence, Venice, Naples, Milan — as well as an unmatched density of museums, monuments and ancient remains. In 2024, Italy welcomed nearly 60 million **international visitors** (**57.8 million** according to the World Tourism Ranking), ranking third in Europe. **Overnight stays** in tourist accommodation **reached 458.4 million** (+2.5%), of which more than 250 million were generated by foreign tourists (+6.8%, i.e. 55% of total). Meanwhile, **international tourism expenditure exceeded €56.7bn in 2024** (+10% vs. 2023) and is expected to reach €77.4bn by 2034, with an average **annual growth rate of 3.2%**. In this context, the Italian cultural tourism market — estimated at €6bn — is expected to grow by 11 to 15% per year between 2024 and 2028 (according to McKinsey, *Coherent Market Insights and Data Bridge Market Research*), driven by the search for authentic and meaningful experiences, the expansion of global middle classes who view Europe as an "open-air museum," and the development of slow tourism, favouring short cultural stays close to home.

**Chart 3: Italy, the World's Leading Country by Number of UNESCO Sites**




Source: UNESCO 2025

**Italy's geographical location, at the heart of the Mediterranean basin, reinforces this attractiveness through exceptional accessibility and structural cross-border demand from France, Switzerland, Austria and Slovenia.** The combination of Ligurian and Adriatic beaches, Alpine and Dolomite mountain ranges, northern lakes and Tuscan hills offers a complete range of experiences that constitutes a structural advantage enabling year-round tourist appeal and a natural extension of the season. Added to this is a convergence of public and private investment: **private spending on historic properties increased by +27% over six years** (€1.5bn in 2017 to €1.9bn in 2023, according to ADSI), while the **PNRR** (Piano Nazionale di Ripresa e Resilienza) **is injecting €3.8bn dedicated to site restoration** and digitalisation of visitor experiences, reflecting a systemic commitment to modernising access to heritage.

**Italy also benefits from a unique "glamour effect," regularly fuelled by celebrity weddings** (George Clooney in 2014, Jeff Bezos in 2025), iconic film shoots ("House of Gucci" in 2021) and major fashion events. This cultural and aesthetic aura, combined with the imagery of la Dolce Vita, design and luxury, attracts a premium clientele, and the Milan-Cortina 2026 Winter Olympics will further enhance this international visibility. Milan, Rome, Florence and Naples remain historic centres of artisanal excellence and are home to iconic houses such as Gucci, Prada, Valentino, Armani and Dolce & Gabbana, whose initiatives create natural synergies with cultural heritage, confirming the "premium" monetisation potential of exceptional sites.

**A defining characteristic nevertheless sets Italy apart from other European countries: unlike France, where the 1789 Revolution led to the nationalisation of most historic monuments,** Italy retains an exceptional proportion of private heritage, with **43,700 protected private historic properties**, of which **nearly 20,000 are partially or totally inactive due to lack of resources**. This unique configuration creates a considerable pool of opportunities for a specialised operator and represents an unparalleled structural competitive advantage in Europe.

**Finally, the European context provides a particularly favourable framework thanks to a volume of free time significantly higher than in other regions of the world:** between 30 and 36 annual leave days depending on the country, plus 10 to 15 public holidays, compared with rarely more than two weeks in the United States and 10 to 20 days in many Asian countries. This structural availability guarantees a stable local customer base, facilitates off-season occupancy and supports the development of short cultural breaks.

## 2.3 — The Failures of Existing Heritage Management Models

**The heritage management market is characterised by extreme fragmentation and widespread inefficiency among existing operators.** This situation creates a **void** that **Kaleon is positioned to fill with its integrated model.**

**Public institutions: structural economic inefficiency**

National institutions responsible for heritage management systematically fail in terms of profitability and economic viability. In France, ticket sales and self-financing cover on average only 50% of maintenance costs. The Senate criticises the costly management of heritage: for the Centre des Monuments Nationaux (CMN), the State must contribute more than €100m each year. The Senate explicitly recommends improving profitability, noting that the average ticket price at the CMN is only €5 per visitor.

Europa Nostra, a European cultural heritage NGO present in more than 50 countries and working in partnership with UNESCO, the EU and the Council of Europe, remains vulnerable due to its dependence on public funding in a context of budgetary constraints.

**Private initiatives: the ownership vs. profitability dilemma**

Private initiatives, whether associations or trusts, contribute to heritage preservation but fail to reconcile economic profitability with the retention of ownership by legitimate heirs:

**Trust model (National Trust UK):** the owner generally transfers ownership to the Trustee who manages the property for the beneficiaries (public, communities, heirs), while potentially retaining certain usage rights. This model entails a loss of heritage control for families.

**Conservation Easements (United States):** the owner retains title but grants the Trust control over use or modifications, preserving landscape or architectural integrity without economic exploitation.

**Heritage Partnership Agreements (UK):** the owner retains ownership but certain aspects of use or management are regulated, without full operationalisation beyond the regulatory framework.

**Usufruct (civil law):** the owner retains bare ownership while temporarily transferring use or operation to a third party, without offering a structured tourism or cultural model or valuation expertise.

**FAI (Fondo per l'Ambiente Italiano):** a private non-profit foundation established in 1975 on the model of the British National Trust. Its motto: "Per il paesaggio, l'arte e la natura. Per sempre, per tutti." Unlike Kaleon, the FAI acquires properties to preserve them under a foundation model — incompatible with the desire for family transmission.

**Italian operators: public focus, not private**

**Most players operating in Kaleon's immediate environment are public/in-house entities or cooperatives/private companies** acting more as technical service providers and/or operational extensions of public authorities:

**Scabec:** in-house company of the Campania region dedicated to promoting regional heritage, operating in event design and management. No expertise in turnkey management of private properties.

**Civita Mostre & Musei:** a Rome-based cultural enterprise focused on exhibitions and museum services. Not involved in the sustainable operation of private residences, naturally targeting ministries, public museums and local authorities.

**Arthemisia:** a leading art exhibition organiser, designing and staging temporary exhibitions. An event-based model, not suited to ongoing heritage management.

**Gebart:** a private operator founded in the late 1980s, specialising in ancillary museum services (ticketing, shops, publishing). Serves state museums via public tenders; does not manage private properties holistically.

**Zètema Progetto Cultura:** a company owned by the City of Rome since 2005, the operational arm of Rome for culture and tourism. Serves municipal cultural services and civic museums.

**CoopCulture:** a national cooperative managing reception, ticketing and tours for predominantly public sites. Serves the State, archaeological parks and museums; not positioned for private owners.

**Opera Laboratori:** a private museum services operator, particularly active in Florence. Operates ticketing, shops, events and cultural itineraries, serving museums under concession. Does not manage private properties.

**ALES (Arte Lavoro e Servizi S.p.A.):** an in-house company of the Ministry of Culture supporting the preservation and promotion of cultural heritage via technical, administrative and management services. The operational arm of the MiC, with no activity involving private residences..

## 2.4 — Kaleon's Unique Positioning

**All of these initiatives share a fundamental shortcoming: none simultaneously offers the three elements that private heritage owners are looking for** — full preservation of ownership, comprehensive operational expertise and economic profitability. **Public institutions know how to manage but not how to generate returns.**

**Trusts and foundations (National Trust, FAI) know how to preserve and sometimes generate returns, but require a transfer of ownership** — incompatible with the desire for family transmission that characterises the Italian aristocracy.

**Legal mechanisms (Conservation Easements, usufruct, Heritage Partnership Agreements) preserve ownership but offer neither tourism expertise nor a structured economic development model.**

**Italian operators (CoopCulture, Civita, Zètema, Opera Laboratori, Arthemisia, Gebart, ALES) are technical service providers focused on the public sector** — they respond to ministerial tenders for state museums, not to the specific needs of property-owning families.

**Kaleon, an operator born from the management of the Borromeo sites, takes full charge of heritage management** — conservation, tourism operation and cultural development — while leaving the owner with full ownership of their property. **The group primarily targets private owners, with 40 years of expertise in managing living sites.**

**It is the only player to combine: (i) full retention of ownership by the family, (ii) comprehensive management** — conservation, tourism operation, cultural development — with 40 years of expertise on living sites, **(iii) generation of structural economic profitability (EBITDA margin >25%), and (iv) initial investment capacity relieving owners financially.** This unique value proposition directly addresses the needs of Italy's 44,000 private heritage properties — a market that until now had no dedicated operator.

**Chart 4: Competitive Landscape – Heritage Management in Italy**

| Modèle de Gestion | Conservation propriété | Expertise opérationnelle | Rentabilité économique |
|---|---|---|---|
| Institutions publiques (CMN, ALES) | *N/A* | ✓ | ✗ |
| National Trust/FAI | ✗ | ✓ | *Variable* |
| Conseravation Easements | ✓ | ✗ | ✗ |
| Usufruit | ✓ | ✗ | ✗ |
| Opérateurs italiens (CoopCulture, Civita, etc) | *N/A* | *Partielle* | *Variable* |
| Kaleon | ✓ | ✓ | ✓ |

Source: TP ICAP, Company Data

## 2.5 — The Case Study: Loire vs. Veneto

**The Châteaux de la Loire constitute the perfect case study demonstrating Kaleon's potential in the fragmented Italian market.** The success of the Châteaux de la Loire is built on centralised coordination integrating bookings (single website), mobility (500 trains/day, 900 km of cycle paths) and cultural programming (year-round events), **generating 4.7 million visitors annually.** This approach transforms 300 dispersed sites into a coherent and monetisable destination.

**By comparison, the 323 Venetian Villas, managed individually without coordination, struggle to attract recorded visitors and remain largely underexploited despite their earlier UNESCO recognition.** The performance gap between Loire and Veneto concretely demonstrates the value creation potential: transforming isolated sites into an attractive network that multiplies visitors and revenue.

**The Italian market, currently hampered by its administrative fragmentation, thus offers Kaleon a considerable competitive advantage as an aggregator and integrated manager capable of replicating France's success.** Critically, unlike the French model where ownership typically resides with the State or foundations, Kaleon's asset-light structure allows private owners to retain full ownership while accessing integrated professional management — a differentiated value proposition directly addressing the needs of Italy's 44,000 private heritage properties.

## 2.6 — The Paris Society / Accor Case: Validation of the Model by a Global Leader

**Paris Society perfectly illustrates the potential of an asset-light operator specialising in exceptional venues.** Since 2013, the group has built its growth by transforming icons of French heritage into premium experiences: Maxim's (Art Nouveau Belle Époque restaurant), Lapérouse (18th-century Parisian institution), Apicius (Hôtel de Gesvres, a listed private mansion), Monsieur Bleu (Palais de Tokyo), CoCo (Opéra Garnier). Like Kaleon, Paris Society operates via leases, concessions or management contracts — public or private owners entrust their sites to the group to deliver a premium experience, attract an international clientele and generate revenue.

In 2022, **Accor acquired 100% of Paris Society for a valuation of €330m, i.e. approximately €4.5m per establishment — comparable to the €4.4m in revenue per site that Kaleon generates.** This transaction demonstrates the appetite of major hotel groups for operators capable of transforming heritage venues into experiential destinations.

**More significantly**: **Accor is now developing Emblem, a new brand dedicated to hospitality in exceptional cultural venues.** This strategic positioning validates the convergence between premium hospitality and historic heritage — exactly the niche that Kaleon occupies in Italy. The group could therefore ultimately attract a major hotel player looking to replicate the Paris Society model on the Italian private heritage market, the deepest in Europe.

# 3 – Growth Strategy

**Kaleon's growth strategy rests on two complementary pillars:** the organic optimisation of the existing portfolio and external expansion through the integration of third-party sites. The IPO is the catalyst for this dual ambition. We then added a third pillar, with our own elaboration about the Imaginable potential.

## 3.1 — Pillar 1: Organic Growth

The existing portfolio holds significant growth potential through seven identified levers:

### 1. New developments 2026–2027

New café and restaurant (quick lunch format) on Isola Bella (2026), Isola Bella hotel extension (2027), retail outlet in Stresa (bookshop, info point, travel agency — 2026), new villas in Stresa (2027), transformation of Villa Pallavicino into 12 luxury suites + gastronomic restaurant (2027), inter-island transport agreements (under negotiation). Expected contribution: ~€3.5m over 2026–2027, with potential to double at maturity.

### 2. Yield management in three phases

**2025:** fixed-date / open-date differentiation.

**2026:** weekday/weekend pricing + general price increase of 4–5% (~€1.1m contribution). Isola Bella demand considered relatively inelastic.

**2027+:** real-time dynamic pricing based on occupancy and weather.

### 3. Extension of the tourist season

**Current situation:** 87% of visitors and 82% of revenue concentrated in May–September, with 5 months underutilised including 3 for maintenance. Strategies: off-season cultural programming (exhibitions, festivals, school programmes), less weather-dependent indoor events, corporate packages (retreats, team building, wellness), dynamic pricing balancing peak/off-peak.

**Potential:** extension from 6 to 7–8 months = additional revenue + margin improvement through fixed cost absorption.

### 4. Hotel & dining development

Overnight guests spend 3–4x more than day visitors. Hotel expansion through the conversion of underutilised historic buildings, new capacity at Isola Bella + Stresa in 2027, Villa Pallavicino "visit-dinner-stay" packages. F&B upgrade: upgrading cafeterias to restaurants, local/historic menus, monetisation of private events (weddings, corporate dinners) generating revenue per guest significantly above standard admissions.

### 5. Cross-selling maximisation

**Borromeo Route:** integrated itineraries pooling marketing and resources.

**Isola Bella–Isola Madre Pass:** 2nd product by volume, validating the concept. Transforming the single-site day visit into an extended multi-site experience.

### 6. Usage diversification

**New use cases:** private events (weddings, fashion shows, photo shoots), MICE B2B (Meetings, Incentives, Conferences, Exhibitions), live culture (temporary exhibitions, concerts, summer academies), exclusive programmes (patron circles, corporate memberships, VIP experiences).

**Benefits:** higher hourly revenue (estimated corporate dinner for 100 guests = €30–50k/evening), counter-cyclical demand, brand elevation.

### 7. UNESCO Stresa catalyst

UNESCO World Heritage candidacy submitted in September 2025.

**Expected impact:** increased international visibility and enhanced regional attractiveness without additional regulatory constraints.

### 8. The potential of Lake Maggiore

Lake Maggiore offers a cultural proposition superior to Lakes Garda and Como but tourist performance below its potential. **This underperformance is explained by three factors: (i) a lack of orchestration** and coordination between sites, **(ii) a lack of unified destination storytelling,** and **(iii) insufficient premium hotel capacity and quality.**

On the latter point, Lake Como has built a complete luxury ecosystem (Villa d'Este, Grand Hotel Tremezzo, Mandarin Oriental) that Stresa cannot replicate in the short term. The destination suffers from structural handicaps: relative distance from Milan (~1h15 vs 45 min for Como), no comparable "celebrity effect" to George Clooney, and a limited offering beyond the Borromean Islands.

Kaleon can address the first two factors (orchestration, storytelling) through its integrated model. On the third, the expansion of its accommodation offering (12 suites at Villa Pallavicino, Stresa villas) remains modest but could play a catalyst role: by raising the destination's overall attractiveness, Kaleon creates the conditions likely to ultimately attract a premium hotel operator. The Louis Vuitton event at Isola Bella in 2024 and the UNESCO Stresa candidacy (September 2025) are encouraging signals.

## 3.2 — Pillar 2: External Expansion via Third-Party Sites

**The purpose of the IPO was to enable Kaleon to deploy its virtuous model beyond the Borromeo portfolio,** establishing itself as the natural **consolidator of a fragmented and underexploited Italian market.** This external expansion strategy constitutes the main value creation driver over the medium term.

**Italy's private historic heritage represents an exceptional pool of opportunities, unmatched in Europe:**

- **43,700 protected private historic properties recorded in 2024** according to the Osservatorio sul Patrimonio Culturale Privato;
- **8,200 residences currently open to the public** according to ADSI;
- **~11,000 owners (~24% of the stock) report being interested** in developing commercial activities;
- **~20,000 properties partially or totally unused,** with owners citing the lack of financial resources as the main obstacle.

**Chart 5: Geographic Distribution of Historic Properties**

| Région | % stock | Sites ouverts | Candidats | Caractéristiques |
|---|---|---|---|---|
| Toscane | ~20% | ~2 000 | ~3 000 | Villas Médicis, palais, jardins, domaines |
| Lombardie | ~15% | ~1 000 | ~2 000 | Lac de Côme, Lac Majeur, villas patriciennes |
| Vénétie | ~10% | ~1 000 | ~1 000 | Vérone, Riviera del Brenta, villas |
| Piémont | ~8% | ~600 | ~1 200 | Résidences Savoie, châteaux du Monferrato |
| Émilie-Romagne | ~7% | ~500 | ~800 | Palais de Bologne, Ferrare, Parme |

Source: TP ICAP, ADSI

Kaleon offers an unmatched model to historic heritage owners, addressing their three major concerns:

- **Preservation of ownership and family heritage:** unlike institutions such as the FAI or Anglo-Saxon trusts that require a transfer of ownership, Kaleon allows families to retain full ownership of their assets. The model preserves identity, heritage and asset value while entrusting day-to-day operations to professionals.

- **Financial relief and access to investment:** Kaleon assumes the initial investments needed to revitalise and launch cultural sites, significantly reducing the financial burden on owners. **Inheriting families face maintenance costs of 3–5% of property value per year, burdensome inheritance tax and a lack of tourism expertise** — all barriers that Kaleon removes.

- **Professional management and revenue generation:** Kaleon's 40 years of expertise in managing living sites — conservation, tourism operation, cultural development — transforms dormant assets into profitable destinations. The group deploys a full range of services: administrative and staff management, marketing, operations, logistics supervision, tourism development, conservation, ticketing and visitor flow management.

## 3.3 — Pillar 3: The Imaginable Potential — The Heritage-Hospitality Convergence

**The heritage-hospitality convergence is a structural trend.** The premium hotel industry is undergoing a major strategic shift: differentiation through experience now takes precedence over standardisation. Premium travellers seek "narrative" stays — sleeping in a place steeped in history, not in an interchangeable room. This shift is driving major groups to take an interest in heritage assets, traditionally outside their scope.

**For Accor, the acquisition of Paris Society served a dual objective:** (i) capturing expertise in the development of exceptional venues that the group did not possess internally, and (ii) enriching the experiential offering for its premium clientele (synergies with Raffles, Sofitel, Orient Express).

**Accor is now developing Emblem, a new brand dedicated to hospitality in exceptional cultural venues.** This positioning confirms the group's desire to replicate the Paris Society approach in the accommodation segment: transforming underexploited historic buildings into premium hotel experiences.

**But Accor faces a major challenge: access to the pipeline.** The owners of historic heritage — aristocracy, inheriting families, institutions — are not the natural counterparts of a hotel group. They seek a partner who understands conservation issues, respects the identity of the venues, and is capable of managing the regulatory complexity of listed heritage.

Kaleon could be a natural partner for a luxury hotel group, through several possible forms of alliance:

- **Operational partnership (more likely in the short term):** co-development of sites where Kaleon contributes the asset and manages cultural activities (ticketing, tours, events, conservation), while Accor/Emblem would operate the upscale accommodation and dining under its brand.
    - **Concrete example: Villa Pallavicino** could become an "Emblem by Accor" with 12 suites managed by Accor, a co-branded gastronomic restaurant, while Kaleon retains the management of the park, ticketing and events.
    - **Benefits for Kaleon:** access to Accor's hotel expertise and distribution network, shared investment, enhanced credibility with owners ("we work with Accor").

  - **Benefits for Accor:** access to the Italian pipeline without having to develop heritage expertise, asset-light model, Emblem differentiation.

- **Minority stake:** Accor takes a post-IPO stake in Kaleon (10–20%) to secure a right of first offer on future hotel opportunities from the pipeline. This transaction could be comparable to Accor's strategic stakes in Faena, Ennismore or 25hours, where the group secures access to a segment/pipeline without full integration.

- **Acquisition over time (3–5 year horizon):** If Kaleon reaches 8–10 managed sites with an active pipeline, it becomes a natural acquisition target for an Accor seeking to accelerate Emblem in Italy.

  - **Indicative valuation: Paris Society was valued at ~€4.5m/site.** Applied to a Kaleon with 10 sites with an active pipeline and EBITDA margin >25**%, the valuation could reach €80–120m** — a significant multiple relative to post-IPO market capitalisation.

Accor is not the only player likely to take an interest in Kaleon: **LVMH Hospitality** (Cheval Blanc, Belmond) has an ultra-luxury positioning and a marked appetite for Italian heritage assets; **Belmond** already owns the Cipriani in Venice and the Splendido in Portofino — a relevant benchmark for alliances or strategic transactions. **Four Seasons** is pursuing aggressive development in Italy, seeking differentiation through high-identity experiences and iconic locations. **Aman**, with its heritage DNA and asset-light model, is accelerating its European expansion with a focus on exceptional sites, in line with a brand- and experience-driven value strategy.

In addition to these groups, **specialist private equity funds** — **Certares**, **L Catterton**, **KKR** (via their hospitality vertical) — whose investment theses on scalable, fee-driven experiential platforms can offer financing, external growth or operational partnership options.

Overall, this competitive landscape highlights strategic interest in operators capable of monetising heritage assets through high-margin integrated offerings, reinforcing Kaleon's relevance as a target or partner in a context of asset-light upscaling and brand-driven value creation.

**It is important to note that this scenario is the result of our own analysis and does not reflect any stated intention by Kaleon's management. It is not factored into our valuation.**

**Despite the strategic interest, these transactions carry key risks: (i) unproven execution** by Kaleon on **third-party sites**, with integration and ramp-up uncertainties; **(ii) governance:** the **Borromeo family** could refuse **dilution** or a tie-up with a major group; **(iii) operational synergies less obvious** than a Paris Society-type model (urban F&B vs. more diffuse and seasonal heritage); **(iv) sector multiples declining since 2022**, requiring capital discipline and a prudent reading of valuation.

# 4 – Business Model

## 4.1 — Portfolio and Value Chain

**Kaleon's growth trajectory is built on a targeted and controlled expansion strategy. The company has progressively broadened its portfolio of managed sites, moving from the operation of family-owned historic properties (Isola Bella, Isola Madre, Rocca di Angera) to the integration of third-party sites and new activities, including the acquisition of Parco Pallavicino in 2017 and the management of Parco del Mottarone from 2016 (already owned by the family). This expansion culminated with the opening to the public of Castelli di Cannero in June 2025.**

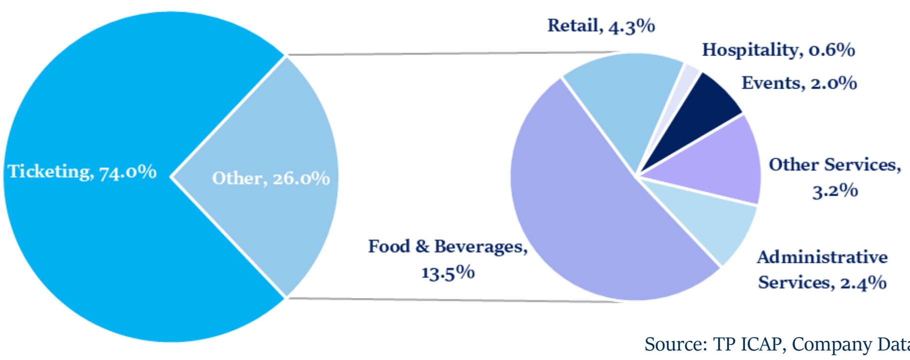
In parallel, the service offering has been considerably diversified and enriched, transforming the traditional visit into a 360-degree experience. The revenue mix has evolved accordingly: from an initial near-total dependence on ticketing, it has shifted towards a more balanced basket including dining (13% in 2024), retail, hospitality and events.

**Kaleon's business model is built on the integrated management of prestigious historic and artistic sites,** with the objective of maximising both cultural and commercial value through a comprehensive service offering. **The core activity remains ticketing, which today generates more than 70% of revenue and is the main profitability driver.** In addition, ancillary activities — dining, retail, hospitality and events — serve a dual purpose: increasing average spend per visitor and extending the duration of the visit, creating a more immersive experience. The progressive expansion of these services — mainly through the creation of new capacity and, to a lesser extent, the internalisation of previously outsourced activities — is one of the pillars of the model, enabling Kaleon to capture additional margins and improve quality control.

**Corporate events represent an important lever,** both economically and for brand positioning, although they are non-recurring and complicate the historical analysis of performance. For example, in 2023, an exclusive Louis Vuitton event boosted revenue and EBITDA through venue hire, ancillary services and media visibility. While not structural, these initiatives enhance Kaleon's image, attract new visitors and promote cross-selling. **In our forecasts, the contribution from major corporate events is treated as upside potential rather than recurring revenue.**

Going forward, Kaleon plans to continue developing the events segment selectively, combining economic returns with brand enhancement, with the aim of making this activity an increasingly recurring contributor to profitability.

**Chart 6: Revenue Breakdown (FY2024)**

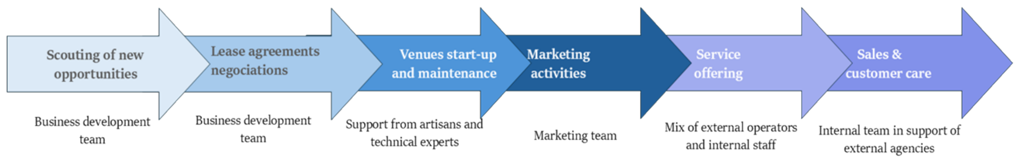



Source: TP ICAP, Company Data

From an operational standpoint, Kaleon adopts a centralized, asset-light and visitor-centric approach: the company does not own the sites but operates them via long-term lease agreements, assuming responsibility for ordinary and extraordinary maintenance for the sites currently managed.

This model allows the company to reduce capital lock-up while maintaining full control over the visitor experience and site development. Management is supported by an agile organisation, in which key functions (marketing, sales, administration) are centralised to benefit from economies of scale, while operations are handled by seasonal staff and dedicated on-site teams.

**Chart 7: Value Chain**




Source: Company Data, TP ICAP
((1) : The first 3 phases of the value chain are applicable only to new sites, including the start-up phase. Once the sites is included in the portfolio, the value chain is the same for both existing sites and new sites.

Kaleon's **value chain** is designed to maximise value creation at every stage, from asset selection to the visitor experience. The process begins with a rigorous **scouting and selection** phase, during which the company targets heritage sites with strong cultural appeal, high footfall potential and ancillary revenue opportunities such as dining, retail and hospitality.

Once a site is identified, Kaleon negotiates **long-term lease agreements** – typically with flexible terms for new third-party assets – to ensure operational control and alignment of incentives with owners.

**The start-up phase involves targeted investments in restoration**, digital infrastructure and the development of complementary services, with the aim of improving both site attractiveness and **average spend per visitor**. Operations are highly centralised: key functions such as marketing, pricing and quality control are managed at group level, while on-site delivery is handled by a loyal seasonal workforce, ensuring **consistency and scalability**.

A central element of Kaleon's value chain is the **progressive internalisation of high-margin activities** – particularly ticketing, dining and hospitality – which enables the company to capture a greater share of the value generated while maintaining direct control over the customer experience. The company also relies on **data-driven** approaches to pricing and customer engagement, including the deployment of dynamic pricing models and systematic tracking of key performance indicators.

**From 2025, Kaleon introduced an initial differentiation between open-date and fixed-date tickets**; in 2026, it plans to apply weekday/weekend pricing differentiation; and from 2027, the company intends to progressively implement a **fully dynamic pricing system**.

## 4.2 — Focus on Current Lease Agreements

**A specific aspect of Kaleon's model concerns its lease agreements: rents, which amounted to approximately €1.4m in 2024, are 100% indexed to the ISTAT index.**

**For agreements entered into with the Borromeo family, the company is required to assume ordinary and extraordinary maintenance of the sites.** This commitment represents a major element of the model, explaining the **presence of recurring capex** (**estimated at approximately €2.5m in 2024, i.e. more than 10% of revenue**) and introducing some sensitivity to inflation. Contracts are medium to long term (with a minimum duration of six years, and a target average of approximately fifteen years) and include tacit renewal, offering good visibility but also cost rigidity.

Lease agreements constitute a structural component of the group's cost base. **Rents, which amounted to approximately €1.4m in 2024, are fully indexed to the ISTAT price index** (100% adjustment from the second year). For Borromeo family-owned sites, Kaleon also assumes all maintenance works.

The average contract duration of approximately ten years, with tacit renewal, provides strong visibility over the operating perimeter but also creates some rigidity in fixed costs. Rents are structured as a fixed annual amount, payable in several advance instalments. A 5% penalty applies in case of late payment, with the possibility of contract termination if arrears exceed two months' rent.

It is important to note that investments related to maintenance and restoration works are capitalised as intangible assets, reflecting Kaleon's long-term commitment to the preservation and development of heritage properties under management. Early termination is only permitted in the event of persistent payment delays.

We provide below a detailed analysis of current rents, noting that contracts currently in force may differ in certain respects from the terms likely to be applied to future third-party sites, as described in Section 4.3.

### Chart 8: Deep Dive on Current Lease Contracts

Related-parties agreements

| Site | Contract definition | Owner | Expiry date | Lenght (# years) | Tacit Renewal | Rents in 2024 (€'000) (1) |
|---|---|---|---|---|---|---|
| Castelli di Cannero | Castelli di Cannero | Borromeo V., Borromeo L. | 31/05/39 | 15 | ✓ | - (c.€90m per year, since June 2025) |
| 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. |

Source: Company Data

## 4.3 — Evolution of the Business Model

**Kaleon's growth to date has been fuelled by targeted capex investments, which reached €4.9m in 2024 (22.4% of revenue).** These investments were primarily directed towards:

- **Ordinary maintenance,** to preserve the artistic value and integrity of cultural assets;
- **Asset rehabilitation,** such as the renovation works at Villa Pallavicino;
- **Launch of new sites,** such as Castelli di Cannero.

Beyond the expected organic growth from increasing volumes at the Lake Maggiore complex, **future growth will also depend on the integration of new third-party sites that the company plans to lease**, taking over their management and leveraging its expertise and network to make them profitable — while preserving a heritage that Italy is rich in, but which is sometimes underutilised due to the lack of resources of inheriting families or the State.

**The new business model, which incorporates third-party sites, will be based on long-term lease agreements, but with substantial differences from the agreements already in place with the Borromeo family.**

**For future third-party sites, a more balanced structure is envisaged:** 1) extraordinary maintenance would be borne by the owner; 2) it would be possible to negotiate rent-free periods; 3) or variable rents linked to performance, in order to reduce operational risk and better align incentives between Kaleon and the asset owner.

**This flexibility is essential to support the expansion plan while protecting profitability. The company generally seeks contracts of 10 to 15 years,** with a preference for longer durations, and as a general rule favours a fixed rent structure. However, these are only general guidelines, as each agreement is analysed and negotiated on a case-by-case basis.

**Depending on the condition of the site and the level of capex required to fully exploit its potential, a hybrid model may be implemented,** combining a fixed rent with a variable performance-linked component. This approach creates a win-win situation: Kaleon reduces its exposure to fixed rent obligations during the ramp-up phase, hedging against potential underperformance, while owners remain incentivised to entrust their assets to the company and can benefit from upside potential if the site performs well.

**Finally, as demonstrated with Parco Pallavicino, the company can also negotiate rent reductions or exemptions during the early years,** particularly when it bears extraordinary investments aimed at improving the site and enabling its opening to the public — a mechanism that further aligns incentives and facilitates the successful launch of new sites.

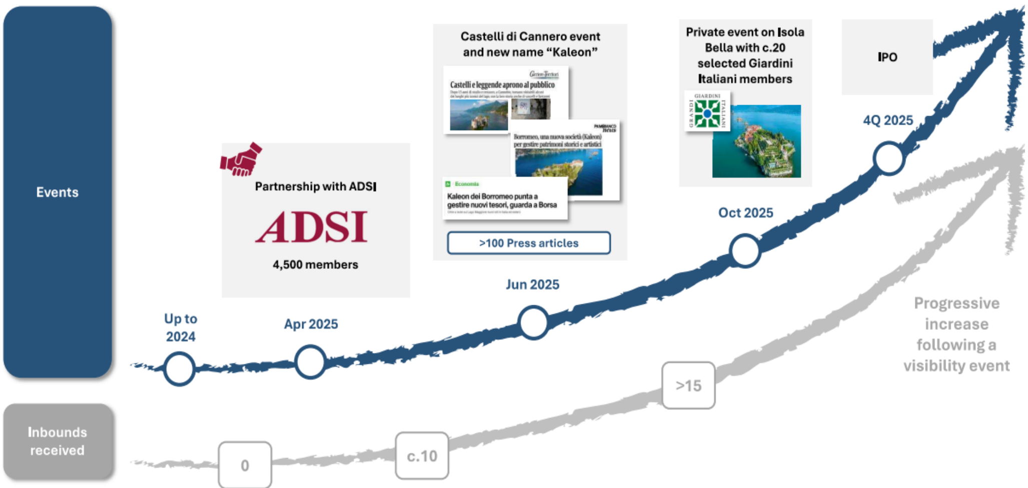
## 4.4 — Target Assets and Selection Framework

For the selection of third-party sites to take under management, the company relies on several channels, including:

- The extensive **network of the Borromeo family**;
- **Already established relationships with various private** and **public stakeholders**;
- **More recently, partnerships initiated in 2025 with the ADSI (Associazione Dimore Storiche Italiane)** — a non-profit association bringing together private owners of historic residences (often inherited), with approximately **4,500 members** — as well as with **Grandi Giardini Italiani**, a cultural enterprise dedicated to promoting Italy's finest gardens, which brings together numerous private owners with properties matching Kaleon's target scope, for a total of **155 gardens.**

These partnerships have been the main driver of the acceleration in proposals received directly from owners over the past year.

**Chart 9: Targeted Partnerships Accelerate the Scouting of New Opportunities**




Source: Company Data

For future managed assets, Kaleon adopts a selective approach based on **economic sustainability and return on capital invested.** Initial capex is primarily allocated to **rehabilitation, operational set-up and the development of ancillary services** (F&B, retail, hospitality). At maturity, the target is to achieve an operating margin in line with the group's, although this may vary depending on the type of site, its state of conservation and the level of capex required.

Key criteria include:

- **Strategic location:** priority given to Central and Northern Italian regions, characterised by established tourist flows, suitable infrastructure and proximity to cultural and natural hubs. Public transport accessibility and parking availability are key factors.
- **Ancillary service development potential:** the availability of spaces suitable for dining, retail, hospitality and events is essential to increase average visitor spend and extend the duration of the visit, transforming it into a complete experience.
- **State of conservation and economic sustainability:** restoration works must be compatible with a sustainable turnaround plan, with expected returns aligned with group targets. Kaleon favours assets capable of reaching a stabilised EBITDA margin in line with the group's.

Target assets include **historic villas with parks, castles, monumental gardens, prestigious architectural complexes and noble residences set in remarkable landscapes.** The strategy also envisages a potential **selective international expansion** (primarily in Switzerland and France), while maintaining Italy as the absolute priority.

**The company currently has a pipeline of potential third-party sites under evaluation based on the criteria mentioned above**. In some cases, discussions are already underway with the families or associations that own these properties.

**Chart 10: Current Target Pipeline**

| | Venues | Geography | Size | Potential Synergies | Deal Status |
|---|---|---|---|---|---|
| Target 1 | Garden | Veneto | #100k visitors | Ticketing, F&B & Events | LOI |
| Target 2 | Castle, Garden | Lazio | #10k visitors[(1)] | Ticketing, F&B, Events & Exhibitions | Dialogue ongoing |
| Target 3 | Castle, Garden | Veneto | n.a. | Ticketing & Events | Dialogue ongoing |
| Target 4 | Medieval Village | Emilia Romagna | 15 hectares | Ticketing, Events & Hospitality | Dialogue ongoing |
| Target5 | Garden | Veneto | >160.000 $m^2$ | Ticketing, Events & Hospitality | Preliminary analysis |

Source: Company Data, TP ICAP
(1): based on opening to visitors on weekends only.

## 4.5 — Case Study: Parco Pallavicino — From Restoration to Value Creation

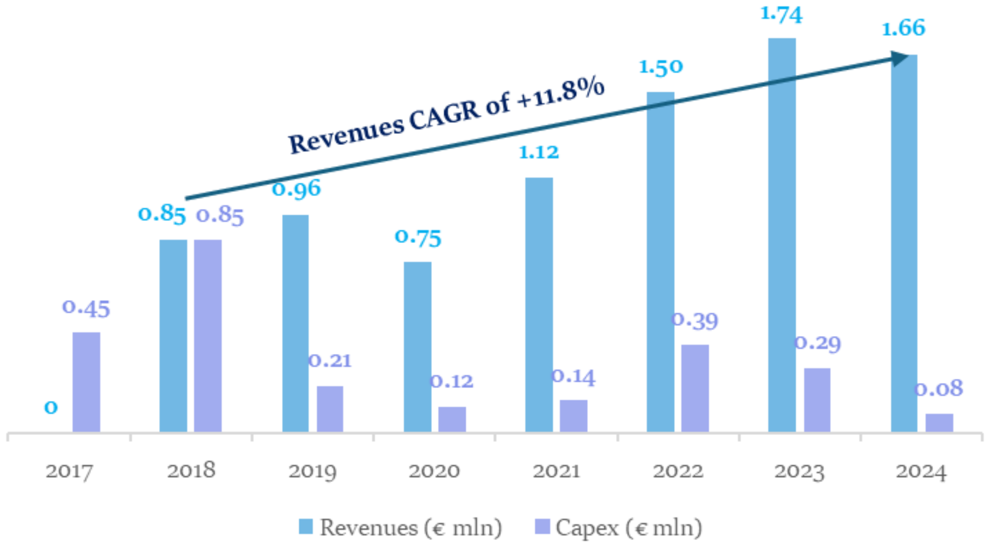
**Parco Pallavicino represents a concrete example of Kaleon's model applied to a third-party asset**, which was acquired by the family in 2021, with the dual objective of preserving its historic value and generating sustainable returns.

Added to the portfolio in 2017 via a management agreement, the villa and its adjoining park (18 hectares overlooking Lake Maggiore) were in a condition requiring significant intervention to make them attractive to the public. **Kaleon invested approximately €1.3m during the first two years**, allocated to rehabilitation works, operational set-up and the creation of ancillary services (F&B areas, bookshop, event spaces). Subsequently, **recurring capex of approximately €200k per year** has been invested in maintenance and visitor experience improvements.

Through this strategy, **Parco Pallavicino has moved from a simple seasonal opening model to an integrated offering**: ticketing as the main driver, complemented by dining, retail and experiential activities (e.g. private and corporate events). In 2024, the site exceeded 100,000 annual visitors, with growing revenue and a more balanced mix: approximately 80% from ticketing and the remainder from F&B and retail activities. **From 2027**, a new phase is planned with the opening **of a 12-room premium accommodation facility in Villa Pallavicino** (which is not family-owned but leased), which will extend the average length of stay and increase spend per visitor.

Under the villa's lease agreement, the company did not pay rent for 10 years, in accordance with an agreement providing for significant renovation works in exchange for a rent-free period. This arrangement compensates Kaleon for the high start-up capex required to prepare and enhance the sites. **Rent payments are due to begin in 2027.**

**Chart 11 : Case Study on Parco Pallavicino**




Source: Company Data, TP ICAP

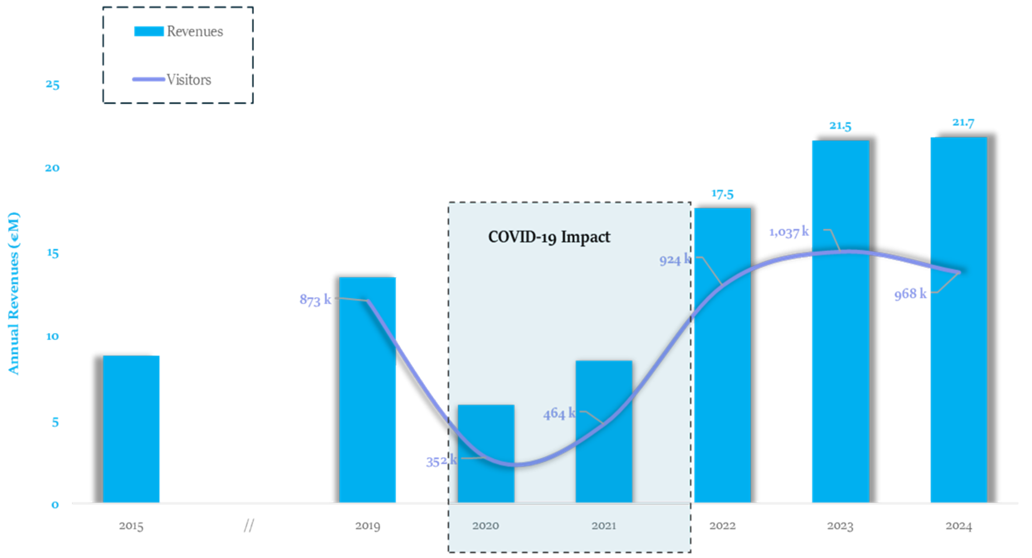
# 5 - Financial Track Record: Performance and Cash-Flow Resilience

## 5.1 – Organic Growth and Financial Resilience

Between 2015 and 2024, Kaleon **more than doubled its revenue**, rising from approximately **€8.6m** to **€21.7m**, corresponding to a **compound annual growth rate (CAGR) of 10%**.

This expansion was supported by a **steady increase in visitor flows**, which rose from **873,000 to 968,000** over the 2019–2024 period, despite the significant impact of the pandemic in 2020. The post-Covid recovery was particularly strong: by **2023**, visitor numbers exceeded the threshold of **one million visitors**, highlighting the lasting appeal of the portfolio and the effectiveness of marketing strategies.

**Chart 12: Revenue and Visitor Trends Since 2015**




Source: Company Data, TP ICAP

Over the last three years – a period marked by acceleration – revenue grew from **€17.5m in 2022** to **€21.7m in 2024**, representing cumulative growth of **+24%** and a **CAGR above 10%**. However, **2024** recorded only marginal growth compared to 2023 (**+0.7%**), due to the post-**Louis Vuitton** event normalisation. Organic growth in **H1 2025** stands at **+5.9% year-on-year**, primarily driven by the increase in average spend per visitor, particularly in the **ticketing** and **food & beverage** segments.

Analysis of the historical accounting data for 2022–2024 shows that the company demonstrated a strong ability to generate operational profitability, with **EBITDA margins** consistently oscillating between **25% and 31%**. The peak in **2023 (31.3%)** was supported by the **Louis Vuitton** show on Isola Bella – an exceptional high-margin event which, as mentioned, generated significant revenue with limited marginal costs, positively impacting the year's profitability. Conversely, the **2024** margin normalised to **25.4%**, also reflecting a temporary increase in operating costs, particularly those related to **personnel**, **rental expenses**, **costs associated with new openings** and events such as **"Tutto Bene"** at Parco del Mottarone.

The margin gap between **2022 and 2024** is primarily explained by the exceptional nature of **2022**. That year benefited from the post-Covid reopening, which drove very strong consumer activity, with visitors seeking to make the most of the end of restrictions. Moreover, in 2022, the company still relied heavily on **on-call workers**, offering maximum flexibility and keeping labour costs at a relatively low level.

Finally, due to partial restrictions still in force until May 2022, Kaleon had decided to open **only at weekends**, which further reduced personnel costs relative to the revenue generated during this period.

**Chart 13 : P&L Summary**

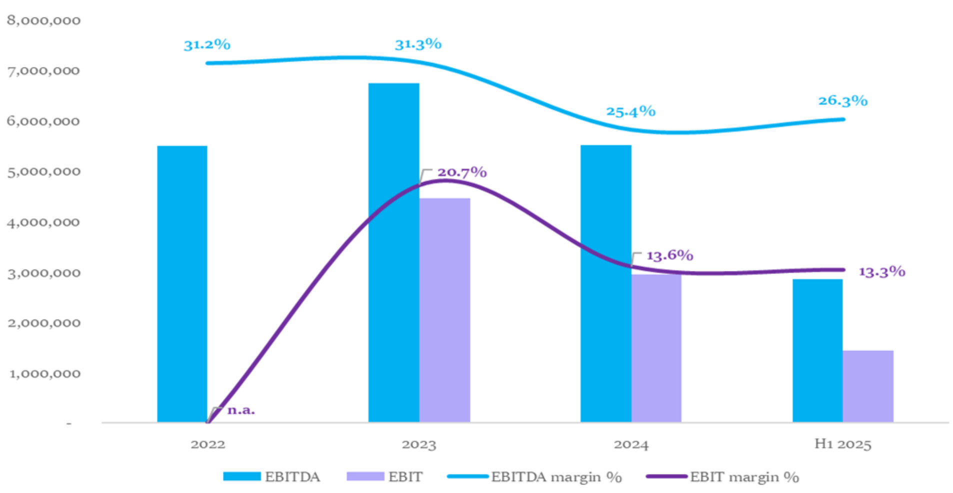
| Kaleon Historical Financials | Dec-22 (1) | Dec-23 | Dec-24 | Jun-25 | Dec-25e |
|---|---|---|---|---|---|
| **Sales (€mn)** | **17.50** | **21.53** | **21.69** | **10.83** | **23.35** |
| **EBITDA (€mn)** | **5.50** | **6.74** | **5.51** | **2.85** | **6.09** |
| EBITDA (%) | *31.2%* | *31.3%* | *25.4%* | *26.3%* | *26.1%* |
| **EBIT (€mn)** | **n.a.** | **4.45** | **2.94** | **1.44** | **3.53** |
| **Earnings (€mn)** | **n.a.** | **2.89** | **1.54** | **1.29** | **2.47** |
| Earnings yield (%) | *n.a.* | *13.4%* | *7.1%* | *11.9%* | *10.6%* |
| **Adjusted Earnings (€mn)** (2) | **n.a.** | **2.89** | **1.54** | **0.80** | **1.97** |
| Adjusted Earnings yield (%) | *n.a.* | *13.4%* | *7.1%* | *7.4%* | *8.4%* |

Source: Company Data, TP ICAP
(1) 2022 figures are not consolidated.
(2) Adjustment of 0.5 m extraordinary items accounted in 1H 2025 linked to the exclusion of Vigilo RE S.r.l. from the consolidation perimeter.

In subsequent years, the company deliberately moved away from on-call contracts in favour of **seasonal contracts**. This approach allows the same employees to be retained throughout the season, thereby improving service quality and fostering loyalty, with the aim of seeing them return the following year. This strategy reduces both **training time** and **associated costs**. To date, the company reports that approximately **80% of seasonal staff** returned for **at least two consecutive years**.

At the EBIT and adjusted net income levels, trends are **consistent with those of EBITDA**, with margins of approximately **13–14%** and **7–8%**, respectively. The stability of these indicators – despite rising costs and intensifying investments – reflects a **strong operational absorption capacity** and a **balanced financial structure**.

**Chart 14: Kaleon Profitability Trend 2022A–2025E**




Source: Company Data, TP ICAP

## 5.2 – Balance Sheet

**Non-current assets** are primarily composed of **intangible assets**, which increased significantly from **€11.1m at end-2024** to **€14.4m at 30 June 2025**. This increase essentially reflects **investments made on third-party assets** as well as software projects and the implementation of the **new ERP**. A notable portion is represented by **brands**, revalued in 2020, which account for approximately **10% of the total**.

**Property, plant and equipment**, by contrast, show an opposite trend: after reaching **€11.5m in 2024**, they declined to **€10m at mid-2025**, due to depreciation and a capex mix increasingly oriented towards intangibles (work carried out on leased third-party assets). In 2024, the main tangible investments concerned **installations** (lighting, greenhouses, irrigation), **boats** recorded on the balance sheet at year-end, and the **Mottarone** site, where approximately **€2m** was invested to renovate the station and ancillary structures.

**Operating working capital** is structurally **negative**, as is often the case for tourism-related companies, due to immediate cash inflows and strong leverage vis-à-vis suppliers: collection days remain very low (**approximately 6 days**), while payment days rose to **97 days in 2024**, partly due to extraordinary works. **Inventories** – primarily related to retail and food & beverage – remain modest (**approximately €0.5–0.6m**), while **trade receivables** have increased slightly but remain marginal relative to revenue.

**Chart 15: Key Balance Sheet Figures**

| Balance Sheet Summary *(Italian GAAP)* | Dec-23 | Dec-24 | Jun-25 | Dec-25e |
|---|---|---|---|---|
| Non Current Assets | 20.34 | 22.71 | 25.13 | 25.49 |
| Current Assets | 2.73 | 2.28 | 2.66 | 2.66 |
| Cash | 0.05 | 0.09 | 0.32 | 16.00 |
| | | | | |
| Short term financial liabilities | (3.17) | (4.22) | (5.88) | (4.22) |
| M/L term financial liabilities | (4.81) | (2.55) | (1.61) | (6.56) |
| Shareholder Loan | (6.01) | (6.01) | (6.01) | 0.00 |
| Other liabilities | (4.43) | (6.06) | (7.10) | (6.15) |
| Net Equity | 4.70 | 6.24 | 7.53 | 27.21 |

Source: Company Data, TP ICAP

From a financial structure perspective, Kaleon's **net invested capital** has remained broadly stable, at around **€19–21m**. The **net financial position** stood at **€12.7m at end-2024** and **€13.2m at mid-2025**, with leverage of approximately **2.3x LTM EBITDA**. The debt composition reflects a predominance of **short-term credit lines**, supplemented by **unsecured loans** and a **€6m shareholder loan**, of which **€2m** was converted into equity and **€1.5m** of overdrafts are being converted into a **48-month loan**. The remaining **€2.5m** was managed through existing bank lines, while the **€4m refinancing** at competitive terms (Euribor +1.3–1.6%, total cost below 5%) ensures sound financial sustainability.

**At its IPO in December 2025, the company raised €16.5m through a capital increase, creating a free float of 29.2%.** In our estimates, these funds are reflected **in the available cash**, which will subsequently be used to finance external expansion as well as renovations and new openings on the Borromean Islands.

**Kaleon's balance sheet reflects a partially capital-light model**: historical assets are not capitalised, but significant capex continues to be committed for strategic improvements and infrastructure, directly impacting leverage and cash generation.

## 5.3 – Cash Generation

In **2024**, EBITDA amounted to approximately **€5.5m**, supported by a **positive WCR contribution** of over **€1.5m**, primarily linked to the extension of supplier payment days. However, **unlevered free cash flow** remained limited, at approximately **€1.6m**, due to a particularly high investment level of **€4.9m** – i.e. over **22% of revenue** – of which approximately **10%** of revenue corresponded to **maintenance capex**, while the remaining **~€2.5m** represented **expansion capex**. These exceptional investments were allocated to strategic projects such as:

- the **renovation of Villa Pallavicino**;
- the **opening of Castelli di Cannero**;
- the purchase of **two boats** to serve the Castelli di Cannero site;
- and the implementation of the **new ERP**.

This results in an **EBITDA / unlevered free cash flow ratio** of **29%**.

**H1 2025** confirms this trend: with EBITDA of **€2.85m**, free cash flow was **negative**, at approximately **–€0.4m**, impacted by the continuation of significant capex (**over €3m**, predominantly intangible) and by working capital absorption linked to **seasonality** and **advance payments** for ongoing works.

In summary, cash generation remained solid once recurring capex was neutralised, but the overall profile was temporarily compressed by the intensive development plan, which accelerated investments relative to the historical average (10–11% of revenue).

**Chart 16: Unlevered Free Cash Flow Computation**

| Unlevered FCF calculation | Dec-24 | Jun-25 | Dec-25e |
|---|---|---|---|
| **EBITDA (€mn)** | **5.51** | **2.85** | **6.09** |
| Taxes (€mn) | (1.19) | (0.49) | (1.33) |
| Delta NWC and Provisions (€mn) | 2.1 | 0.7 | -0.3 |
| **Operational Cash Flow** | **6.4** | **3.0** | **4.5** |
| *Operating CF/EBITDA (%)* | ***116.1%*** | ***105.8%*** | ***73.5%*** |
| Capex (€mn) | (4.79) | (3.40) | (5.33) |
| **Free Cash Flow** | **1.61** | **(0.38)** | **(0.86)** |
| *FCF/EBITDA (%)* | ***29.2%*** | ***-13.4%*** | ***-14.0%*** |

Source: Company Data, TP ICAP

# 6 - Financial Projections: Kaleon's Next Chapter

## 6.1 – Acceleration of Organic Growth

**Our forecasts have been prepared on the basis of the historical growth observed over recent years, driven by a combination of price effect and a significant volume effect, with total visitors reaching one million in 2023 and slightly below in 2024 (impacted by adverse weather conditions during key weekends, reducing the number of effective opening days).**

Beyond volume growth, estimated at +4% for 2026 and subsequent years, in line with the historical trajectory, we have incorporated several elements that should weigh on the financial year and, subsequently, on the following years:

- **New café on Isola Bella:** 2026
- **New restaurant (quick lunch format) on Isola Bella:** 2026
- **Hospitality extension on Isola Bella:** 2027
- **Point of sale in Stresa (bookshop, information point, travel agency):** 2026
- **New transport agreements between Lake Maggiore islands** (ongoing)
- **New villas in Stresa:** planned for 2027
- **New suites at Villa Pallavicino:** renovation planned for 2027 (works underway)

**All of these new elements should generate approximately €3.5m in revenue over 2026–2027**, which will then become recurring and could double once the ramp-up is completed.

In addition, another key driver will come into play from 2026:

- **An estimated price increase of 4–5% in 2026**, which should not impact volumes. According to management analysis, demand for Isola Bella (currently the main attraction, representing over €12m in revenue) is considered as near-inelastic. This increase should contribute approximately €1.1m in revenue in 2026. The mix effect should also play positively, potentially leading to an increase in average spending through the growth of ancillary services.

**Combining all of these elements, we estimate "organic" growth of approximately +12.6% in 2026** – an acceleration consistent with the investments the company is making during the year. This growth should normalise in subsequent years, primarily driven by volumes, with a slight supplement in 2027 linked to the new suites at Villa Pallavicino and Stresa, **resulting in an average CAGR of +9% through to 2029.**

**Chart 17: Projected Revenue Evolution 2024A – 2029E**

| | 2024 A | 2025 E | 2026 E | 2027 E | 2028 E | 2029 E |
|---|---|---|---|---|---|---|
| **Volume effect** | | | 0.93 | 1.05 | 1.01 | 1.09 |
| New Restaurant | | | 0.14 | 0.06 | | |
| New Rooms | | | 0.42 | 0.18 | | |
| New café on Isola Bella | | | 0.28 | 0.12 | | |
| Villa Pallavicino | | | 0.00 | 0.06 | 0.10 | 0.00 |
| **Price and mix effect** | | | 1.17 | 1.05 | 1.15 | 0.93 |
| **Total Revenues (€mln)** | 21.69 | 23.35 | 26.29 | 28.81 | 31.07 | 33.09 |

Source: Company Data, TP ICAP

**Regarding profitability**, we expect the company to align new activities with group margins (above 25%) within a relatively short timeframe, leveraging improvements in personnel cost management and efficiency gains at existing sites. On this basis, **we estimate that the company could achieve an EBITDA margin of 29.7% by 2029** and – assuming depreciation in line with historical averages – an **EBIT margin of 19.4%.**

**After applying a financial cost of approximately 4%** and a **normalised tax rate of 35%,** in line with the expected rate for 2025, we estimate that the company could reach **nearly €4.1m in net income by 2029.**

It is important to note that **our forecasts do not incorporate the upside potential from corporate events,** which – as previously mentioned – are unpredictable and cannot be modelled. However, these could lead to margins above 30%, as was the case in 2023**.**

**Chart 18: P&L Key Figures Estimates 2025E – 2029E**

| TPICAP Midcap Financial estimates *(only organic growth)* | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 |
|---|---|---|---|---|---|
| **Sales (€mn)** | **23.35** | **26.29** | **28.81** | **31.07** | **33.09** |
| **EBITDA (€mn)** | **6.09** | **7.44** | **8.36** | **9.16** | **9.84** |
| EBITDA (%) | 26.1% | 28.3% | 29.0% | 29.5% | 29.7% |
| **EBIT (€mn)** | **3.53** | **4.61** | **5.30** | **5.91** | **6.43** |
| **Adjusted Earnings (€mn)** (1) | **1.97** | **2.87** | **3.33** | **3.75** | **4.12** |
| Earnings yield (%) | 8.4% | 10.9% | 11.6% | 12.1% | 12.4% |

Source: Company Data, TP ICAP
(1) Adjustment of 0.5 m extraordinary items accounted in 1H 2025 linked to the exclusion of Vigilo RE S.r.l. from the consolidation perimeter.

## 6.2 - Sustainable Financial Strength and Cash Flow Resilience

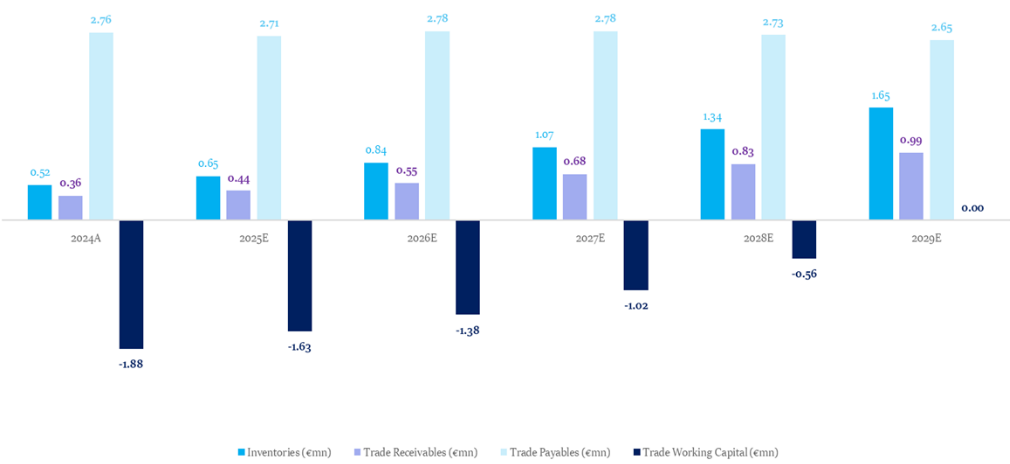
It is important to emphasise that **our forecasts do not incorporate "extraordinary" capex** – defined as renovation or commissioning investments for third-party assets that the company may lease in the future. This is due to the high variability and complexity involved in estimating the condition of these assets, the required capex amount, and the expected return, which depends on factors such as the asset type, its conservation state, the intensity of capex required and its geographical location.

**However, we will take into account an external growth scenario in our valuation process,** as this represents one of the two pillars supporting the company's expected expansion strategy.

**On the WCR front**, Kaleon maintains **a structurally above-zero position**: Trade Working Capital remains negative (−8.7% of revenue in 2024, −7.0% expected in 2026) thanks to immediate cash collections and a high DPO, before gradually converging towards neutrality by 2029**.**

Trade receivables remain marginal, while inventories increase from 2.4% to 5% of revenue by 2029, due to the expansion of retail and F&B activities – an element to monitor.

**Chart 19: Expected Working Capital Dynamics 2024A – 2029E**




Source: Company Data, TP ICAP

**Our forecasts show a structural improvement in EBITDA-to-cash conversion.** After a **2024 penalised by extraordinary capex** (FCF/EBITDA ~29%) and a **2025–2026 period still affected by the investment cycle** – during which we anticipate negative cash generation, due to **extraordinary capex expected to reach approximately €3m in 2025 and €3.5m in 2026** – the ratio improves markedly with the normalisation of capex and working capital stabilisation, reaching 41% by 2029. This trajectory reflects three key drivers: steady EBITDA growth; declining working capital requirements (which remain structurally negative); and capex that we forecast converging towards maintenance levels (9–10% of revenue), assuming purely organic growth.

In terms of returns, ROCE is the most relevant indicator for Kaleon, as it measures capital efficiency in a model that is asset-light but capex-intensive. After a low point in 2025 (9.6%) linked to the peak in investments, ROCE rebounds to 10.9% in 2026 and reaches 15.1% by 2029, demonstrating a strong capacity for value extraction once the development cycle is completed. This trend, combined with the progressive reduction in leverage and cash accumulation, reinforces the sustainability of the model and value creation for shareholders.

**Chart 20: Capex (Organic), Cash Flow and Net Debt Trajectory 2024A – 2029**

| Net debt and leverage | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 |
|---|---|---|---|---|---|
| **Capex (€mn)** (1) | **(5.33)** | **(6.13)** | **(2.74)** | **(2.95)** | **(2.98)** |
| **FCF (€mn)** | **(0.86)** | **(0.49)** | **3.42** | **3.66** | **4.00** |
| *FCF/EBITDA (%)* | *-14.0%* | *-6.5%* | *41.0%* | *40.0%* | *40.6%* |
| **Net debt (€mn)** | **-5.2** | **-4.5** | **-7.8** | **-11.3** | **-15.2** |
| *Leverage* | ***-0.9x*** | ***-0.6x*** | ***-0.9x*** | ***-1.2x*** | ***-1.5x*** |
| *ROCE* | ***9.6%*** | ***10.9%*** | ***12.5%*** | ***13.9%*** | ***15.1%*** |
| *ROE* | ***9.1%*** | ***9.5%*** | ***10.0%*** | ***10.1%*** | ***10.0%*** |

Source: Company Data, TP ICAP
(1) Capex estimates for the only-organic scenario

## 6.3 – Future Ambitions: Third-Party Site-Driven Growth (Blue Sky)

Although our financial forecasts are primarily based on a purely organic scenario, as it is more aligned with the current reality and available data, we consider it relevant to also present a "blue sky" scenario modelling the company's expansion ambitions, as presented at its IPO – i.e. a scenario that incorporates the management of third-party sites over the coming years.

To construct this scenario, we have formulated the following assumptions:

- We assume that the company **will acquire 1 site per year** over the next 5 years, for a total of **5 sites**;
- We assume that the sites vary in size and, to make the analysis more precise, we estimate their steady-state visitor numbers at **150k, 200k, 50k, 100k and 300k visitors**, respectively (these figures are **our own estimates** and do not come from the company);
- We assume an **average ramp-up period of 4 years** to reach full capacity;
- We assume that the **average spend per visitor** will align with the current average ticket price of the **Borromean Islands (approximately €15)**, adjusted for inflation in subsequent years;
- We assume **extraordinary capex of approximately €3.5m per new site**, spread over the **next 7 years (2025–2032)**, for a total of approximately **€18m** (cash raised at IPO – costs);
- We assume **maintenance capex** broadly stable at **9–10% of total revenue**;
- We assume that the **profitability of new sites** will be able to **replicate that of the sites already managed by Kaleon**, and that overall profitability may further improve through optimisations of central systems.

**Chart 21: TP ICAP Blue Sky Scenario**

| Scenario Blue Sky (€mn) | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 | Dec-31 | Dec-32 | Dec-33 | Dec-34 | Dec-35 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **New Third Parties Sites (cumulated)** | - | 1 | 2 | 3 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Site 1 Revenues (est. 150k visitor cap) | - | 0.58 | 1.19 | 1.84 | 2.53 | 2.61 | 2.69 | 2.77 | 2.85 | 2.94 | 3.02 |
| Site 2 Revenues (est. 200k visitor cap) | - | - | 0.80 | 1.64 | 2.53 | 3.48 | 3.58 | 3.69 | 3.80 | 3.91 | 4.03 |
| Site 3 Revenues (est. 50k visitor cap) | - | - | - | 0.20 | 0.42 | 0.65 | 0.90 | 0.92 | 0.95 | 0.98 | 1.01 |
| Site 4 Revenues (est. 100k visitor cap) | - | - | - | - | 0.42 | 0.87 | 1.34 | 1.84 | 1.90 | 1.96 | 2.02 |
| Site 5 Revenues (est. 300k visitor cap) | - | - | - | - | - | 1.30 | 2.69 | 4.15 | 5.70 | 5.87 | 6.05 |
| **Sales** | **23.35** | **26.87** | **30.80** | **34.76** | **39.00** | **43.96** | **48.12** | **52.11** | **55.65** | **57.74** | **59.75** |
| Organic Revenues | 23.35 | 26.29 | 28.81 | 31.07 | 33.09 | 35.05 | 36.93 | 38.73 | 40.45 | 42.08 | 43.62 |
| New Third Parties Sites Revenues | 0.00 | 0.58 | 1.99 | 3.69 | 5.91 | 8.91 | 11.19 | 13.37 | 15.20 | 15.66 | 16.13 |
| **EBITDA** | **5.92** | **6.88** | **8.01** | **9.21** | **10.53** | **12.03** | **13.36** | **14.66** | **15.88** | **16.70** | **17.53** |
| **EBIT** | **3.53** | **4.71** | **5.66** | **6.61** | **7.58** | **8.66** | **9.61** | **10.55** | **11.44** | **12.05** | **12.66** |
| *Maintenance Capex (€mn)* | *2.33* | *2.69* | *2.93* | *3.30* | *3.51* | *3.96* | *4.34* | *4.71* | *5.04* | *5.24* | *5.44* |
| *Extraordinary Capex (€mn)* | *3.00* | *3.50* | *3.50* | *3.50* | *3.50* | *1.00* | *0.00* | *0.00* | *0.00* | *0.00* | *0.00* |
| **Total Capex (€mn)** | ***5.33*** | ***6.19*** | ***6.43*** | ***6.80*** | ***7.01*** | ***4.96*** | ***4.34*** | ***4.71*** | ***5.04*** | ***5.24*** | ***5.44*** |
| **FCF/EBITDA (%)** | ***-15.3%*** | ***-17.5%*** | ***-9.8%*** | ***-4.6%*** | ***2.0%*** | ***28.3%*** | ***37.9%*** | ***39.2%*** | ***40.4%*** | ***41.5%*** | ***42.7%*** |
| **Net Debt** | ***(4.71)*** | ***(3.32)*** | ***(2.36)*** | ***(1.79)*** | ***(1.90)*** | ***(5.30)*** | ***(10.36)*** | ***(16.10)*** | ***(22.51)*** | ***(29.45)*** | ***(36.93)*** |

Source: TP ICAP

In our view, Kaleon's blue sky scenario is a good proxy to illustrate the potential of its scalable model, **once the company has deployed the funds raised at IPO (€16.5m)** for the acquisition of new experiential sites. Based on our assumptions, Kaleon could progressively add one new third-party site per year between 2026 and 2030, thereby reaching five sites in total by 2030. **Revenue from these new assets could contribute approximately €16m by 2035, representing 27% of the group's revenue (€60m).**

**This expansion would allow Kaleon to maintain a total revenue CAGR of approximately +12.5% (2025–2030), with EBITDA rising from €5.9m in 2025 to €12m in 2030**, and margins remaining stable in the 25–30% range, confirming the scalability of the operating model. It is important to highlight that we estimate the company could return to positive free cash flow generation as early as 2029 (FCF/EBITDA 2%), with a progressive improvement in cash conversion from 2030, as the extraordinary capex phase gradually diminishes. Our capex assumptions are deliberately conservative, positioned at the higher end of the potential investment range.

This scenario highlights a virtuous combination of accelerated growth and strong cash generation, offering investors tangible visibility on Kaleon's long-term equity story. The management of third-party sites – with limited additional capex and replicable profitability – represents a compelling pathway to scale while preserving capital discipline.

# 7 - Valuation

**To establish our valuation, we applied a multi-method approach to ensure robustness and internal consistency across the different scenarios. We first used two distinct DCF models:**

- **The first, based on a low-risk, purely organic growth scenario,** reflecting visible and recurring cash flows;
- **The second, a complementary DCF, incorporating the upside potential linked to the management of new third-party sites,** thereby capturing the scalability of Kaleon's model beyond its current perimeter.

In addition, and to ensure completeness of the analysis, we performed a relative valuation based on a carefully selected peer panel, focusing on the most relevant market multiples – namely EV/EBITDA – in order to cross-check and validate the results obtained through our intrinsic valuation models.

## 7.1 – DCF Valuation – Organic Scenario

For this first – and primary – scenario on which all of our key financial estimates are based, **we chose to rely exclusively on an organic growth case.** We naturally added the impact of new projects expected to become operational between 2026 and 2027, such as the restaurant and **the new bar on Isola Bella, as well as the new rooms and suites at Villa Pallavicino,** for which we have sufficient visibility.

We retained the following assumptions:

- **A risk-free rate** equal to the 10-year Italian BTP yield, set at 3.6% (source: Bank of Italy);
- **An equity risk premium of 8.5%** (source: Damodaran's website), to which is added a **specific risk premium of 100 bps** to account for size and liquidity risk;
- **A beta set at 1.0,** chosen conservatively given that the company is not yet listed, while the sector average stands between 0.8–0.9 (source: Bloomberg). We consider it more conservative not to position the stock as potentially defensive at this stage;
- **A cost of debt assumed at 4%,** in line with the company's current level;
- **A target D/EV ratio of 40%,** also consistent with the company's historical pre-money structure, reflecting the lower risk profile of this scenario;
- **A terminal growth rate (g) of 2.5%,** consistent with long-term tourism market growth;
- **A resulting WACC of 8.9%;**
- **An EBITDA margin stabilising at around 31% in the long term,** driven by various cost structure optimisations, particularly in personnel and raw material costs;
- **A tax rate assumed at approximately 31% in the long term;**
- **WCR expected to normalise towards a neutral level by 2029;**

- **Capex estimated at approximately 10% of revenue in the medium term,** gradually normalising towards ~9% in the long term as maintenance capex;

### Chart 22: Discounted FCFF – Organic Scenario

| Kaleon Discounted FCFF Organic Growth Scenario (€mn) | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 | Dec-31 | Dec-32 | Dec-33 | Dec-34 | Dec-35 | Dec-36 | Dec-37 | Dec-38 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sales** | 23.35 | 26.29 | 28.81 | 31.07 | 33.09 | 35.05 | 36.93 | 38.73 | 40.45 | 42.08 | 43.62 | 45.07 | 46.44 | 47.72 |
| **EBITDA** | **6.09** | **7.44** | **8.36** | **9.16** | **9.84** | **10.47** | **11.07** | **11.66** | **12.23** | **12.78** | **13.30** | **13.80** | **14.28** | **14.73** |
| **EBIT** | **3.53** | **4.61** | **5.30** | **5.91** | **6.43** | **6.90** | **7.36** | **7.81** | **8.26** | **8.70** | **9.13** | **9.55** | **9.97** | **10.37** |
| *Taxes* | *(1.24)* | *(1.61)* | *(1.85)* | *(2.07)* | *(2.25)* | *(2.38)* | *(2.51)* | *(2.64)* | *(2.75)* | *(2.87)* | *(2.97)* | *(3.07)* | *(3.17)* | *(3.25)* |
| *D&A* | *2.56* | *2.84* | *3.06* | *3.25* | *3.41* | *1.06* | *1.11* | *1.15* | *1.19* | *1.23* | *1.26* | *1.29* | *1.32* | *1.34* |
| *Delta NWC* | *(0.26)* | *(0.24)* | *(0.36)* | *(0.46)* | *(0.56)* | *(0.16)* | *(0.15)* | *(0.15)* | *(0.13)* | *(0.12)* | *(0.11)* | *(0.09)* | *(0.07)* | *(0.05)* |
| **Capex** | **(5.33)** | **(4.63)** | **(3.74)** | **(2.95)** | **(2.98)** | **(0.94)** | **(1.00)** | **(1.05)** | **(1.10)** | **(1.15)** | **(1.20)** | **(1.24)** | **(1.28)** | **(1.33)** |
| **FCFF (TP ICAP)** | **(0.22)** | **1.45** | **3.13** | **4.60** | **5.17** | **4.80** | **5.11** | **5.43** | **5.73** | **6.04** | **6.33** | **6.62** | **6.91** | **7.18** |
| **Discounted visible FCFF (to today)** | (0.22) | 1.34 | 2.66 | 3.59 | 3.71 | 3.16 | 3.09 | 3.01 | 2.93 | 2.83 | 2.73 | 2.62 | 2.51 | 2.40 |

| | |
|---|---|
| Sum of Disc. Visible FCFF | 36.35 |
| Terminal Value | 35.37 |
| **Implied EV** | **71.72** |
| Net Debt Bridge | (5.21) |
| **Implied Equity Value** | **76.93** |

Source: TP ICAP

### Chart 23: Sensitivity Analysis – Organic Scenario

| Equity Value Sensitivity | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | 8.0% | 8.5% | **8.9%** | 9.4% | 9.9% |
| Perpetuity Growth Rate (g) | 1.5% | 82.1 | 75.9 | 71.8 | 67.0 | 62.8 |
| | 2.0% | 85.5 | 78.7 | 74.2 | 68.9 | 64.4 |
| | **2.5%** | 89.6 | 81.9 | **76.9** | 71.2 | 66.2 |
| | 3.0% | 94.4 | 85.7 | 80.1 | 73.7 | 68.3 |
| | 3.5% | 100.3 | 90.2 | 83.9 | 76.8 | 70.8 |

Source: TP ICAP

Using these data and the assumptions described above, **we arrive at an Enterprise Value of €71.7m** which, after deduction of the Net Debt bridge (net cash), leads to an **Equity Value of €76.9m.**

## 7.2 – DCF Valuation – Third-Party Site-Driven Growth

For this **second scenario**, we performed an analysis of the **discounted free cash flows (DCF)** generated under our **blue sky scenario**, as described in the previous chapter. In this case, we modelled the company's expansion from a financial perspective, assuming the acquisition of **third-party sites**. As already detailed, we incorporated the assumption of the acquisition of **a total of five external sites by 2030**, each requiring an **average ramp-up period of 3 to 4 years** to reach steady state and target capacity in terms of visitors.

We emphasize that our assumptions remain **conservative**, with an **average spend per visitor set at €15 in 2025**, slightly below the average level observed on the Borromean Islands, then adjusted for inflation over the forecast horizon.

To reflect the higher risk profile of this scenario – due to limited visibility on future sites and greater execution risk – we introduced several adjustments to our DCF assumptions compared to the organic growth scenario.

We retained the following assumptions:

- **A risk-free rate** equal to the **10-year Italian BTP** yield, set at **3.6%** (source: Bank of Italy);
- **An equity risk premium** of **8.5%** (source: Damodaran's website), with an **additional specific risk premium of 100 bps** to account for size and liquidity risk;
- **A beta set at 1.0**, chosen conservatively, the company not yet being listed and the sector average standing between **0.8–0.9** (source: Bloomberg). We consider it more conservative not to position the stock as potentially defensive at this stage;
- **A cost of debt** assumed at **4%**, in line with the company's current level;
- **A target D/EV ratio of 30%**, lower than in the organic scenario, as this riskier case requires maintaining more moderate leverage than in the historical structure;
- **A terminal growth rate (g) of 3%**, slightly above the **2.5%** retained in the organic scenario, reflecting the greater scalability potential and the large pool of available sites in Italy;
- **A resulting WACC of approximately 10%**, higher to reflect the increased risk;
- **An EBITDA margin** stabilising at around **31%** in the long term, driven by cost structure optimisations (personnel, raw materials);
- **A tax rate** assumed at **~31%** in the long term, in line with the company's track record;
- **Working capital** expected to normalise towards a neutral level by **2029**;
- **Capex estimated at ~9–10% of revenue** in the medium term, gradually normalising towards **~9%** in the long term as maintenance capex ;

## Chart 24: Discounted FCFF – Third-Party Site-Driven Growth

| Kaleon Discounted FCFF Third Party Sites Scenario (€mn) | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 | Dec-31 | Dec-32 | Dec-33 | Dec-34 | Dec-35 | Dec-36 | Dec-37 | Dec-38 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sales** | 23.35 | 26.87 | 30.80 | 34.76 | 39.00 | 44.00 | 48.23 | 52.32 | 56.01 | 58.26 | 60.48 | 62.64 | 64.75 | 66.80 |
| **EBITDA** | **5.92** | **6.88** | **8.01** | **9.21** | **10.53** | **12.03** | **13.36** | **14.66** | **15.88** | **16.70** | **17.53** | **18.35** | **19.16** | **19.98** |
| **EBIT** | **3.53** | **4.71** | **5.66** | **6.61** | **7.58** | **8.66** | **9.61** | **10.55** | **11.44** | **12.05** | **12.66** | **13.28** | **13.90** | **14.52** |
| Taxes | *(1.24)* | *(1.65)* | *(1.98)* | *(2.31)* | *(2.65)* | *(2.99)* | *(3.28)* | *(3.56)* | *(3.81)* | *(3.97)* | *(4.12)* | *(4.27)* | *(4.41)* | *(4.55)* |
| D&A | *2.56* | *2.90* | *3.27* | *3.64* | *4.02* | *4.47* | *4.84* | *5.18* | *5.47* | *5.61* | *5.74* | *5.87* | *5.99* | *6.09* |
| Delta NWC | *(0.26)* | *(0.25)* | *(0.39)* | *(0.52)* | *(0.66)* | *(0.68)* | *(0.67)* | *(0.65)* | *(0.61)* | *(0.55)* | *(0.48)* | *(0.41)* | *(0.32)* | *(0.24)* |
| *Maintenance Capex* | (2.33) | (2.69) | (2.93) | (3.30) | (3.51) | (3.96) | (4.34) | (4.71) | (5.04) | (5.24) | (5.44) | (5.64) | (5.83) | (6.01) |
| *Extraordinary Capex* | (3.00) | (3.50) | (3.50) | (3.50) | (3.50) | (1.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Capex** | **(5.33)** | **(6.19)** | **(6.43)** | **(6.80)** | **(7.01)** | **(4.96)** | **(4.34)** | **(4.71)** | **(5.04)** | **(5.24)** | **(5.44)** | **(5.64)** | **(5.83)** | **(6.01)** |
| **FCFF (TP ICAP)** | **(0.22)** | **0.02** | **0.91** | **1.65** | **2.59** | **5.85** | **7.49** | **8.11** | **8.66** | **9.00** | **9.33** | **9.65** | **9.97** | **10.28** |
| **Discounted visible FCFF (to today)** | (0.22) | 0.02 | 0.76 | 1.25 | 1.79 | 3.66 | 4.26 | 4.20 | 4.07 | 3.85 | 3.62 | 3.41 | 3.20 | 3.00 |

| | |
|---|---|
| Sum of Disc. Visible FCFF | 36.87 |
| Terminal Value | 40.06 |
| **Implied EV** | **76.93** |
| Net Debt Bridge | (5.21) |
| **Implied Equity Value** | **82.14** |

Source: TP ICAP

## Chart 25: Sensitivity Analysis – Third-Party Site-Driven Growth

| Equity Value Sensitivity | | WACC | | | | |
|---|---|---|---|---|---|---|
| | | 9.0% | 9.5% | **10.0%** | 10.5% | 11.0% |
| | 2.0% | 87.2 | 80.5 | 74.6 | 69.4 | 64.9 |
| Perpetuity | 2.5% | 92.3 | 84.7 | 78.2 | 72.5 | 67.5 |
| Growth Rate | **3.0%** | 98.0 | 89.4 | **82.1** | 75.9 | 70.4 |
| (g) | 3.5% | 104.6 | 94.9 | 86.6 | 79.6 | 73.6 |
| | 4.0% | 112.5 | 101.2 | 91.8 | 83.9 | 77.1 |

Source: TP ICAP

Using these data and the assumptions described above, we arrive at an **Enterprise Value** of approximately **€76.9m** which, after deduction of **Net Debt**, translates into an **Equity Value** of **€82.1m**.

This valuation is slightly **above the organic growth scenario**, reflecting the potential contribution of **new third-party sites** under management. The resulting **ROIC** should exceed the **WACC**, although the latter – being higher than in the organic scenario – **partially offsets** this improvement.

## 7.3 – Valuation Through Multiples

For the peer selection, we focused on listed companies with a large European customer base. **We then targeted companies adopting a primarily asset-light model**, an essential criterion to ensure minimum alignment with Kaleon's operating structure.

**Although each comparable presents specific structural and financial differences**, the panel as a whole constitutes a relevant reference point to position Kaleon within the European experiential and hospitality ecosystem. **All selected companies operate under asset-light or semi-asset-light models, primarily serve a European clientele and create value through service quality**, brand reputation and experience-centred offerings, rather than through asset ownership.

We acknowledge that certain differences in financial structure – notably the **structurally high cash position of Voyageurs du Monde, due to its advance-payment-based model** – may distort EV-based multiples. Nevertheless, including these comparables allows for a broader view of valuation ranges for similar business models in the experiential and hospitality space.

The selected comparables are:

- **Accor SA:** One of the leading European hotel groups, operating an extensive portfolio of brands ranging from economy to luxury. Although the group retains certain real estate interests, its model is largely capital-light, thanks to a significant proportion of franchised and managed hotels. Accor has also diversified into the lifestyle and experiential segments (notably through Ennismore).

  Its growing orientation towards experiential hospitality makes it a relevant comparable, particularly in terms of scalability, brand-driven value creation and fee-based revenue.

- **Voyageurs du Monde SA:** A listed French operator specialising in bespoke travel for affluent clients seeking authenticity and cultural immersion. Its model, highly service-oriented and asset-light, shares similarities with Kaleon, particularly in customer experience and value creation through expertise rather than assets.

  However, its financial profile diverges significantly from the rest of the panel, due to a structurally high cash position linked to advance payments, which artificially compresses EV-based multiples and imperfectly reflects actual profitability. Despite this, Voyageurs du Monde remains one of the few listed European comparables with an experiential positioning and an asset-light model, justifying its inclusion.

- **Pierre et Vacances:** The group operates a portfolio of leisure residences and holiday parks under the Center Parcs, Pierre & Vacances and Maeva brands. Although still partially exposed to assets, its transformation plan aims to evolve towards a more asset-light and management fee-based model. Its European presence, leisure positioning and move upmarket towards more experiential offerings make it a relevant benchmark for analysing valuation metrics in the hospitality/experiential space.

- **Marriott International:** One of the global leaders in hospitality, operating a vast portfolio of brands across different segments. Marriott primarily operates under an asset-light model, favouring managed or franchised hotels, enabling rapid growth without significant capital investment. Marriott is also committed to heritage preservation, as demonstrated by the transformation of the JW Marriott Savannah Plant Riverside District (housed in a former power plant) or the Fairfield Inn & Suites at Eagle Cotton Mill in Madison (Indiana), developed in a restored historic industrial building.

For our multiples analysis, we chose to focus exclusively on **EV/EBITDA**. This choice reflects the asset-light model of Kaleon and its comparables (Accor, Marriott, Pierre & Vacances and Voyageurs du Monde), where differences in depreciation and amortisation can distort EBIT-based multiples. **EV/EBITDA provides a more consistent measure of operating profitability, which is central to Kaleon's model.**

**Within our peer panel, EV/EBITDA multiples display significant dispersion,** reflecting both the factors previously mentioned and the **difficulty of finding a listed company that truly replicates Kaleon's unique model** and its positioning on high cultural-value heritage assets.

**Chart 26 : EV/EBITDA of comparables**

| EV/EBITDA Peers | 2025E | 2026E | 2027E |
|---|---|---|---|
| Accor SA | 13.7 x | 12.4 x | 11.3 x |
| Voyageurs du Monde SA | 6.9 x | 6.2 x | 5.9 x |
| Pierre et Vacances SA | 4.5 x | 4.3 x | 4.6 x |
| Marriott | 18.8 x | 18.0 x | 16.9 x |
| **Average** | **11.0 x** | **10.2 x** | **9.7 x** |
| **Median** | **10.3 x** | **9.3 x** | **8.6 x** |

| EV/EBITDA Kaleon Valuation | 2025E | 2026E | 2027E |
|---|---|---|---|
| EBITDA reported (€mn) | 6.1 | 7.4 | 8.4 |
| Multiple | **10.3 x** | **9.3 x** | **8.6 x** |
| Multiple at -10% discount | 9.3 x | 8.4 x | 7.8 x |
| **Enterprise Value (€mn)** | **56.5** | **62.2** | **64.8** |
| Bridge (Net Debt 2025) (€mn) | (5.2) | (5.2) | (5.2) |
| **Equity Value (€mn)** | **61.7** | **67.4** | **70.0** |

Source: TP ICAP, Factset as of 5th February 2026

**This assessment also takes into account Voyageurs du Monde**, whose **multiples** are **structurally influenced by a very high cash level** stemming from its advance-payment-based model, as well as **Pierre & Vacances,** whose multiples are mechanically depressed due to **IFRS 16 accounting effects.**

**We applied a 10% discount** to the multiples-derived valuation, to reflect Kaleon's smaller size and the heterogeneity of the selected peer group.

**Based on the EV/EBITDA multiples** of the comparables and after application of **a conservative 10% discount**, we arrive at an **implied Equity Value of €67.4m,** corresponding to the median of the valuation range obtained on FY2025e–2027e.

## 7.4 – Aggregate Valuation

**We assigned a weight of 60% to the DCF based on the scenario reflecting only organic growth.** This is a conservative choice, as it is the scenario for which we have the greatest visibility.

**We then incorporate a second DCF, based on the scenario in which the company implements its expansion strategy on third-party sites.** This scenario involves stronger growth, accompanied by **higher capex and increased risk. We assigned it a weight of 30%,** reflecting both this additional risk and the lower visibility available at this stage.

**Finally, we assigned a weight of 10% to the comparable multiples valuation (EV/EBITDA).** This reduced weight reflects the high heterogeneity of the peer panel and the **difficulty of identifying listed companies truly comparable to Kaleon's unique model,** built on cultural heritage assets. This allows the comparables approach to contribute to the overall valuation, while avoiding excessive reliance on potentially biased multiples.

**Overall, we arrive at a final Equity Value of €77.5m, resulting in an average Target Price of €5.5 per share, with a 35% upside on the current share price.**

**Chart 27 : TP ICAP Valuation Summary**

| Valuation Method | Details | Equity Value (€mn) | TP (€) | Weighting (%) |
|---|---|---|---|---|
| DCF | FCFF only organic | 76.9 | 5.4 | *60%* |
| | FCFF with expansion scenario | 82.1 | 5.8 | *30%* |
| Multiples Valuation | EV/EBITDA | 67.4 | 4.8 | *10%* |
| **TP ICAP Final Valuation** | | 77.5 | 5.5 | |

Source: TP ICAP

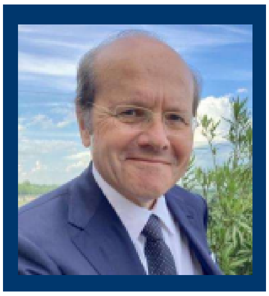
# Appendix 1: Management

## Vitaliano Borromeo – Executive Charmain

- Founding Family
- +15 years at Kaleon

## Giberto Borromeo – Executive Vice-Charmain

- Founding Family
- 5 years at Kaleon



## Davide Molteni – CEO

- 8 years of experience as CEO at Kaleon
- +15 years at Kaleon

## Andrea Gasperoni – COO

+20 years of experience as COO in Italian leisure parks

- 7 years at Kaleon

## Alessandro Pedrazzini – CFO

- +25 years of experience in accounting
- 10 years at Kaleon

# FINANCIAL DATA

| Income Statement | 12/22 | 12/23 | 12/24 | 12/25e | 12/26e | 12/27e |
|---|---|---|---|---|---|---|
| Sales | 0.0 | 21.5 | 21.7 | 23.3 | 26.3 | 28.8 |
| Changes (%) | na | na | 0.7 | 7.7 | 12.6 | 9.6 |
| Gross profit | 0.0 | 20.1 | 20.5 | 21.9 | 24.6 | 27.0 |
| % of Sales | na | 93.3 | 94.6 | 93.6 | 93.7 | 93.7 |
| **EBITDA** | **0.0** | **6.7** | **5.5** | **6.1** | **7.4** | **8.4** |
| % of Sales | na | 31.3 | 25.4 | 26.1 | 28.3 | 29.0 |
| **Current operating profit** | **0.0** | **6.7** | **5.5** | **6.1** | **7.4** | **8.4** |
| % of Sales | na | 31.3 | 25.4 | 26.1 | 28.3 | 29.0 |
| Non-recurring items | 0.0 | -0.0 | -0.0 | 0.0 | 0.0 | 0.0 |
| EBIT | 0.0 | 4.4 | 2.9 | 3.5 | 4.6 | 5.3 |
| Net financial result | 0.0 | -0.2 | -0.2 | -0.2 | -0.2 | -0.2 |
| Income Tax | 0.0 | -1.3 | -1.2 | -1.3 | -1.5 | -1.8 |
| Tax rate (%) | 0.0 | -31.7 | -43.6 | -35.0 | -35.0 | -35.0 |
| **Net profit, group share** | **0.0** | **2.9** | **1.5** | **2.5** | **2.9** | **3.3** |

| Financial Statement | 12/22 | 12/23 | 12/24 | 12/25e | 12/26e | 12/27e |
|---|---|---|---|---|---|---|
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tangible and intangible assets | 0.0 | 20.2 | 22.6 | 24.8 | 28.1 | 27.8 |
| Right of Use | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial assets | 0.0 | 0.1 | 0.1 | 0.7 | 0.7 | 0.7 |
| Working capital | 0.0 | -0.5 | -2.5 | -2.2 | -1.9 | -1.5 |
| Other Assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Assets | 0.0 | 19.9 | 20.3 | 23.3 | 26.9 | 26.9 |
| Shareholders equity group | 0.0 | 4.7 | 6.2 | 27.2 | 30.1 | 33.4 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LT & ST provisions and others | 0.0 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 |
| Net debt | 0.0 | 13.9 | 12.7 | -5.2 | -4.5 | -7.8 |
| Other liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities | 0.0 | 19.9 | 20.3 | 23.3 | 26.9 | 26.9 |
| Net debt excl. IFRS 16 | 0.0 | 13.9 | 12.7 | -5.2 | -4.5 | -7.8 |
| Gearing net | na | 3.0 | 2.0 | -0.2 | -0.2 | -0.2 |
| Leverage | na | 2.1 | 2.3 | -0.9 | -0.6 | -0.9 |

| Cash flow statement | 12/22 | 12/23 | 12/24 | 12/25e | 12/26e | 12/27e |
|---|---|---|---|---|---|---|
| CF after elimination of net borrowing costs and taxes | 0.0 | 0.0 | 4.9 | 4.7 | 5.9 | 6.5 |
| ΔWCR | 0.0 | 0.0 | 1.5 | -0.3 | -0.2 | -0.4 |
| Operating cash flow | 0.0 | 0.0 | 6.4 | 4.5 | 5.6 | 6.2 |
| Net capex | 0.0 | 0.0 | -4.8 | -5.3 | -6.1 | -2.7 |
| FCF | 0.0 | 0.0 | 1.6 | -0.9 | -0.5 | 3.4 |
| Acquisitions/Disposals of subsidiaries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in borrowings | 0.0 | 0.0 | -1.2 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Repayment of leasing debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equity Transaction | 0.0 | 0.0 | 0.0 | 16.5 | 0.0 | 0.0 |
| Others | 0.0 | 0.0 | -0.2 | 0.0 | 0.5 | 0.0 |
| Change in net cash over the year | 0.0 | 0.0 | 0.0 | 15.5 | -0.2 | 3.2 |

| | | | | | | |
|---|---|---|---|---|---|---|
| ROA (%) | na | 14.6% | 7.6% | 10.6% | 10.7% | 12.4% |
| ROE (%) | na | 61.6% | 24.7% | 9.1% | 9.5% | 10.0% |
| ROCE (%) | na | 15.2% | 8.0% | 9.6% | 10.9% | 12.5% |

# DISCLAIMER

**Analyst certifications**

This research report (the “Report”) has been approved by Midcap, a business division of TP ICAP (Europe) SA (“Midcap”), an Investment Services Provider authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"). By issuing this Report, each Midcap analyst and associate whose name appears within this Report hereby certifies that (i) the recommendations and opinions expressed in the Report accurately reflect the research analyst’s and associate’s personal views about any and all of the subject securities or issuers discussed herein and (ii) no part of the research analyst's or associate’s compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst or associate in the Report.

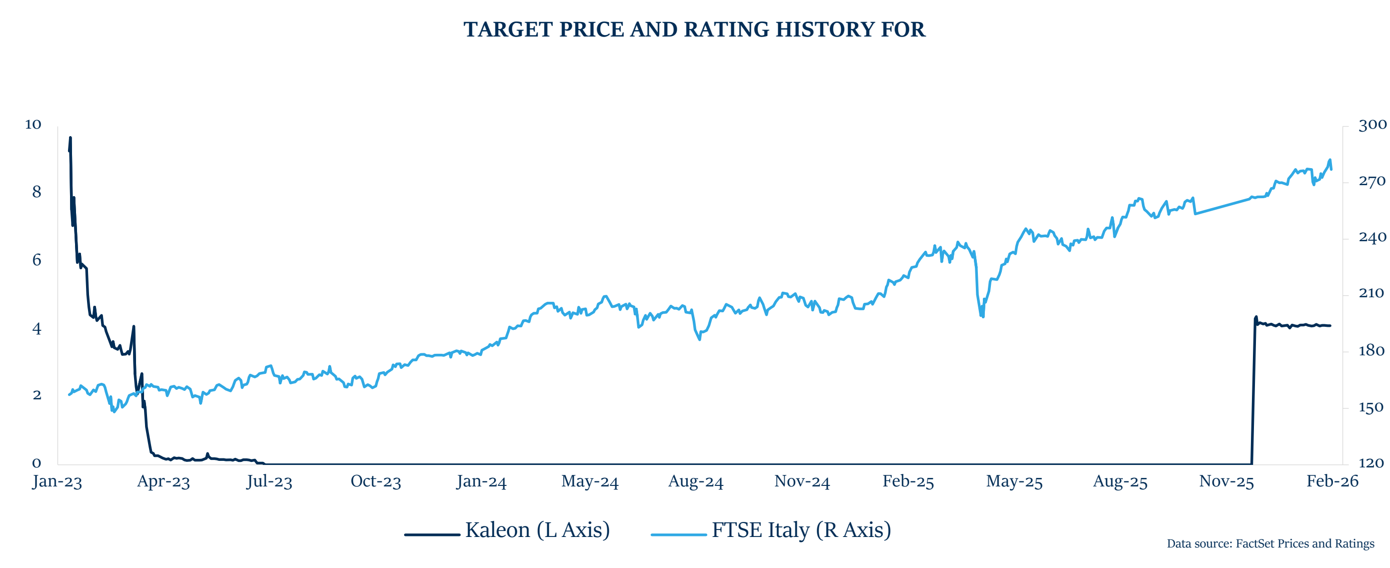
**Methodology**

This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

**Conflict of Interests between TP ICAP Midcap and Issuer**

D. Midcap or any related legal entity is a market maker or liquidity provider with whom a liquidity agreement has been entered into in respect of the Issuer's financial instruments: Kaleon
E. Midcap or any related legal entity has acted, over the last twelve months, as lead or co-lead in a public offer for financial instruments of the Issuer: Kaleon
F. Midcap or any legal entity related to it is party to any other agreement with the Issuer relating to the provision of investment services in connection with the corporate activity: Kaleon
G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Kaleon

### History of investment rating and target price – Kaleon




### Historical recommendations and target price (-1Y)

| Date | Analyst | Old Target Price | New Target Price | Closing Price | Old Recommendation | New Recommendation |
|---|---|---|---|---|---|---|

### Distribution of Investment Ratings

| Rating | Recommendation Universe* | Portion of these provided with investment banking services** |
|---|---|---|
| Buy | 74% | 71% |
| Hold | 18% | 59% |
| Sell | 4% | 17% |
| Under review | 4% | 100% |

Midcap employs a rating system based on the following:
Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.
Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.
Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at https://researchtpicap.midcapp.com/en/disclaimer.

**General Disclaimer**

This Report is confidential and is for the benefit and internal use of the selected recipients only. No part of it may be reproduced, distributed, or transmitted without the prior written consent of Midcap

This Report is published for information purposes only and does not constitute a solicitation or an offer to buy or sell any of the securities mentioned herein. The information contained in this Report has been obtained from sources believed to be reliable and public, Midcap makes no representation as to its accuracy or completeness. The reference prices used in this Report are closing prices of the day before the publication unless otherwise stated. All opinions expressed in this Report reflect our judgement at the date of the documents and are subject to change without notice. The securities discussed in this Report may not be suitable for all investors and are not intended to recommend specific securities, financial instruments, or strategies to particular clients. Investors should make their own investment decisions based on their financial situation and investment objectives. The value of the income from your investment may vary due to changes in interest rates, changes in the financial and operating conditions of companies and other factors. Investors should be aware that the market price of the securities discussed in this Report may be volatile. Due to the risk and volatility of the industry, the company, and the market in general, at the current price of the securities, our investment rating may not correspond to the stated price target. Additional information regarding the securities mentioned in this Report is available on request.

This Report is not intended for distribution or use by any entity who is a citizen or resident of, or an entity located in any locality, territory, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to or limited by law or regulation. Entity or entities in possession of this Report must inform themselves about and comply with any such restrictions, including MIFID II. This Report is only intended for persons who are Eligible Counterparties or Professional Clients within the meaning of MIFID II regulation. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. The Report is subject to restricted circulation. The research was conducted in accordance with the provisions of the Charter of good practices for sponsored research. Midcap has adopted effective administrative and organizational arrangements, including "information barriers", to prevent and avoid conflicts of interest regarding investment recommendations. The remuneration of financial analysts who participate in the preparation of the recommendation is not linked to the corporate finance activity.