



Investor Presentation

YOUR D.E.S.K. PARTNER FOR

INNOVATION



Our Vision

Like a **light** blowing **breeze**
It **wraps** and **transforms** every thought
And I let myself be **carried** away...
...meanwhile a **white cloud** passes in the sky

Speakers

PASQUALE LAMBARDI

Chairman & CEO



Graduated in Computer Engineering from University of Calabria, he holds a master's degree in business administration from "Escuela Internacional De Direccion Empresarial De Madrid" and one in Cognitive Analytics from IBM. Experiences in programming and business analytics developed with large companies like IBM e Telecom Italia. In 2001 he founded Relatech where he is currently president and CEO. Since 2008 he is the administrator and founder of Ithea S.r.l. (university spin-off), a company specialized in the R&D of innovative solutions (subsequently purchased by Relatech). Since 2018 he is president of OKT S.r.l. (university spin-off and 51% owned by Relatech), a company specialized in blockchain and cybersecurity technologies.

SILVIO COSOLETO

Executive Director & CCO



Graduated in Engineering from Politecnico of Milan, he holds a master's degree in Business Internationalization and two technology certifications (Certification CAPM PMI- Project Management Institute and ITIL). He followed a training program as Chief Information Officer Management at SDA Bocconi. He's experienced as managing director having worked at several medium and large companies, as AGS S.p.A. Hanwha SolarOne GmbH. Silvio joined Relatech in 2015 as Commercial Director and has recently been appointed as Executive Director and Chief Operation Officer.

ANGELO ALOIA

Chief Innovation Manager



Graduated in Electronic Engineering and Bio-engineering from Politecnico of Milan, he holds a master's degree in Information Security Management from CEFRIEL. He's senior experiences in the ICT market made with large international companies such as IBM and BEA, as well as several medium sized firms. Angelo joined Relatech in 2019 as Innovation Manager, where he coordinates the Open Innovation Program and manages the Innovation Lab. He is qualified in the MInisterial catalogue of Innovation Managers.

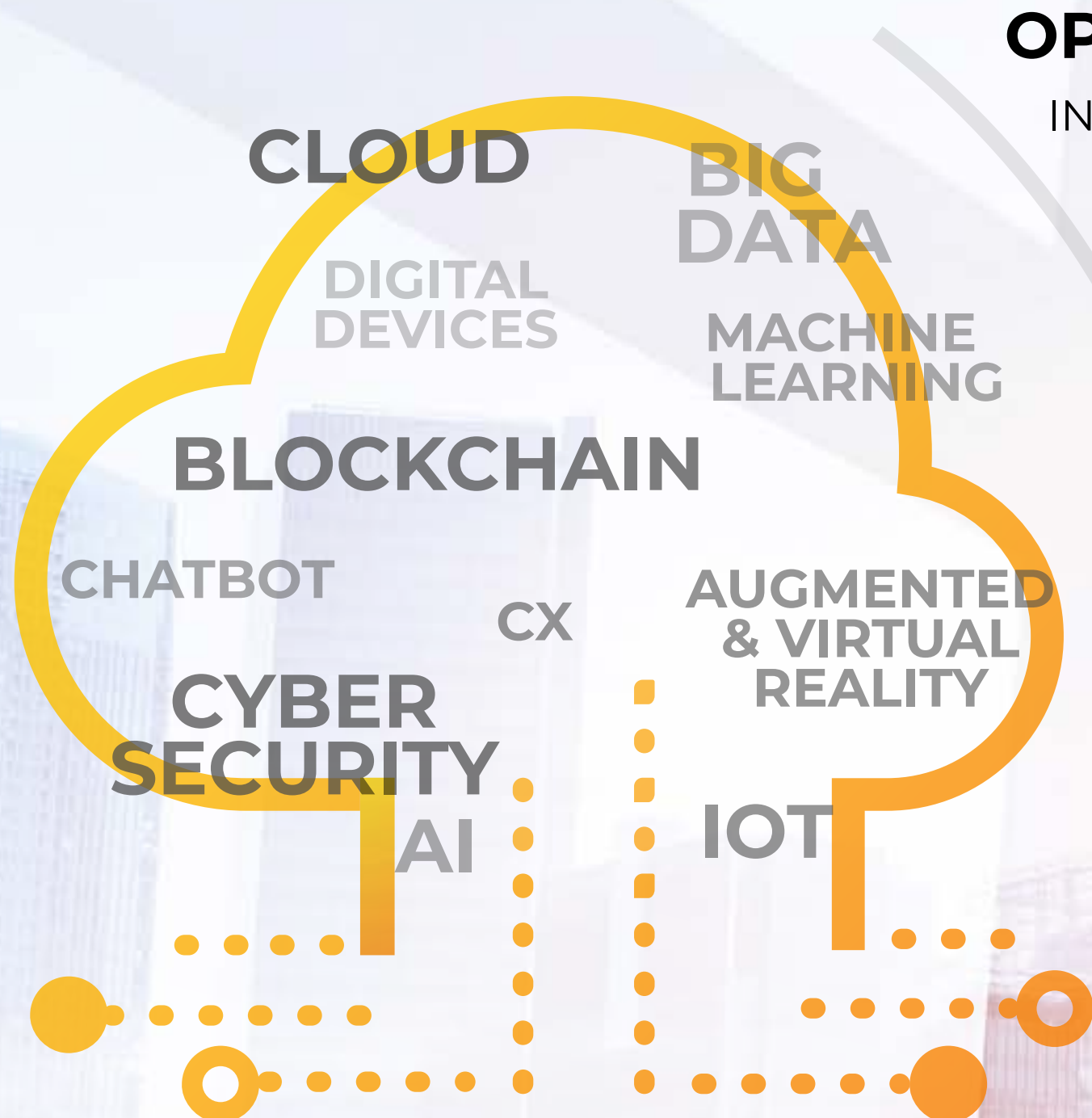
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Relatech at a Glance

Relatech at a Glance

YOUR D.E.S.K. PARTNER FOR INNOVATION



DIGITAL ENABLER MARKET

2T\$ WW BY 2024
CAGR (19-24): 18%

OPEN INNOVATION

INNOVATION LAB: R&D COLLABORATION WITH SCIENTIFIC COMMUNITY



SOFTWARE FACTORY

INDUSTRIALIZATION OF INNOVATIVE SOLUTIONS THANKS TO OUR TALENTS AND ECOSYSTEM COLLABORATION WITH MARKET PARTNERS



REPLATFORM

CONTAINER OF SKILLS, TECHNOLOGIES AND METHODOLOGIES AND FOUNDATION FOR INNOVATIVE SERVICES AND CLOUD DIGITAL SOLUTIONS

TAILOR-MADE DIGITAL SOLUTIONS IN CLOUD

RELATECH OFFERS ADDED VALUE TO ALL COMPANIES THAT SEE THE DIGITAL INNOVATION AS THE DRIVER OF FUTURE BUSINESS

REZONE: AI CUSTOMER ENGAGEMENT SOLUTION

AWARD WINNER 2019: WORLDWIDE IBM BEACON AWARD FOR AI CUSTOMER ENGAGEMENT



INNOVATIVE SME

R&D INVESTMENTS

21% OF REVENUES (2019)

INNOVATIVE AI ALGORITHMS



HUMAN

80% DEGREE

10% MASTER/PhD

100% HIGH SKILLED

RePlatform

REYOU RETHING
REDATA REHUB RESEC

OFFER

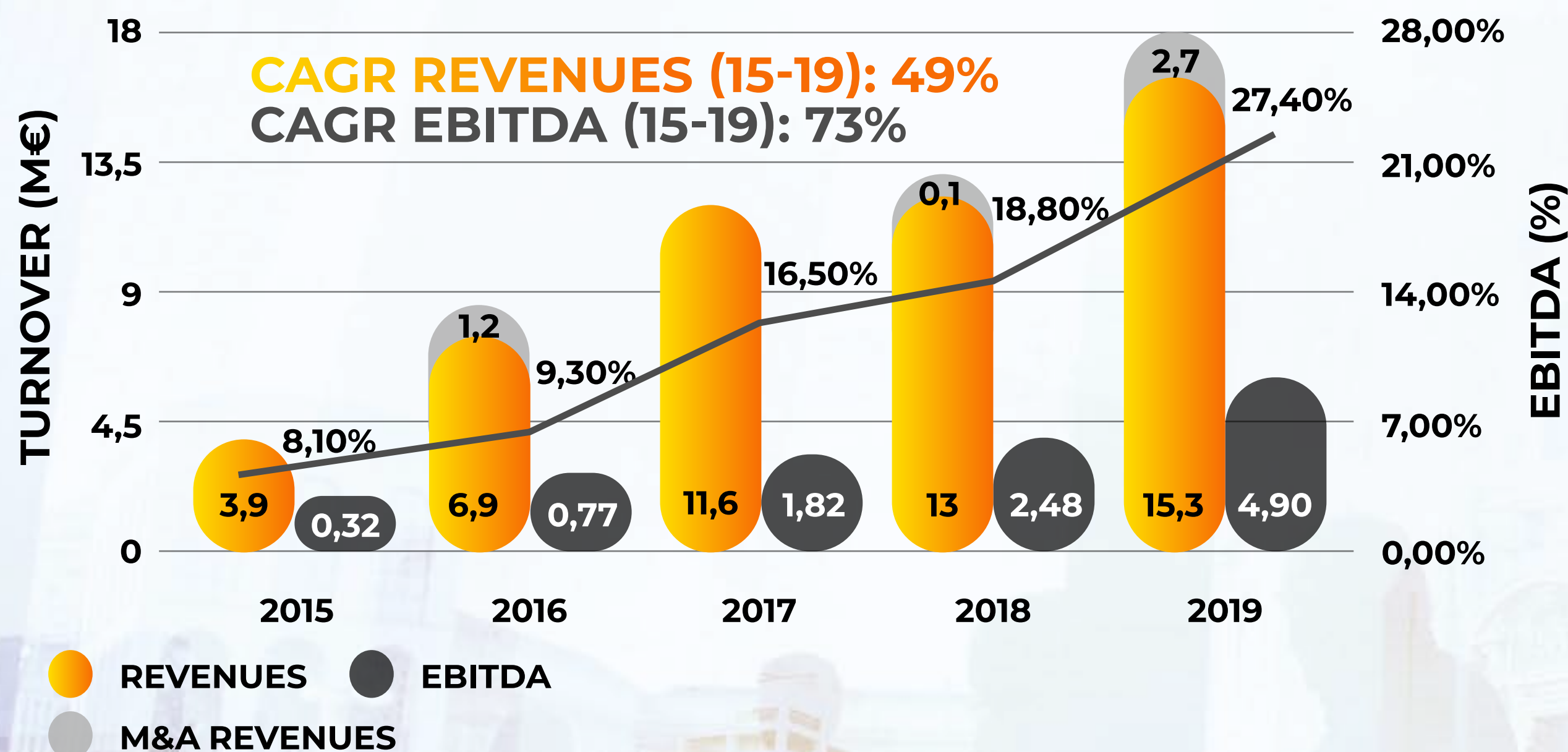
- INNOVATION SERVICES
- DIGITAL SOLUTIONS

Relatech at a Glance

HOW WE BUILD OUR LEADERSHIP

OPERATING LEVERAGE

(CASH CONVERSION RATE 85%)

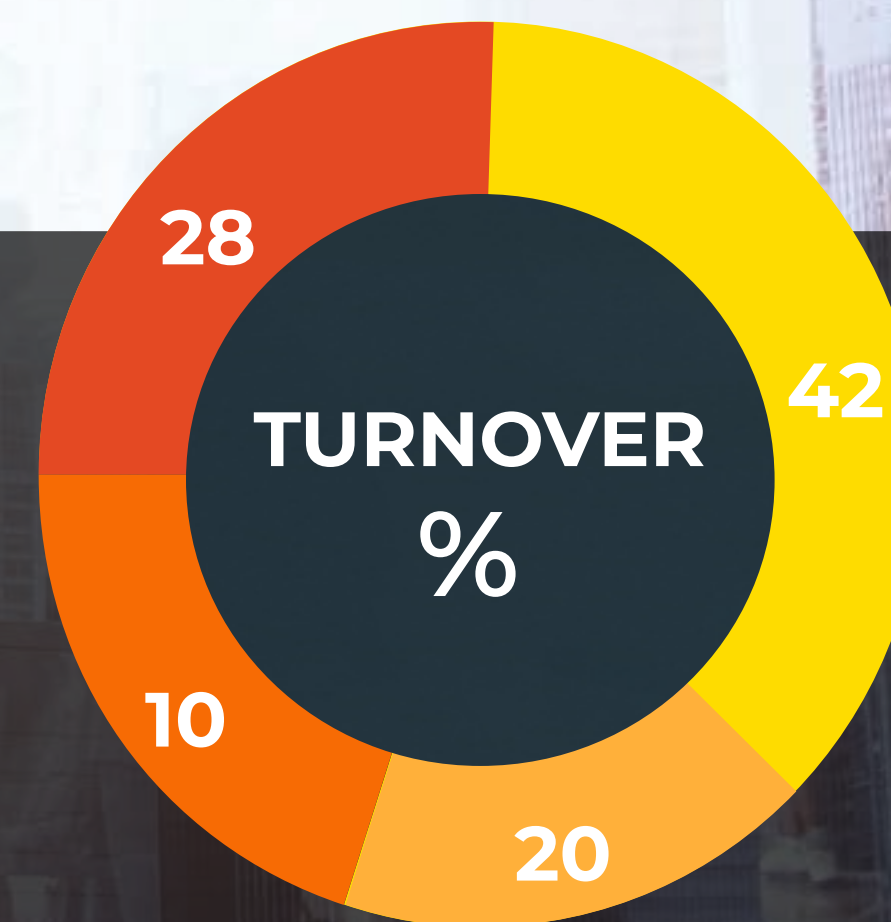


M&A STRATEGY

ANNO	COMPANY	RATIO
2016	Shopstic PointStic ClearDrop	TECHNOLOGICAL ACQUISITION TECHNOLOGICAL ACQUISITION REVENUES INCREASE
2018	OKT	R&D REINFORCEMENT
2019	Connexò	NEW PARTNERS AND CLIENTS
2020		KNOW-HOW & NEW MARKETS
2021-22		INTERNATIONALIZATION

LOYALTY

MORE THAN **70** ACTIVE CUSTOMERS EQUIDISTRIBUTED IN ALL SECTORS
 OVER **50%** CUSTOMERS WITH CONTRACTS OLDER THAN 3 YEARS
 RECURRENT REVENUE (2019): **22%**
 CUSTOMER CHURN RATE 2019 LESS THAN **1%** ON TURNOVER VALUE
 OVER **50%** OF THE INTERNAL TURNOVER ON INTERNATIONAL CUSTOMERS



DIVERSIFICATION

- PHARMA & HEALTH
- TELCO & INDUSTRY
- RETAIL & DISTRIBUTION
- FINANCE & INSURANCE

18 years

OF CONSTANT INNOVATION

START-UP 2001-2007

2M€

2001
SET UP

WEB
PROJECTS

SOLUTIONS
FOR **FASHION
AND LUXURY**

ECOSYSTEM 2008 - 2015

3,6M€

R&D INVESTMENTS
(ITHEA)

**INTERNATIONAL
PARTNERSHIPS**
(IBM WATSON
CLOUD)

**FIRST
INTERNATIONAL
CUSTOMERS**
(Alliance Healthcare)

SCALE-UP 2016 - 2018

13M€

5 M&A OPERATIONS
(...OKT, CONNEXÒ)

NEW MANAGEMENT
(COO, CTO, CInO)

OPEN INNOVATION
(UNICAL, CNR...)

**CLOUD DIGITAL
SOLUTION**
(REZONE
REPLATFORM)

GROWTH 2019-2022

18M€

2019
AIM ITALIA
QUOTATION

**REZONE WINS IBM
BEACON AWARD**

3M STRATEGY (*)

SCALER FUTURE

NEW BUSINESS

NEW SOLUTIONS

INTERNATIONALIZATION

**"EVERYONE KNOWS SOMETHING IS
IMPOSSIBLE UNTIL SOMEONE
UNAWARE OF THAT,
COMES ALONG AND MAKES IT"**
[ALBERT EINSTEIN]

3M: Managment, Merger, Margin

(*) Margin: improvement in innovation to get a national technological leadership

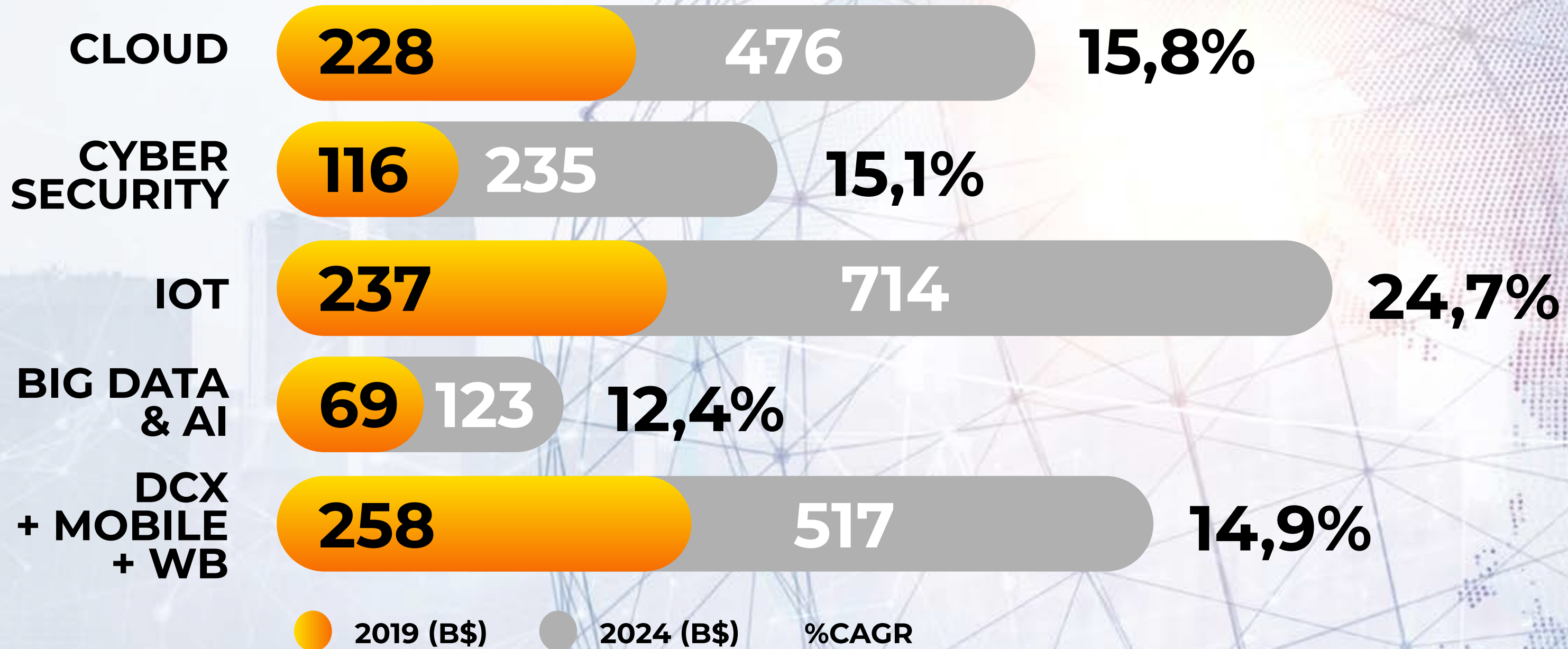
Market



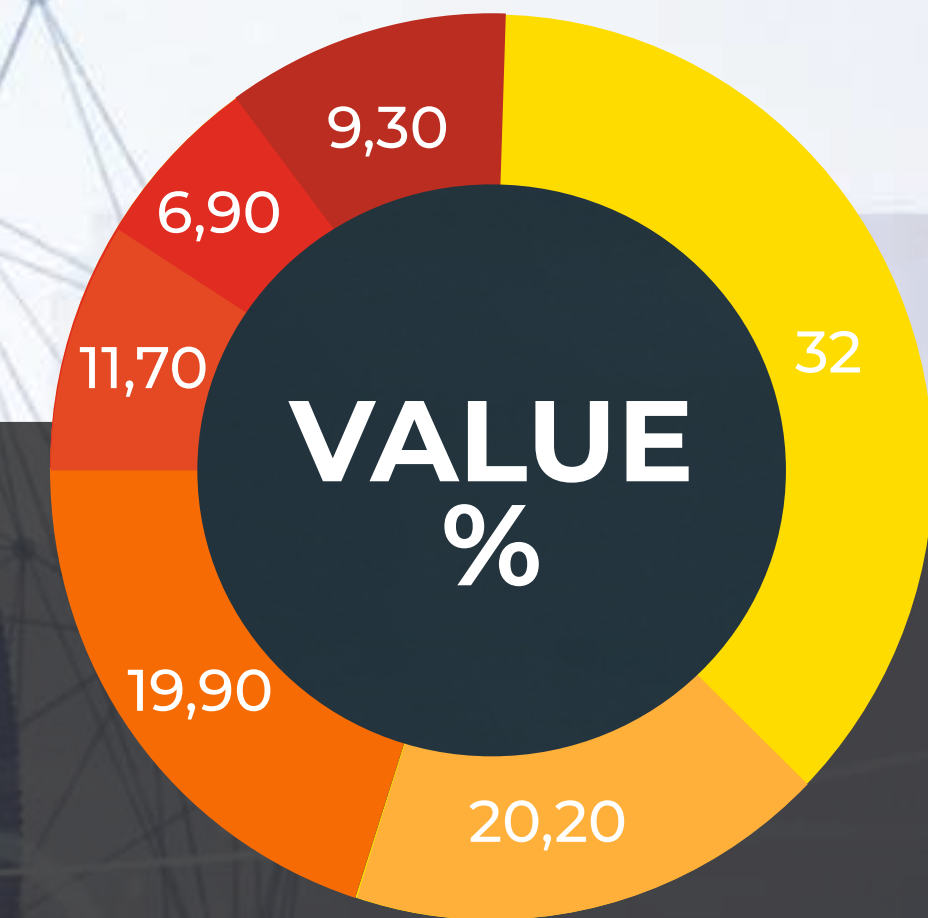
Worldwide Digital Enablers Market

ESTIMATED TO GROW TO 2T\$ BY 2024, CAGR 2019-24: 18%

WW DIGITAL ENABLERS (BILLION \$)



WW D.E. BY GEOGRAPHY - 2019



TOTAL 2019: 900B\$
ESTIMATE 2024: 2T\$
CAGR: 18%

**D.E. IS THE SEGMENT WITH THE HIGHEST GROWTH IN ICT
HUGE GROWTH AND VOLUMES ARE EXPECTED FOR IOT
USA, WEST EU AND CHINA DOMINATE THE MARKET**

Digital Europe Programme 2021-27 (Horizon 2027)

TARGETS

- INCREASE EU COMPETITIVENESS
- DEVELOP AND STRENGTHEN DIGITAL SKILLS OF MEMBER STATES
- DIGITAL SKILLS ACCESSIBLE TO CITIZENS AND BUSINESSES
- HORIZON 2021-27 PROGRAM, CONTINUING H2020

THE EUROPEAN COMMUNITY PLANS TO KEEP SUPPORTING THE GROWTH OF MEMBER COUNTRIES CONTINUING THE HORIZON PROGRAM TO 2027

5 KEY INVESTMENT AREAS

- HIGH PERFORMANCE COMPUTING
- ARTIFICIAL INTELLIGENCE
- CYBER SECURITY
- DIGITAL SKILLS
- PA, COMPANIES AND SME DIGITAL TRANSFORMATION

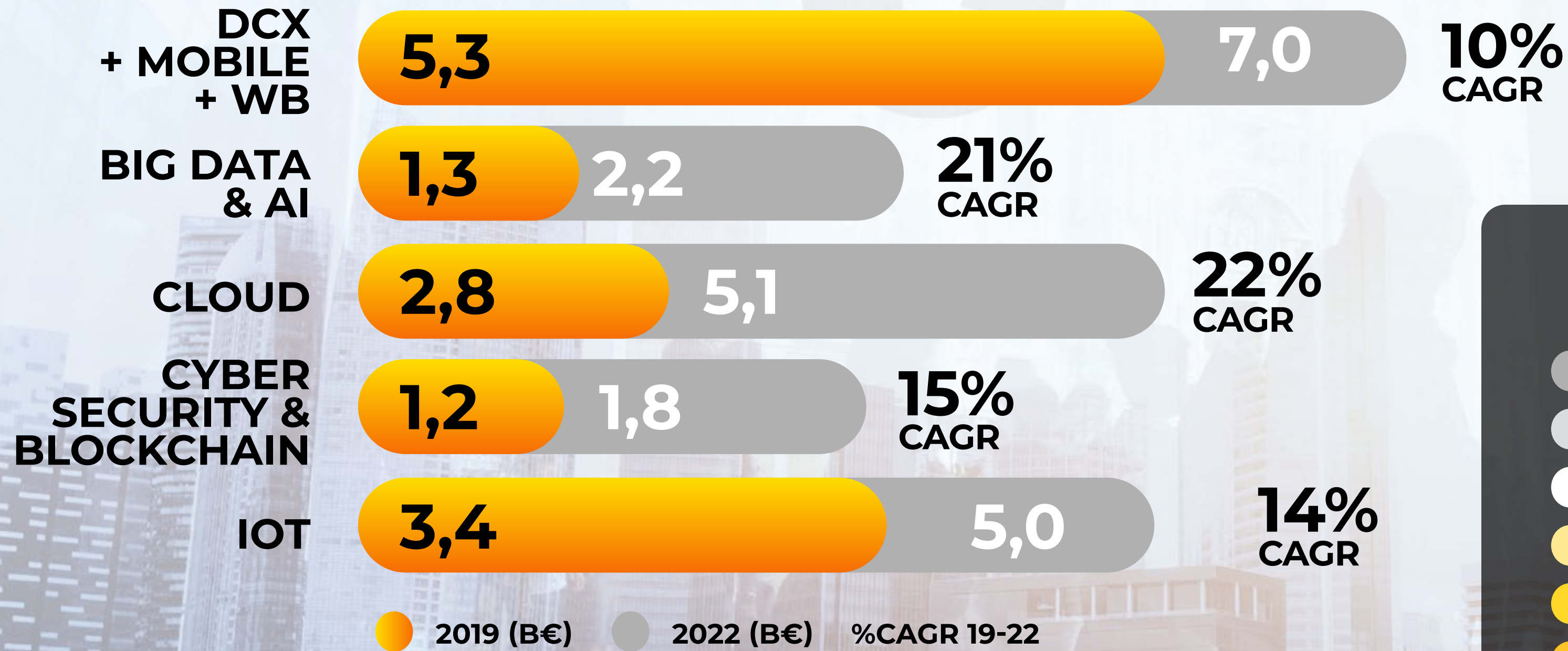
HORIZON 2021-2027

100 B€
INVESTMENTS
2021-2027

Digital Enablers Italian Market

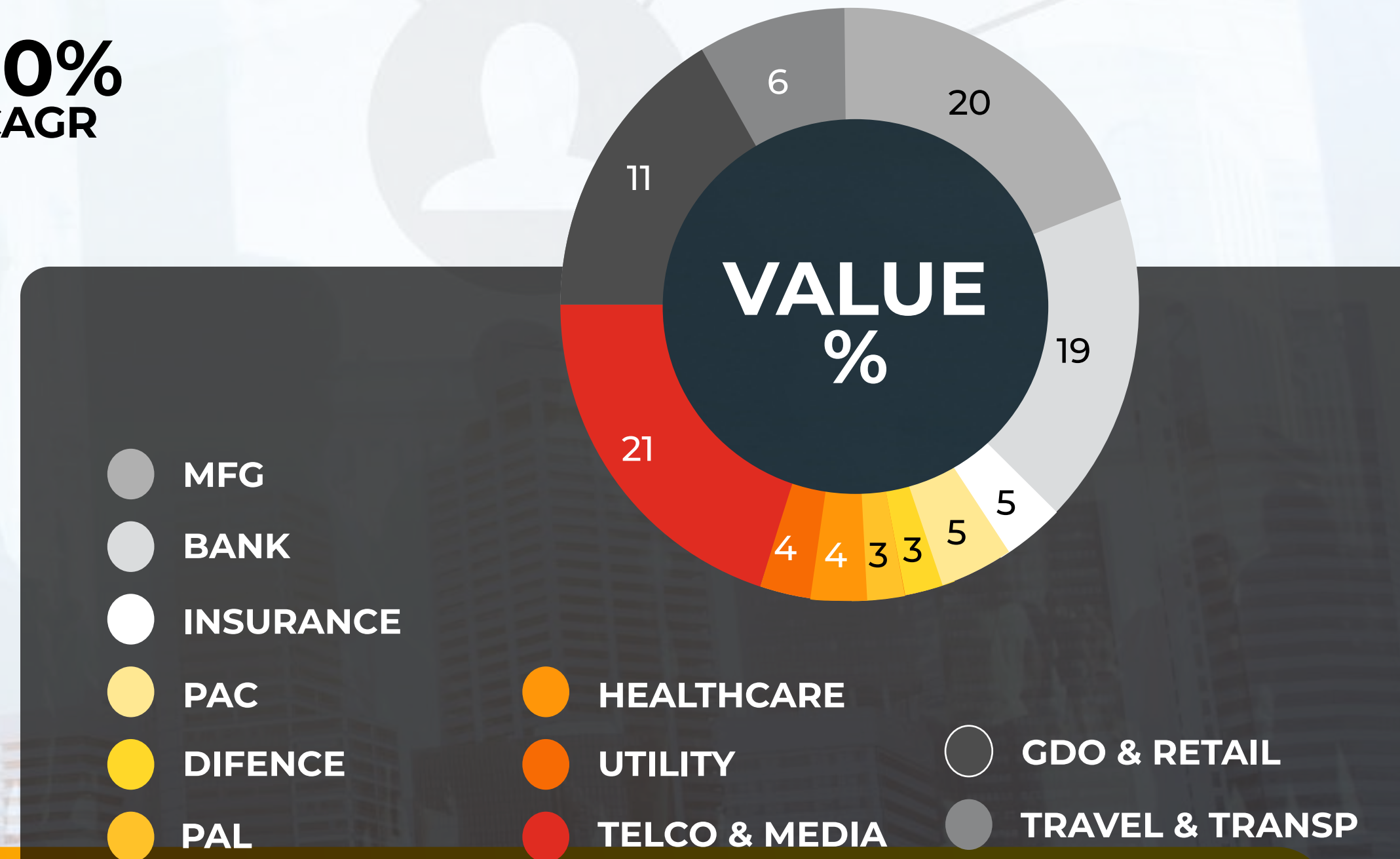
ESTIMATED TO GROW TO 21B€ BY 2022, CAGR 2019-22: 15%

ITALY DIGITAL ENABLERS (BILLION €)



TOTAL 2019: 14B€
ESTIMATE 2022: 21B€
TOTAL CAGR 19-22: 15%

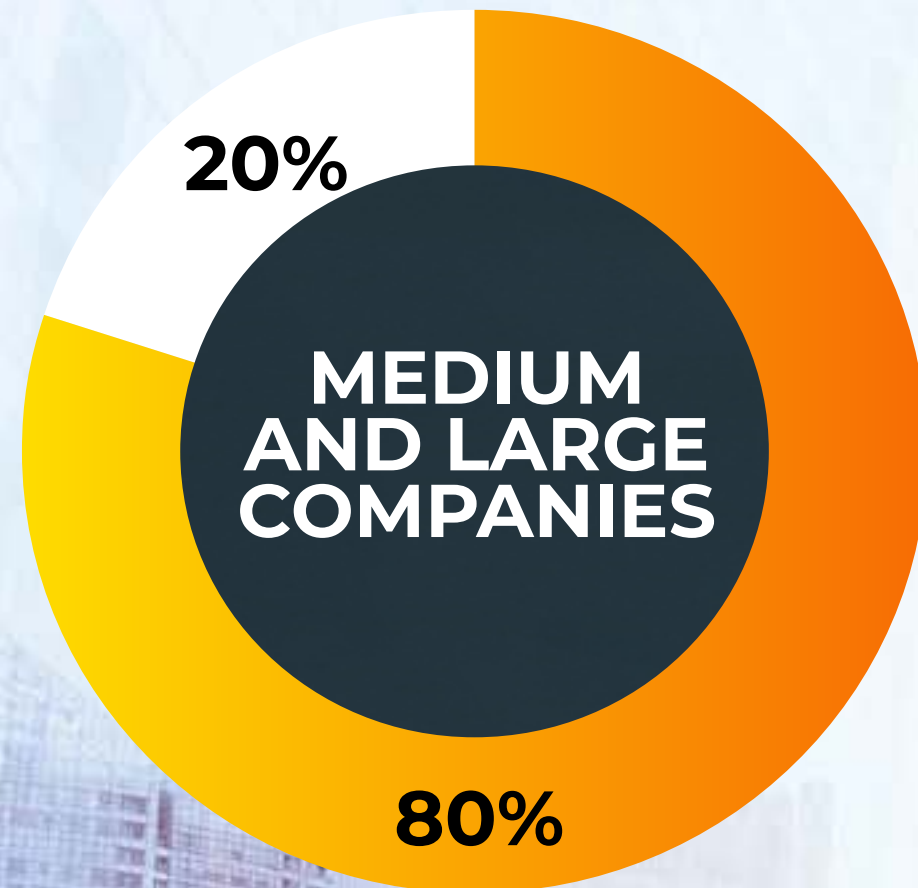
ITALY BY INDUSTRY - 2019



ALSO IN ITALY,
D.E. IS THE SEGMENT WITH THE HIGHEST GROWTH IN ICT,
HIGHER GROWTH FOR CLOUD, BIG DATA/AI AND IOT,
TELCO, MGF, BANK & GDO: MOST ATTRACTING INDUSTRIES

Italian Market Trends

DIGITAL INNOVATION PROJECT STATUS



80% OF ITALIAN COMPANIES HAS NOT YET DEFINED A DIGITAL STRATEGY OR IS ONLY IN A PRELIMINARY PHASE

RELATECH OFFER IS PERFECTLY POSITIONED TO TAKE THE HUGE POTENTIALITY OF DIGITAL INNOVATION

BUSINESS PRIORITIES AND INVESTMENTS ARE STRONGLY ORIENTED TO D.E. TECHNOLOGIES AND INNOVATIVE DIGITAL SKILLS

BUSINESS PRIORITY



ITC INVESTMENTS



R&D INVESTMENTS



Business Model



Open Innovation

INNOVATION LAB: FROM RESEARCH TO BUSINESS VALUE

OBJECTIVES

- ANTICIPATE MARKET EVOLUTION
- COLLABORATE WITH THE SCIENTIFIC ECOSYSTEM
- R&D SKILLS ON INNOVATIVE DIGITAL TECHNOLOGIES
- CONSTANTLY UPDATED SOLUTIONS

RECENT R&D PROJECTS

- EMPHASYS (CYBERSECURITY)
- SISTABENE (CX, Tracciabilità Agrifood)
- NEXTSHOP (AI RECOMMENDATION)
- ORIGAMI (BIG DATA, IOT)
- IDSERVICE & PROTECT ID (BLOCKCHAIN)
- TRUE-DETECTIVE (BIG DATA, IOT, AI)
- CATCH4.0 (CX, BIG DATA, BLOCKCHAIN)



R&D INVESTMENTS
21% REVENUES (2019)

SCIENTIFIC ECOSYSTEM



RESULTS

- OVER 15 PROJECTS COMPLETED IN 4 YEARS ON D.E. TECHNOLOGIES;
- INNOVATIVE A.I. ALGORITHMS COMPARED TO THE STATE OF ART
- ADVANCED PROTOTYPES TO FEED REPLATFORM

Software Factory

SOLUTIONS ENGINEERING AND DELIVERY

OBJECTIVES

- PLATFORM ENGINEERING AND SOLUTIONS DELIVERY;
- COLLABORATION WITH BUSINESS PARTNER ECOSYSTEM;
- FACTORY SKILLS ON ADVANCED DIGITAL TECHNOLOGIES

RECENT SOLUTIONS

- HEALTH & LOYALTY SOLUTION (HEALTH)
- CUSTOMER ENGAGEMENT SOLUTION (RETAIL)
- BIG DATA ANALYTICAL SOLUTION (UTILITIES)
- ORDER MANAGEMENT SOLUTION (TELCO)
- PRODUCTION OPTIMIZATION SOLUTION (INDUSTRY)

OBJECTIVES
NEW SOLUTIONS & TALENT SKILLS

ECOSYSTEM
TECHNOLOGY & PROCESS PARTNERS

ACTIVITIES
SERVICES & SOLUTIONS DELIVERY

RESULTS
RePlatform

100% HIGH SKILLED TECHNICAL STAFF

BUSINESS ECOSYSTEM



RESULTS

- 100% ACTIVITIES ON TIME & BUDGET
- QUALITY & SCALABILITY OF SERVICES & SOLUTIONS
- DEVELOPMENT & RELEASE OF REPLATFORM & REZONE

Replatform

REYOU

DIGITAL CUSTOMER EXPERIENCE:

KNOW BETTER YOUR CUSTOMER THROUGH ALL TOUCHPOINTS TO IMPROVE MARKETING STRATEGIES.

RETHING

PHYSICAL/DIGITAL INTERACTION:

INTERACT WITH THE PHYSICAL WORLD TO ACQUIRE DATA, PREVENT POSSIBLE OUT SERVICES AND OPTIMIZE PRODUCTION PROCESSES.

RESEC

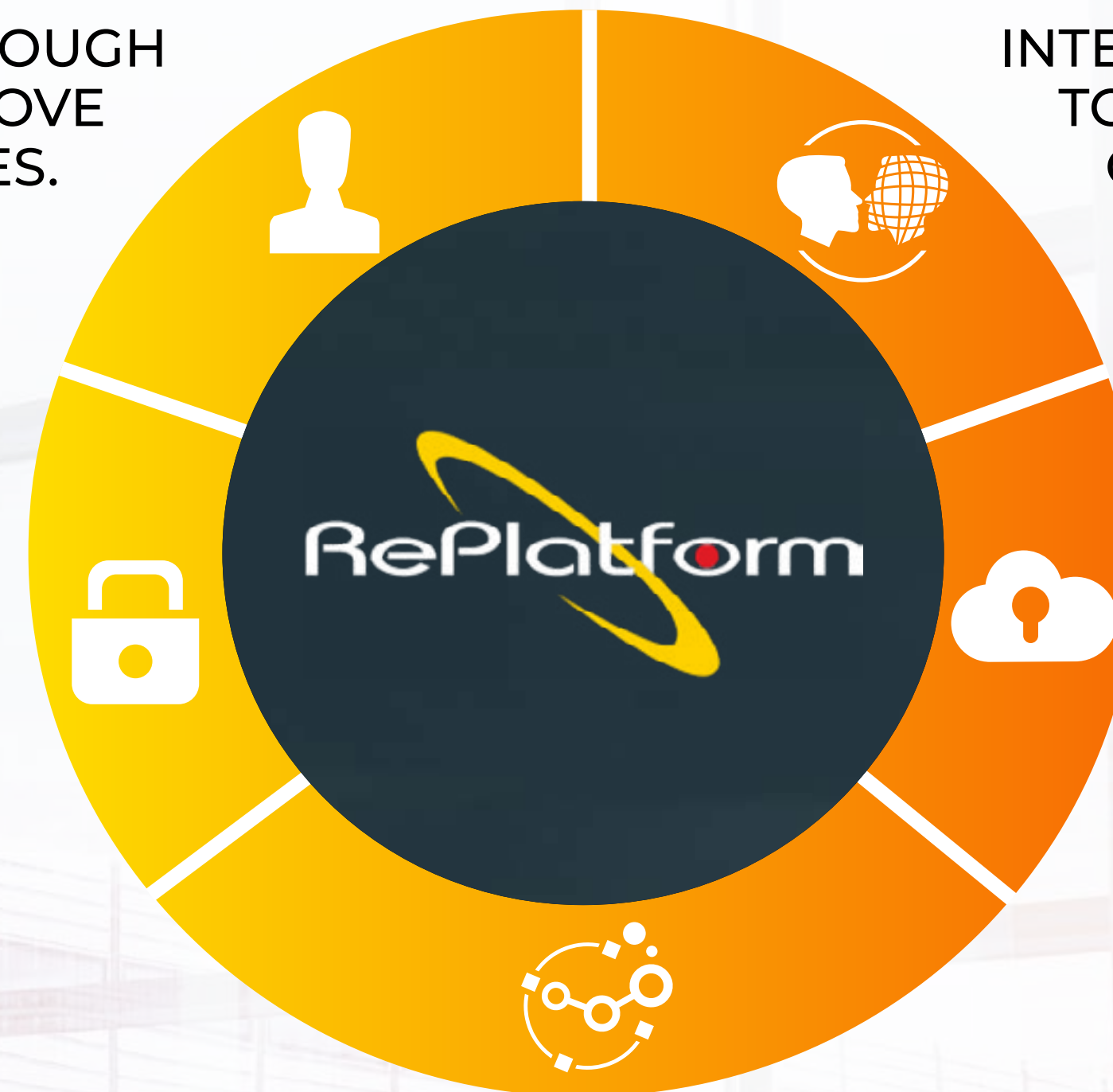
PROTECTION OF VALUE:

ENSURE INFORMATION PRIVACY, RELIABILITY, TRACEABILITY AND NON-REPUDIABILITY.

REHUB

CLOUD READINESS:

GUARANTEE AVAILABILITY, SCALABILITY, INTEROPERABILITY WITH OTHER SYSTEMS AND COMPATIBILITY WITH EVERY CLOUD.



REDATA

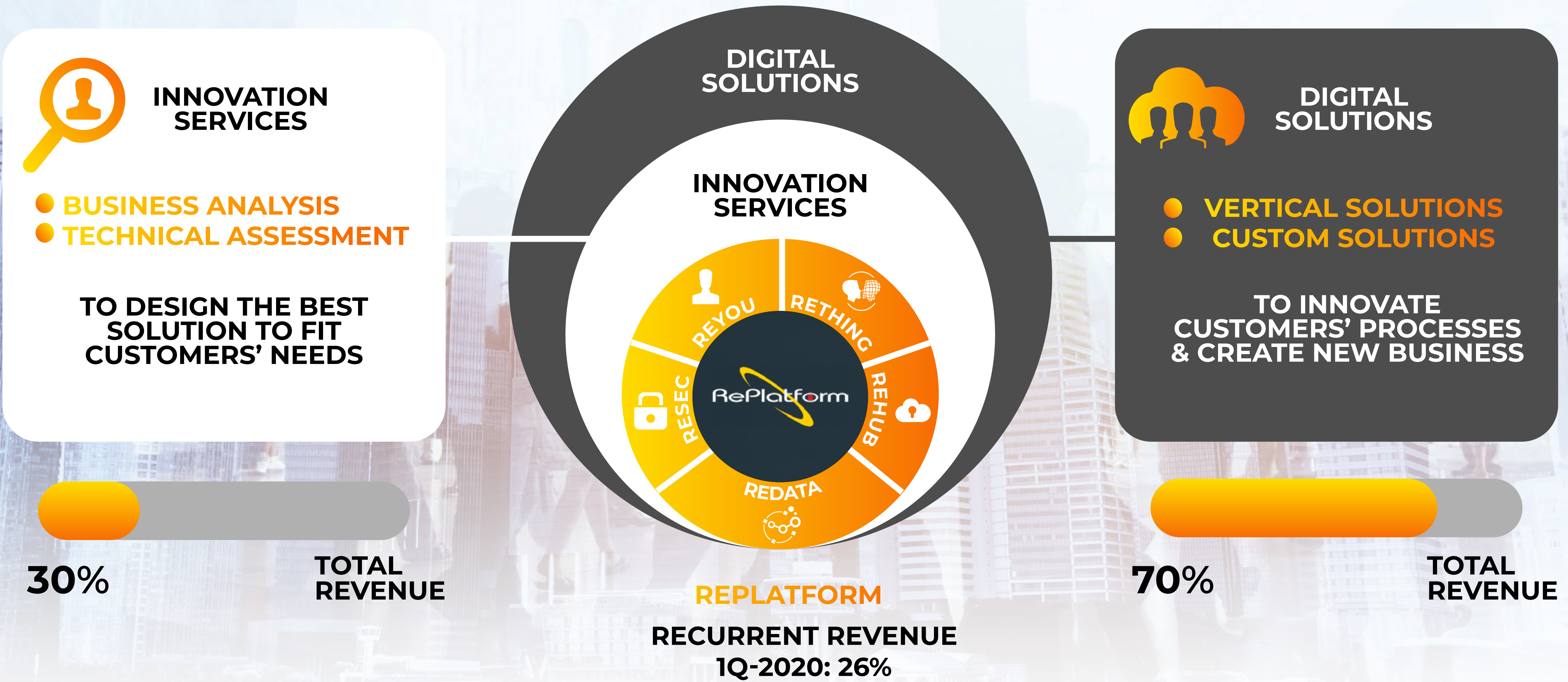
COGNITIVE ANALYTICS:

MANAGE AND ANALYZE HUGE AMOUNT OF DATA QUICKER AND DEEPER THROUGH AI ALGORITHMS TO MAKE CORRECT AND TIMELY DECISIONS.

SKILLS, METHODOLOGIES AND TECHNOLOGIES FOR TAILOR-MADE DIGITAL SOLUTIONS ...

... BASED ON THE FIVE FUNDAMENTAL PILLARS OF DIGITAL INNOVATION

Offering: Services & Solutions based on RePlatform



Economic & Financial Data



Financial Highlights

REVENUE (M€)

2017 **11,0**

2018 **13,2**

2019 **17,9**

CAGR **27%**

EBITDA (M€)

2017 **1,82** **16%**
MARGIN

2018 **2,46** **18%**
MARGIN

2019 **4,92** **27%**
MARGIN

CAGR **64%**

NET PROFIT (M€)

2017 **1,36**

2018 **1,61**

2019 **2,94**

CAGR **47%**

CASH NFP (M€)

2017 **(0,74)**

2018 **11,2**

2019 **(0,70)**

1Q 2020

REVENUES (M€)

4,0
+16%

RECURRING REVENUES

1,05
26% REVENUE

FOREIGN REVENUES

56%
+10%

CASH NFP (M€)

0,153
CASH FLOW: 0,8

YEAR 2019 OUTLOOK

CUSTOMER BASE

70 CUSTOMERS
+50%

CASH CONVERSION

85%

EBITDA MARGIN

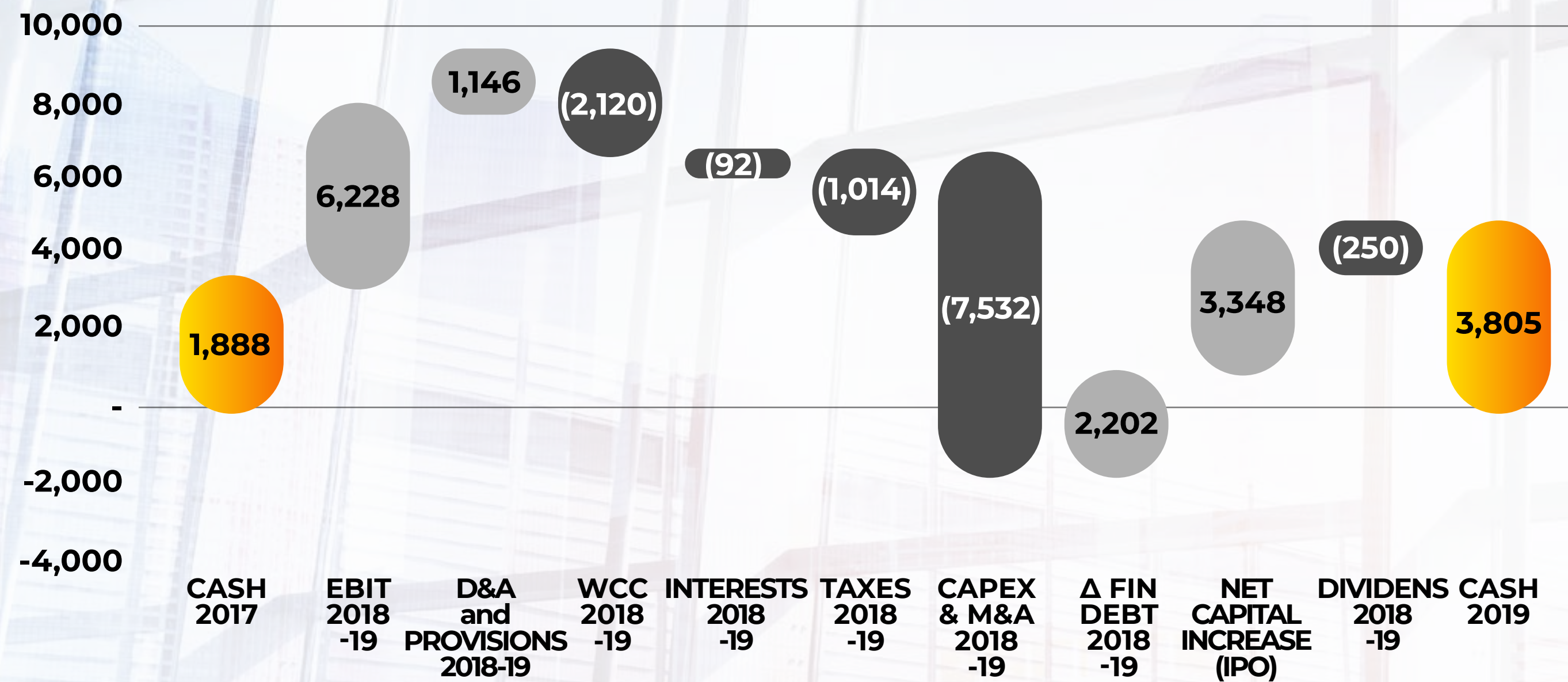
27,4%

R&D INVESTMENT

3,7M€
21% REVENUES

Cash Bridge Analysis

CASH BRIDGE



THANKS TO THE CASH-GENERATING CAPACITY OF OUR BUSINESS MODEL, THE OPERATING MANAGEMENT HAS INDEPENDENTLY FINANCED BOTH ORDINARY INVESTMENTS (I.E. REPLATFORM) AND GROWTH BY EXTERNAL LINES

THE M&A ACTIVITY, (TRACK RECORD: 5 OPERATIONS IN THE LAST THREE YEARS), HAS BROUGHT INNOVATIVE SOLUTIONS AND PROFESSIONAL SKILLS TO OUR OFFER OVER THE YEARS AND ALLOWED US TO MAKE OUR MODEL EVEN MORE SCALABLE

WITH THE NET PROCEEDS DERIVING FROM THE IPO, AT A POSITIVE NFP TO DATE OF APPROXIMATELY EURO 1 MILLION, RELATECH HAS AN ADDITIONAL LEVERAGE CAPACITY OF 10/15 MILLION (WHILE MAINTAINING THE NFP / EBITDA RATIO <3X) AND, TOGETHER WITH A STOCK OF SECURITIES EQUAL TO 3% OF THE SHARE CAPITAL, IT WILL BE POSSIBLE TO ACCELERATE THE GROWTH PATH WITHOUT AFFECTING SHAREHOLDERS

Strategy

Strategic Guidelines



INNOVATION

- CONTINUE WITH R&D INVESTMENTS IN AI, BLOCKCHAIN AND CYBERSECURITY AREAS
- INCREASE PARTNERSHIPS WITH UNIVERSITIES AND RESEARCH CENTERS TO CREATE NEW AREAS OF CUTTING-EDGE SKILLS
- INCREASE TECHNOLOGY SERVICES ACTIVITIES WITH NEW SPECIALIST SKILLS IN THE TECHNOLOGICAL AREAS OF REPLATFORM

FACTORY



- INCREASE INTERNAL KNOW-HOW AND SKILLS WITH CONTINUOUS **TRAINING PLANS**
- IMPROVE TALENTS RETENTION AND ATTRACTION ACTIONS WITH **STOCK-OPTION AND STOCK-GRANT INCENTIVE PLANS**
- **INNOVATIVE HUBS** DISTRIBUTED IN LOCAL TERRITORIES IN PARTNERSHIP WITH UNIVERSITIES, FOR THE ACQUISITION OF NEW TALENTS.



SCALABILITY

- EVOLVE RECURRING REVENUES WITH REPLICABLE DIGITAL SOLUTIONS
- MERGING ASSETS FROM RESEARCH AND PROJECT ACTIVITIES WITHIN REPLATFORM
- INCREASE TECHNOLOGICAL AND COMMERCIAL PARTNERSHIPS

LOYALTY



- INCREASE **UP-SELLING** ACTIVITIES THANKS TO OFFER MODULARITY OF SOLUTIONS (**DIGITAL SOLUTIONS**)
- INCREASE CUSTOMIZATION OF «TAILOR-MADE» SOLUTIONS ACCORDING TO CUSTOMER NEEDS (**CUSTOM SOLUTIONS**)
- INCREASE **BUSINESS SERVICES ACTIVITIES** WITH NEW SPECIALIST FIGURES IN THE BUSINESS AREAS OF EXISTING CUSTOMERS



DIVERSIFICATION

- INTRODUCE NEW VERTICAL SOLUTIONS IN EMERGING SECTORS, (**INDUSTRY 4.0, AGRIFOOD, LIFESCIENCE**)
- INCREASE **CROSS-SELLING** ACTIVITIES THANKS TO THE MODULARITY OF SOLUTION OFFERING (**DIGITAL SOLUTIONS**)
- MAXIMIZE PENETRATION IN EUROPE AND USA AND ENTER NEW INTERNATIONAL MARKETS

OFFERING



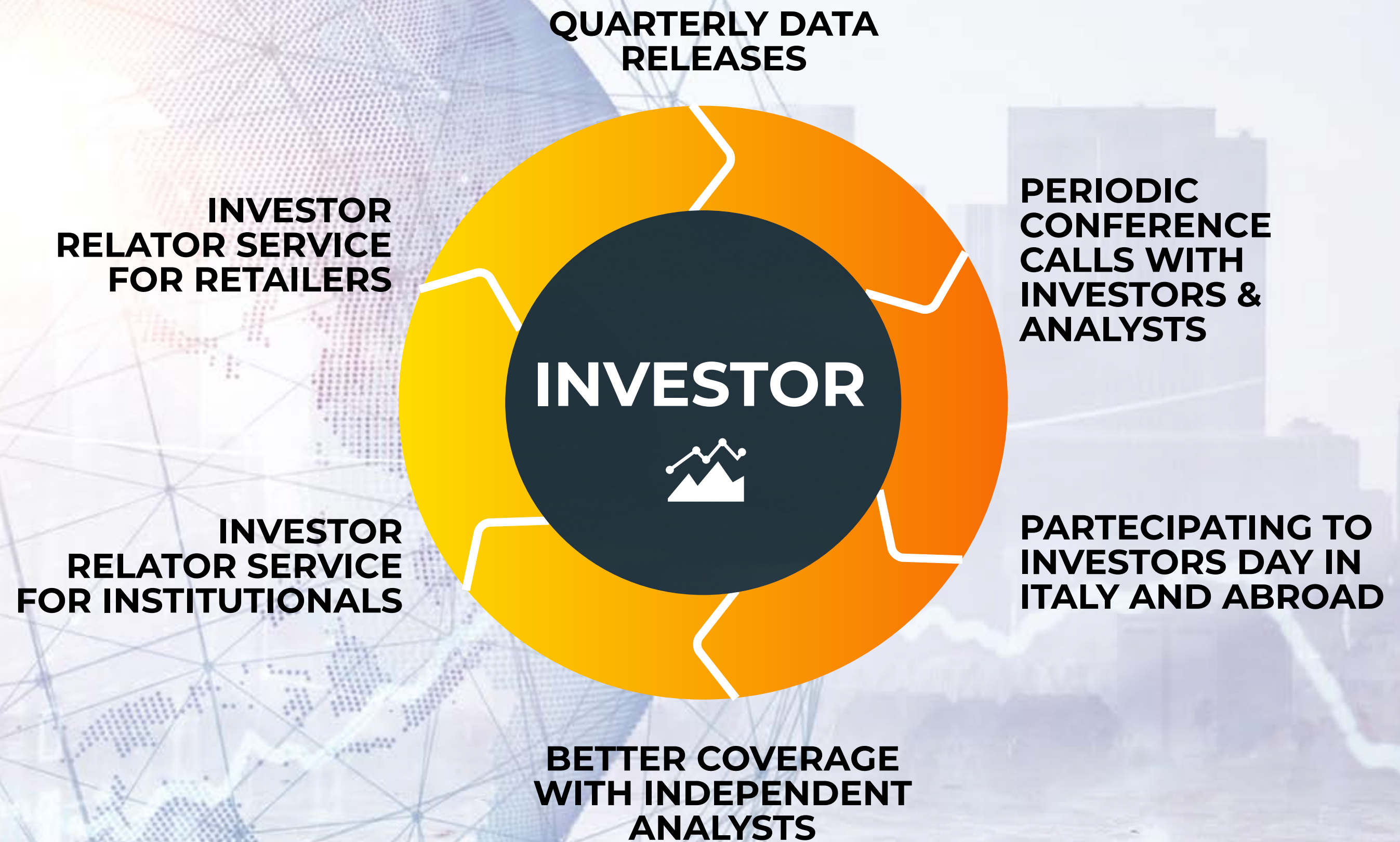
- IDENTIFY **TARGET** WITH R&D ACTIVITIES IN **CLOUD, AR/VR, ROBOTIC PLATFORM (RPA), IOT**
- ACQUIRE TARGET WITH NEW **INTERNATIONAL TECHNOLOGICAL PARTNERSHIPS** TO ENRICH THE OFFER WITHIN REPLATFORM
- NEW TARGETS TO INCREASE CUSTOMER BASE IN NEW SECTORS

What's gonna happen on your DESK in 2020?




INNOVATION & GROWTH

- NEW M&A TARGETS FOR REPLATFORM :
 1. KNOW-HOW ON CLOUD, AR/VR, IOT...
 2. NEW PARTNERSHIPS
 3. EXPANDING CUSTOMERS BASE
- CONTINUING R&D INVESTMENTS ON D.E. (AI, BIG DATA, CLOUD, IOT ...)
- NEW PARTNERSHIPS WITH UNIVERSITIES AND RESEARCH CENTERS
- TECHNOLOGY AND BUSINESS PARTNERSHIPS
- NEW VERTICAL SOLUTIONS ON EMERGING SECTORS (DCX, INDUSTRY 4.0, ...)
- NEW CUSTOMERS IN ITALY AND ABROAD



Relatech: your D.E.S.K. Partner for INNOVATION!

THANKS FOR YOUR ATTENTION

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Questions & Answers

Investment Opportunity

INNOVATIVE SME

- INVESTMENT IN RESEARCH AND DEVELOPMENT AT 21%
- PARTNERSHIP WITH UNIVERSITIES AND RESEARCH CENTERS
- 80% TALENTS WITH A SPECIALIST DEGREE

REPLATFORM

- BUSINESS MODEL SCALABILITY
- TAILOR-MADE SOLUTIONS TO EVOLVE THE CUSTOMER'S BUSINESS MODEL
- PARTNERSHIP WITH BIG VENDOR AND BUSINESS PARTNERS

GROWTH & MARGINALITY REVENUES

- REVENUE + 36% YOY - CAGR + 49% 15-19
- EBITDA + 98% YOY - CAGR + 73% 15-19 NET
- PROFIT + 88% YOY

CASH GENERATION

- CASH CONVERSION RATION 85%
- RECURRING REVENUES OF 22%
- FORESEEABLE CASH FLOW MANAGEMENT

MARKET IN STRONG GROWTH

- DIGITAL ENABLER WORLDWIDE 2T \$ BY 2024 CAGR 18%
- INVESTMENTS IN INNOVATION (HORIZON 2021-2027) – 100 MLD €

M&A (TRACK-RECORD)

- BUSINESS MODEL THAT FACILITATES NEW TARGETS INTEGRATION
- 5 M&A OPERATIONS IN THE LAST 4 YEARS
- OFFER SCALABILITY ALLOW TO INTEGRATE BOTH START-UP AND SCALE-UP

Appendix 1

Case Histories



Apoteca Natura Pharmacies - Case Histories 1/3



VERTICAL SOLUTION BASED ON REZONE



AWARDED WITH THE
PRESTIGIOUS IBM
BEACON AWARD



SECTOR

VERTICAL SOLUTION – REZONE - HEALTH & LOYALTY

CUSTOMER NEED

FOLLOW PHARMACIES NETWORK MORE EFFECTIVELY AND TAKE CARE OF PATIENTS' HEALTH TO CREATE AN INTERACTIVE ENGAGEMENT PATH BETWEEN PATIENTS AND TRUSTED PHARMACIES

SOLUTION

RELATECH HAS CUSTOMIZED **REZONE** FOR **APOTECA NATURA**, DEVELOPING THE “HEALTH & LOYALTY SYSTEM“ SOLUTION AT THE SERVICE OF PATIENTS' HEALTH, DESIGNED TO ALLOW PHARMACISTS TO FOLLOW THEIR CONSUMERS IN A MORE CONSCIOUS AND PROACTIVE WAY. THE SOLUTION ALSO ENABLE THE BRAND APOTECA NATURA TO GATHER VALUABLE INFORMATION ABOUT THEIR NETWORK AND PATIENTS' HEALTH, TO BE ABLE TO LAUNCH TARGETED MARKETING CAMPAIGN.

BENEFITS

- **END CUSTOMER:** SINGLE MOBILE APP THAT INCLUDES DIAGNOSTIC REPORTS, THERAPIES, PREVENTION, LIFESTYLES AND PURCHASE OF PRODUCTS IN PHARMACY.
- **PHARMACY:** BETTER KNOWLEDGE OF PATIENTS' HEALTH. IMPROVED ANALYSIS OF THERAPIES AND PERSONALIZED RECOMMENDATIONS FOR EACH CUSTOMER.
- **BRAND:** BETTER KNOWLEDGE OF CUSTOMER BASE AND NETWORK. IMPROVED LOYALTY.

Energy Sector - Case Histories 2/3



CUSTOM SOLUTION BASED ON REPLATFORM

SECTOR

CUSTOM SOLUTION – REPLATFORM - BIG DATA

CUSTOMER NEED

COLLECTION & MANAGEMENT OF HISTORICAL DATA AND FORECAST ANALYSIS OF CONSUMERS' ENERGY CONSUMPTION

SOLUTION

- COLLECTION AND STORAGE OF HUGE AMOUNT OF HOME ENERGY COUNTERS DATA
- CONSUMER DATA ANALYSIS FOR INVOICING;
- FORECAST ANALYSIS ON FUTURE CONSUMPTION;
- STATISTICAL ANALYSIS FOR COMMERCIAL PURPOSES;

BENEFITS

- HIGHER QUALITY AND RELIABILITY OF COLLECTED DATA
- BETTER KNOWLEDGE OF CUSTOMERS' CONSUMPTION HABITS
- GREATER ACCURACY OF DATA PROVIDED FOR INVOICING
- IMPROVEMENT OF CUSTOMER RETENTION

Telco Sector - Case Histories 3/3



INNOVATIVE SERVICE & SOLUTION BASED ON REPLATFORM

SECTOR

SERVICE & SOLUTION – REPLATFORM – ORDER MANAGEMENT

CUSTOMER NEED

SALES AND ORDER FORECASTING TO OPTIMIZE DISTRIBUTION PROCESSES

SERVICE & SOLUTION

- ANALYSIS OF ALLOCATION PROCESSES AND ORDERABLE VOLUMES, ACCORDING TO CURRENT HIERARCHIES.
- DEFINITION OF PRODUCT KITS FOR ALLOCATION AND ORDERS ON SPECIFIC SET OF PRODUCTS WITH PRICING PRIORITY.
- BUSINESS REQUIREMENTS AND TECHNICAL SPECIFICATIONS DOCUMENTATION
- DEVELOPMENT AND DELIVERY OF SALES AND ORDERS FORECAST SOLUTION, ACCORDING TO SPECS.

BENEFITS

- SALES AND ORDER PROCESSES OPTIMIZATION
- PROFILING, APPROVAL AND NOTIFICATION PROCESSES EFFICIENCY IMPROVEMENT
- DIRECT INVOLVEMENT OF DEALERS AND AGENTS
- ORDERS GENERATION IN CONTROLLED MODE
- IMPROVED ORDERS MONITORING AND SHIPMENTS PROGRESS

Appendix 2

Financial Highlights

Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	31/12/17	%	31/12/18	%	31/12/19	%
Revenues	11.057.559	100%	13.217.821	100%	17.974.807	100%
Increases in fixed assets for internal work	458.035		1.037.667		2.596.109	
Other revenues and income	557.501		607.938		744.316	
Total revenues and other income	12.073.095		14.863.427		21.315.232	
Material costs	51.161	0,5%	58.179	0,4%	31.237	0,2%
Costs for services	5.486.737	49,6%	5.943.066	45,0%	6.203.938	34,5%
Costs for use of third party assets	300.943	2,7%	402.955	3,0%	294.336	1,6%
Personnel costs	4.347.848	39,3%	5.954.234	45,0%	9.962.318	55,4%
Miscellaneous management changes	62.262	0,6%	18.232	0,1%	66.235	0,4%
Total Costs	10.248.951		12.376.666		16.558.064	
EBITDA	1.824.144	16,5%	2.486.761	18,8%	4.757.168	26,5%
Adjustments for extraordinary M&A costs					(164.238)	
EBITDA ADJUSTED	1.824.144	16,50%	2.486.761	18,81%	4.921.406	27,4%
Deprecation						
Provisions and Wrote-downs	38.672				288.000	
Deprecation and provisions	131.515		84.524		930.951	
EBIT	1.692.629		2.402.237		3.826.217	
Adjustments for M&A expenses and extraordinary M&A costs					(452.238)	
EBIT ADJUSTED	1.692.629		2.402.237		4.278.455	
Financial management	(156)		(15.968)		(75.751)	
Adjustments to financial assets	4.983		(21.554)			
EBT	1.697.456		2.364.714		3.750.466	
EBT ADJUSTED	1.697.456	14%	2.364.714	18%	4.202.704	23%
Taxes	331.953		748.280		1.168.171	
Profit (Loss) of Group					2.534.256	
Profit (Loss) for the tear of ADJ Group	1.365.503	11%	1.616.434	11%	2.940.672	16%

22% RECURRING REVENUES CONTRIBUTION ON FY19 REVENUES VS 12% ON FY18 (+148%YOY)

BASED ON THE CORPORATE STRATEGY, THE SWITCH BETWEEN SERVICE COSTS AND PERSONNEL COSTS WAS CONCLUDED IN 2019 WITH THE INTERNALIZATION OF SOME CORPORATE FUNCTIONS

IN 2019, THE CONNEXÒ M&A OPERATION CAUSED € 0.164 MILLION IN EXTRAORDINARY COSTS AND € 0.29 MILLION IN PROVISIONS

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET	31/12/2017	31/12/2018	31/12/2019
Intangible assets	683.591	2.572.866	5.041.754
Activities for rights of use			1.585.124
Tangible assets	132.087	255.861	290.083
Financial activities	26.264	20.157	21.782
Fixed assets	841.942	2.848.884	6.938.743
Receivables from customers	2.268.738	2.777.210	4.695.810
Payables to suppliers	(1.340.037)	(985.579)	(772.331)
Commercial working capital	928.701	1.791.631	3.923.479
Other current assets and liabilities	(84.536)	271.996	(1.171.992)
Net working Capital	844.165	2.063.627	2.751.487
Other non-current assets and liabilities	(494.764)	(886.205)	(1.666.799)
Net invested Capital	1.191.344	4.026.306	8.023.430
Share capital	70.000	70.000	93.349
Reserves and retained earnings	494.181	1.140.880	5.913.385
Profit (Loss) of the group	1.365.503	1.564.957	2.534.256
Group shareholder's equity	1.929.684	2.775.836	8.540.990
Minority interest in shareholders' equity		136.904	184.942
Net worth	1.929.684	2.912.740	8.725.932
Short-term financial debts	442.844	1.778.704	969.045
Bank and post office deposits	(1.888.463)	(2.009.801)	(3.804.959)
Financial assets not held as fixed assets		(250.000)	(250.000)
Short-term payables/ (cash)	(1.445.619)	(231.097)	(2.835.914)
Payables Vs Other Lenders (IAS 16)		1	1.206.193
Medium/long-term financial payables	707.279	1.594.663	1.177.219
Payables to MLT	707.279	1.594.663	2.383.412
Net Financial Position	(738.340)	1.113.566	(702.502)
Total Sources	1.191.344	4.026.306	8.023.430

THE COSTS OF LONG-TERM RENTS ARE RECOGNIZED IN USAGE RIGHTS AS A RESULT OF IFR16

THE 95% OF THE RECEIVABLES WERE CASHED ON THE APPROVAL DATE OF THE FINANCIAL STATEMENTS

IFR16 WITH €1.2MN IMPACT ON FY19 NFP

FY19 NET CASH CONTRIBUTION OF THE IPO WERE €3.3MN

Cash Flow Statement

CASH FLOW STATEMENT

A) Cash flow from operating activities (indirect method)

Profit (Loss) for the year

Income Taxes

Interest payable/ (receivable)

1) Profit (loss) before income taxes, interest, dividends and gains/ losses on disposals

Adjustments for non-monetary items not offset in net working capital

Provisions to funds

Deprecation to funds

depreciation of fixed assets

Other upward/ (downward) adjustments for non-monetary items

Total adjustments for non-monetary items not offset in net working capital

2) Cash flow before changes in net working capital

Changes in net working capital

Decrease/ (Increase) in receivables from customers

Increase/ (Decrease) in trade payables

Decrease/ (Increase) in accrued income and prepayments

Increase/ (Decrease) in accrued expenses and deferred income

Other decreases/ (Other increases) in net working capital

Total changes in net working capital

3) Cash flow after changes in net working capital

Other corrections

Cash flow from operating activities (A)

B) Cash flows from investing activities

C) Cash flows from financing activities

Increase (decrease) in cash equivalents (A ± B ± C)

Cash equivalents at the beginning of the year

Cash equivalents at the end of the year

31/12/2018

31/12/2019

1.616.434

748.280

15.968

2.380.683

221.349

84.524

21.554

85.426

412.854

2.793.536

(508.472)

(354.458)

(385.728)

620.234

(609.336)

(1.237.760)

1.555.776

(608.182)

947.593

(2.799.500)

1.973.244

121.337

1.888.464

2.009.801

2.582.294

1.168.171

75.751

3.826.217

735.505

642.951

(335.972)

1.042.484

4.868.701

(1.918.600)

(213.248)

(410.593)

344.570

1.315.188

(882.682)

3.986.019

(785.080)

3.200.939

(4.732.809)

3.327.028

1.795.158

2.009.801

3.804.959