



FINLOGIC COMPANY PROFILE

Aim Italia conference, Milano May 25th 2021



<p><i>I. Executive Summary</i></p>
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II. Business Overview

III. Reference Market

IV. Financials



PROFILE

- ❑ It realizes complete and innovative solutions for the **coding and automatic identification** of products through the use of bar codes and RFID (Radio Frequency Identification) technology
- ❑ It provides integrated and customized labeling systems for products recognition and traceability
- ❑ It covers the entire value chain (hardware, software, consumables and technical assistance)
- ❑ **Customer portfolio includes leading companies operating in a wide range of sectors (i.e. packaging, logistics, food, large scale distribution, chemical, pharmaceutical, industrial sectors, etc.).**
- ❑ Elite company, a project of the Italian Stock Exchange listed on the AIM of the Italian Stock Exchange since 09.06.2017 (€ 6.3 mln raised)

€ 45 mln**Revenue 2020: +31%****€ 6.6 mln****Ebitda 2020: +40%****16** year

Track Record in the IT sector

7 subsidiary companies**3** production establishments**Puglia:** 12,000 mq, 44 production lines**Lombardia:** 3,500 mq, 6 production lines**Emilia Romagna:** 3,200 mq, 13 production lines**~220** employees

+ vast network of sales agents

93% Revenue in Italy with a presence in France, Germany, Switzerland and Spain

TIMELINE

1993

2003

2012

2014

2015

2016

MILESTONES

Vincenzo Battista, now a majority shareholder of Finlogic SpA, started producing and selling labels in the province of Bari, through the company Italcodes Srl.

Finlogic incorporated becoming Finlogic S.p.A. and immediately became a leader in the automatic identification and labelling systems sector. The same year, the website www.id-label.com was launched, a marketing tool owned by Finlogic, unique in its sector.

In April 2012 Finlogic joined the “**Elite**” project of the Italian Stock Exchange.

The process of growth by external lines began with the acquisition of Idlog Srl, a system integrator specialising in printing and barcode scanner systems, in November 2014. The purpose of that acquisition was to integrate and expand the range of services in the product traceability segment.

The operating headquarters moved from Rovellasca (Como) to Bollate (Milan).

M&A growth process continued with the acquisition of Primetec Srl, a company specializing in the sale and service of digital color printing technologies; the same year marked the start up of Fd Code Srl a company owned by 51% (system integrator that provides solutions for labeling and barcode reading).

TIMELINE

2017

2017

2018

2019

2020

MILESTONES

On June 9th, 2017 Finlogic S.p.A. listed on the AIM of the Italian Stock Exchange, raising 6.3 million euros following the placement of 1,750,000 newly issued ordinary shares with no nominal value. The unit price of the shares resulting from the placement was set at 3.60 euros. The free float is equal to 23.65%.

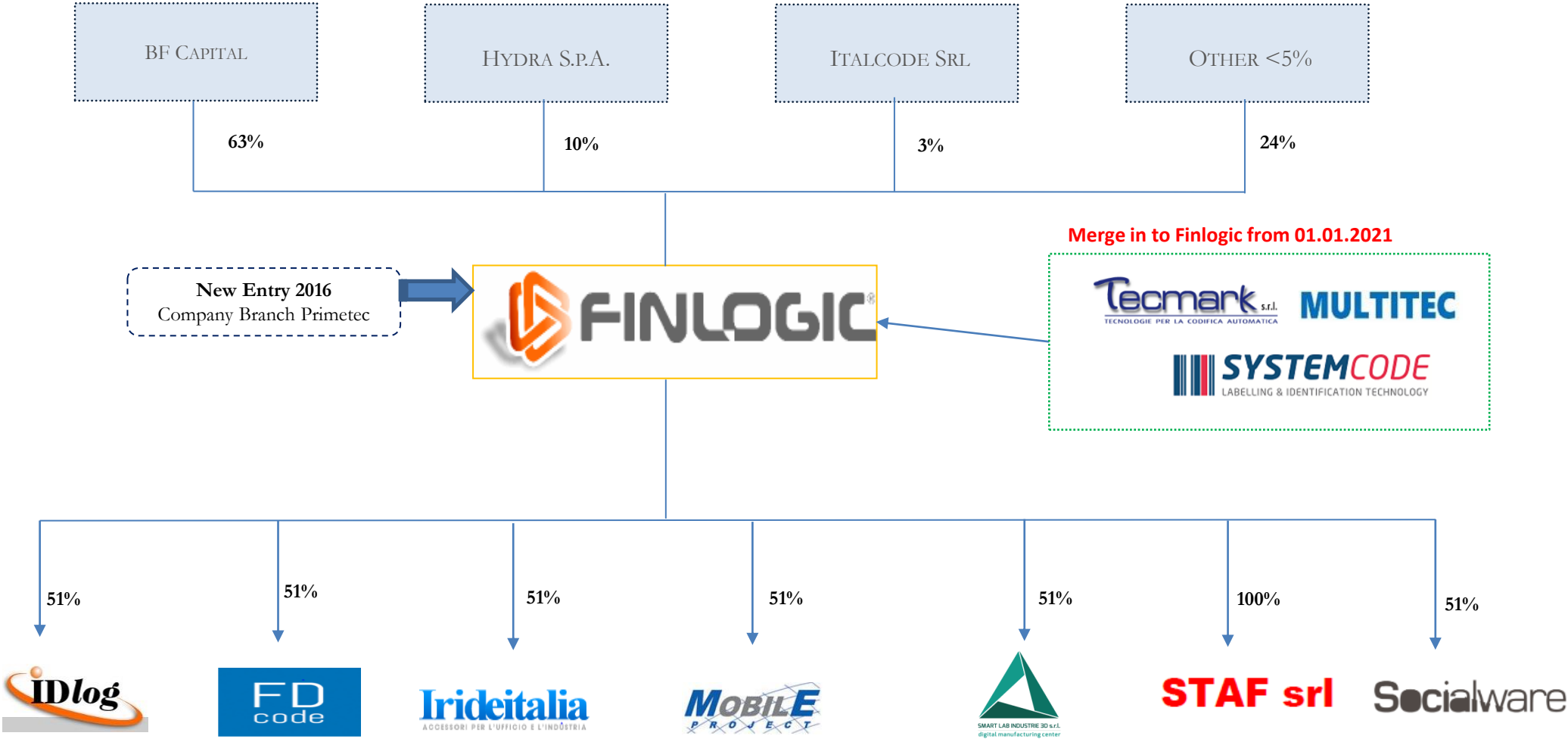
On July 13th Hydra SpA, (a holding company and parent company of Datalogic S.p.A.), acquires, increasing the shareholding of 2.87% under the IPO, additional n. 500,000 shares, reaching a total stake of 10.28% of the capital of Finlogic.

Continuation of growth by external lines with the acquisition **of other 4 companies**: January acquisition of **Tecmark** e **Multitec**, July acquisition of **Irideitalia** and in August acquisition of **Mobile Project**.

Conclusion of the ownership agreement of 51% in **Smart Lab Industria 3D**, a company operating in the 3D printing and the acquisition of **SystemCode** a system integrator specialized in the technical labels.

The external growth continues by the acquisition **of Staf Srl** and **Socialware** Srl. **Staf** is a company that produce labels by of special materials and it's specialized on the production of labels for particularly complex applications. **Socialware** is a consultancy company in the digital and web marketing and e-commerce sector

GROUP STRUCTURE - ACTUAL



Board of director	
Costantino Natale	Chairman and CEO
Rosanna Battista	CEO
Giuseppe Zottoli	Independent Member of Board director
Cristiano Battista	CEO
Filippo M. Volta	Member of Board directod

Sales network Finlogic SpA	
Internal sales network (Italy and abroad)	10
Direct agent channel (End Users)*	13
Indirect agent channel (Reseller Market)*	7
Agents channel (Office Supplies sector)	6
Total	36

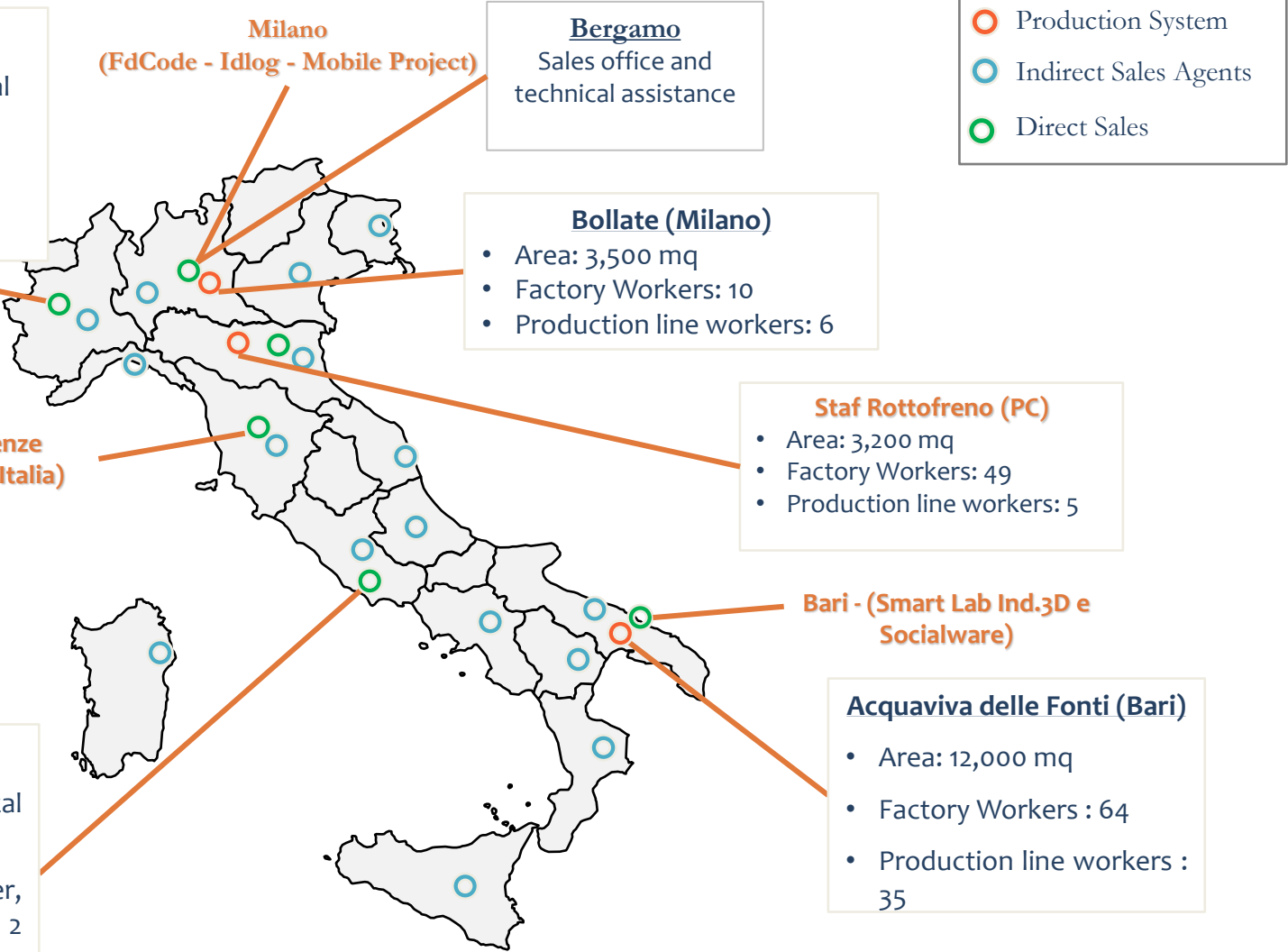
* Breakdown by region

Torino

- Sales office and technical assistance center
- Employee: 8 sales, 1 administration, 5 technician

Rome

- Sales office and technical assistance
- Employee: 5 internal seller, 1 administration, 2 technician



Lombardia - Bollate (Mi)



Puglia – Acquaviva delle Fonti (Ba)



Emilia Romagna- Staf – Rottofreno (PC)





IDlog Srl 51% controlled company

IDlog Srl, is a small system integrator based in Senago (MI), specializing in printing and automatic identification systems (bar code scanners), provides complete solutions for printing and bar code scanning and specialized technical support.

The company uses RFID (Radio Frequency Identification) technology. The customer portfolio includes companies operating in various sectors (packaging, logistics, food, large scale distribution, chemical, pharmaceutical and industrial sectors).



Tecmark Srl 100% controlled company

Purchased in 2018, based in Settimo Torinese, Tecmark Srl has a 30 year experience specializing in the analysis and implementation of integrated solutions, coding, reading and traceability systems using RFID technology (Radio Frequency Identification).

They have gained a great deal of experience in the integration of all marking / reading equipment on the of production lines with pre-existing information systems.



FD Code Srl 51% controlled company

FD Code Srl, based in Busto Arsizio (VA) is a company specialized in label solutions, tablet, optical barcode readers, ribbon and printers. With a strong technical knowhow. Fd Code is able to provide a full range of technical solutions within the professional printing sector and the automatic identification. Highly specialized both in technological knowhow and wide product portfolio range In various sectors (i.e. SME on food, cosmetics and jewelry sector).



Mobile Project Srl 51% controlled company

Purchased in August 2018, based in Monza, a service company operating in the field of automatic identification through the development of specific software solutions for portable devices and business in general. Their custom made software solutions work with existing management systems and central databases

MULTITEC S.r.l.

Multitec Srl 100% controlled company

Purchased in 2018, based in Settimo Torinese, is the Italian distributor of Toshiba-Tec products. It specializes in thermal transfer printing systems, for the industrial sector, and in laser printing for the office sector.



Irideitalia Srl 51% controlled company

Purchased in July 2018, the company has headquarters in Figline Valdarno (Fi). It specializes for over 30 years, in the organization of the office and the automatic identification of the warehouse through barcode and radiofrequency systems proposing personalized and competitive solutions.



Smart lab industrie 3D 51% controlled company

Purchased in February 2019, it is a company active in the additive manufacturing market. A highly innovative start-up with headquarters in Bari established in March 2015, offers the sale and rental of 3D printers, printing service activities, CAD modeling, patent prototyping, production and marketing of products through the use of 3D printers and equivalent.



System Code 100% controlled company by Tecmark

The company based in Osio Sotto (BG), designs and implements solutions for labeling and automatic-identification; in particular, it deals with data acquisition and verification, RFID, industrial label printing, tracking and warehouse management applications for companies. System Code uses cutting-edge solutions not only from a technical point of view but also its environmental impact. It is aimed at companies active in various production sectors including cosmetics, food, electronics and chemistry.

M&A 2020
HIGH GROWTH

STAF srl

STAF Srl società 100% controlled company

STAF S.r.l. is a company based in Rottofreno (PC), active - since 1994 - in the sector of self-adhesive labels. With approximately 50 employees thanks to the 25 year industry experience, STAF today is an important reference point for the use of special materials and the production of labels for particularly complex applications. In addition, STAF is an important 3M material transformer. Attention to customers is one of the Company's strengths. In fact, STAF provides its customers with valuable support, through targeted consultancy and the rapid production of very complex orders (for materials used or for their transformation). STAF is ISO 9001 certified and complies with all regulations regarding workplace safety.

M&A 2020
HIGH GROWTH

Socialware

Socialware società 51% controlled company

Socialware Italy srl, founded in 2009 by Francesco Antonacci, is a consultancy company in digital and web marketing and e-commerce sector. Certified as a Google Partner, Socialware specializes in the management of advertising campaigns on the web, SEO, Web Analytics, Email marketing, Social media marketing and any other activities related to such. Socialware's approach is strongly oriented towards achieving customers' objectives, in terms of popularity of brands on the web, increase in turnover or acquisition of qualified leads.

... ..to be continued

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The GROUP, through direct production and distribution, covers the entire chain of the product segment for automatic identification and labeling systems:

- ❑ Diversified and integrable labeling solutions
- ❑ Wide range of products for reading and printing
- ❑ Additive manufacturing solutions
- ❑ High level of reliability and safety
- ❑ After sales technical assistance
- ❑ Software for portable devices - Pick / Put to light - RTLS - Warehouse management
- ❑ Digital and web marketing specialists

Complete Label System® offers a wide range of solutions

Transportation



Retail



Floriculture



Food



Chemical & Pharmaceutical



Jewelry



Mobile



Automotive



Production line



Medical



THERMAL TRANSFER PRINTERS

Finlogic is a distributor for all main brands such as SATO, Toshiba, Citizen, Zebra, Honeywell and Datamax. We provide qualified assistance and spare parts for all major brands



BARCODE READERS

Distributor of major brands such as Datalogic, Intermec, Honeywell e Microscan,



DIGITAL COLOR PRINTERS

As a distributor of major brands such as Primera Technology, Vipcolor, Swiftcolor and Epson, Finlogic offers the best price and unrivalled pre and post sale assistance



RIBBON OF ALL TYPES: WAX, RESIN, WAX-RESIN, NEAR EDGE, BLACK OR COLOURED



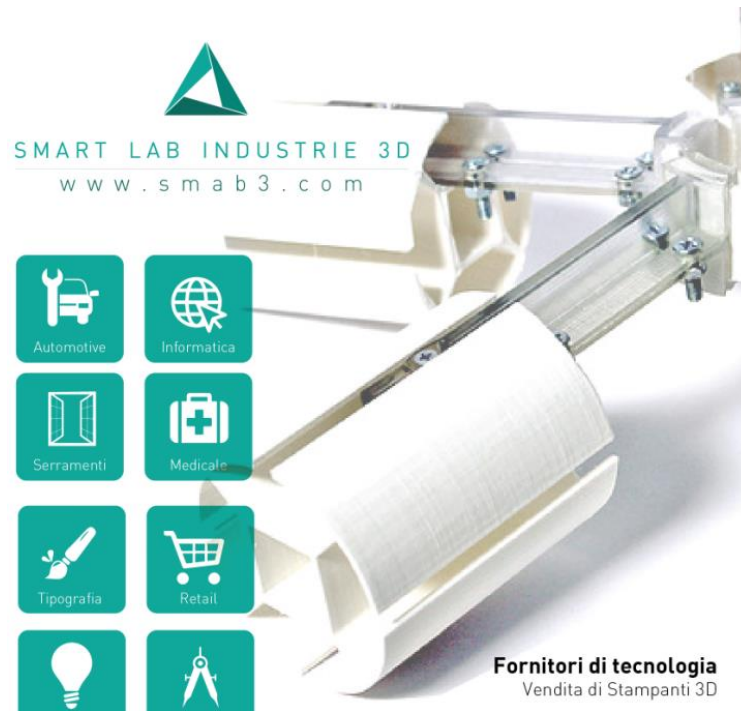
3D Printing Solution

Technologies

- Sale of 3D printers
- Dedicated solutions to various uses
- Consulting and advisory
- Network affiliation Smab3D

Production services

- Time to market reduction
- Production customization
- Wide choice of materials
- Reduction of production costs



SOFTWARE SOLUTIONS

With the acquisition of **Mobile Project**, a Finlogic division takes care of developing specific **HARDWARE** and **SOFTWARE** solutions both for portable devices and for the entire corporate world. In particular:

- **Store Management:** Shelf Reordering, Inventory, Shelf Price Control, Product Handling, Competition Price Detection.
- **Pick-to-Light and Put-to-Light:** picking / storage processes where it is necessary to reconcile high speed and low error rate
- **Real-time locating systems (RTLS):** automatic identification and tracking in real time of objects or people within delimited areas
- **Warehouse Management (also Voice Picking):** goods entry and exit control (also voice)
- **Sales Force Automation;**
- **PMT System; On field / on site data collection;**
- **Display Project; Push to Talk, and much more**



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REFERENCE MARKET

The market in which Finlogic operates is continuously expanding due to the increasingly strict European regulations concerning products traceability. Finlogic boasts over 3,000 customers in Italy and abroad.



ITALIAN MARKET

- Finlogic makes most of its turnover in Italy and has an overall market share of 3,7%.
- In Italy, the self-adhesive market is increasing by 4.6%, reaching € 746,8 million in 2019 compared to € 713,8 million in 2018, with a CAGR 2008-2019 of + 4.3% (GIPEA – Osservatorio Economico. – 2020)
- Despite the growth in turnover, market margins show a slight decline compared to 2018 (CAGR EBITDA '08 -'19 of 5.2%, CAGR EBIT '08 -'19 of 4.2% from 6.2%). Despite the downturn, the sector is still particularly attractive and profitable (average Ebitda Margin 2019 equal to 11.2%)

(Source: GIPEA - Economic Observatory - 2020)



European market

- Within the European market, Italy ranks fourth with a market share of around 12.2% of the overall 5.9 billion euro of production in 2019.
- Labels demand in Europe, has risen from 1996 to 2019, showing that the market has doubled in the last fifteen years reaching over 6 billion m2 printed.

EUROPE: main labels producing countries

Europe - main self-adhesive labels producers	Production 2018 (€mln)	Production 2019 (€mln)	Share % on Tot. UE28 2019	Variation % 2019/2018
Germany	1.130	1.168	19,3%	3,4%
Great Britain	925	974	16,1%	5,3%
France	866	881	14,5%	1,8%
Italy	752	739	12,2%	-1,8%
Spain	587	618	10,2%	5,2%
Total UE 28	5.931	6061	100%	2,2%

(Elaborazione Centro Studi Assografici su indagine Eurostat)

The market confirms good economic results, despite a slowdown in growth

Market Data

Overall sample	2008		2015	2016	2017	2018	2019	CAGR
Income statement	€/mln	%	€/mln	%	€/mln	%	€/mln	% 19-'08
Net Income	469,6		648,0		662,7		713,7	
<i>Variation % previous year</i>			0,0%	2,3%	4,2%	3,3%	4,6%	4,3%
Added value	137,0	29%	199,3	31%	204,2	31%	213,1	31%
<i>Variation % previous year</i>			0,0%	2,5%	4,4%	1,2%	4,0%	4,6%
Gross operative profit (Ebitda)	47,8	10%	78,4	12%	80,6	12%	81,7	12%
<i>Variation % previous year</i>			22,5%	2,9%	1,3%	3,1%	-1,0%	5,2%
Opertive income (Ebit)	26,2	6%	46,1	7%	46,4	7%	45,7	6%
<i>Variation % previous year</i>			34,8%	0,7%	-1,6%	-3,0%	-7,4%	4,2%
Operating result	11,0	2%	28,7	4%	30,2	5%	31,5	5%
<i>Variation % previous year</i>			0,0%	5,0%	4,4%	2,6%	-8,4%	9,4%

Fonte: GIPEA – Osservatorio 2019

Finlogic:
Performance higher than the market



REVENUE 2020 : +32%
EBITDA : +40%
NET PROFIT: +27%

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Highlights – Income Statement

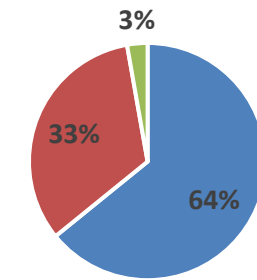
FINLOGIC GROUP KEEPS GROWING

- Total Revenues: Euro 43.4 million, +32% (FY 2019: Euro 33.0 million)
- Production value: Euro 45.3 milioni, +31% (FY 2019: Euro 34.6 million)
- EBITDA: Euro 6.6 milioni, +40% (FY 2019: Euro 4.7 milioni)
- Net income: Euro 2.8 million, +27% (FY 2019: Euro 2.2 milioni)

Compared to 2019, the production value is 45 million with an increase of 31% and in addition to this, public grant for Covid Emergency which amounts to 0.671 million.

(€/1000)	2020	2019	Var	Var %
Revenue	43,388	32,992	10,396	32%
Production value	45,252	34,589	10,663	31%
Operative cost	38,643	29,853	8,790	29%
EBITDA	6,609	4,735	1,874	40%
EBIT	3,906	3,240	666	21%
Net income	2,760	2,177	583	27%
Group Net income	2,579	1,969	610	31%

Break-Down Revenues 2020









■ Label ■ Bar code products ■ Technical assistance

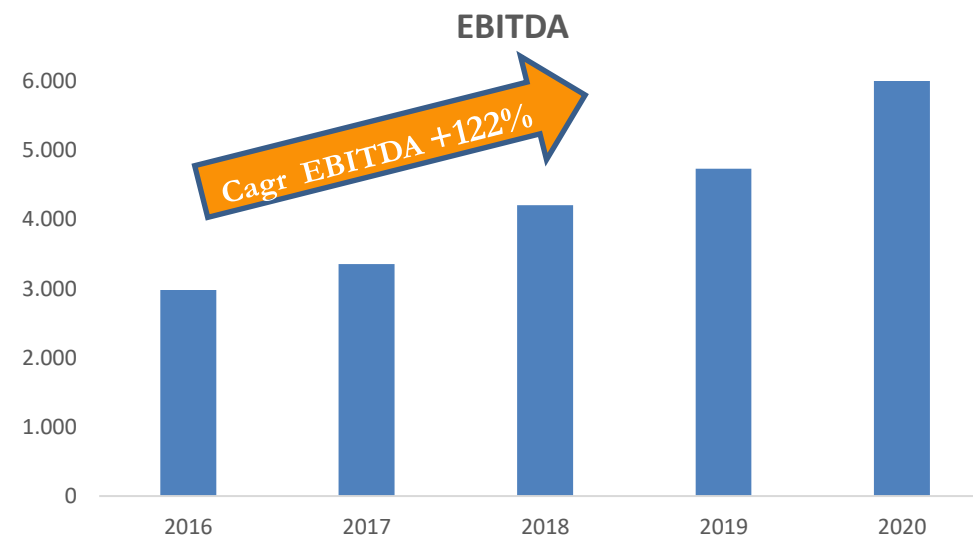
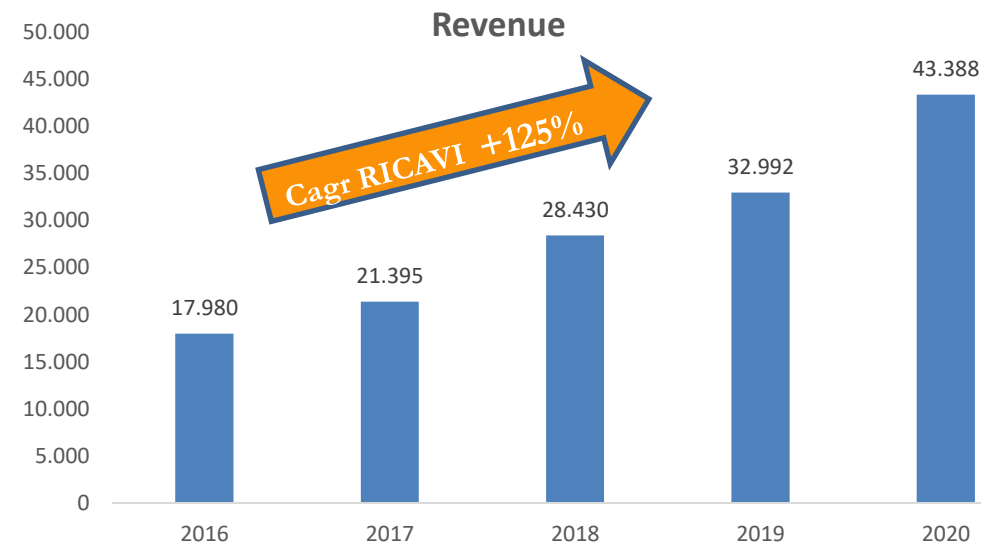
Revenue break-down	2020	2019	Var 20-19	Var %	Inc. 2020	Inc. 2019
Label	27.837	19.275	8.562	44%	64%	58%
Bar code products	14.345	13.189	1.156	9%	33%	40%
Services and Technical assistance	1.205	528	677	128%	3%	2%
Total Revenue	43.388	32.992	10.395	32%	96%	95%

- Revenue of the "Labels" division, the group's core business (64% share of total revenues), increased by 44% reaching € 27,8 million.
- The "Barcode Products" division, (33% share of total revenues), increased by 33% compared to last year, for overall revenue of € 14,345 million.
- The "Service and technical assistance" records a significant increase (+ 128%) compared to 2019 (Euro 0.53 million).

Therefore 64% of 2020 revenues is related to "Labels Division" (neutral and printed with digital technology), addressed to several sectors and uses, while 33% of revenue is related to sale of technological tools (printers, terminals and readers) and Ribbon; "services and technical assistance" division represents the least voluminous sector of revenues (3%), showing a significant increase compared to 2019 as result of activities of technical assistance, software and marketing advisory services.

Financial Highlights 2016_20

	2016	2020
 Production Value	€ 18,2 mln	€ 45,2 mln
 Ebitda	€ 2,94 mln	€ 6,6 mln
 Ebitda Margin	16,2%	14,6%
 PFN/(Cash)	(€ 0,48 mln)	€ 2,9 mln
 Fixed assets	€ 2,1 mln	€ 15,4 mln
 Equity	€ 6 mln	€ 21,7 mln



Finlogic Group: Revenue 1^oQ 2021

Consolidated revenues at March 31th 2021, amounted to approximately 12.6 million euros and recorded an increase of approximately 1.4 million euros, equal to + 12%, compared to the first quarter of 2020 (11.3 million euros)

Revenue break-down	1 ^o Q 2021	1 ^o Q 2020	Var 20-19	Var %
Label	7.805	7.489	316	4%
Bar code products	4.475	3.469	1.006	29%
Services and Technical assistance	374	320	54	17%
Total Revenue	12.654	11.278	1.376	12%

The positive performance is mostly related to the "Technology Products" division, which recorded an increase of + 29%, thanks above to the incentive of the digital sector, which is significantly growing.

"Labels" division, shows an increase of 4%, and is consolidating production and process implementations, started and completed in 2020. Revenues for "Services and Technical assistance", also are rising (+ 17%), as result of activities of technical assistance, software and marketing advisory services.

Highlights – Balance Sheet

(€/1000)

	31/12/2020	31/12/2019	Var	Var %
Fixed Assets	15,423	7,069	8,354	118%
Net working capital	12,622	8,513	4,109	48%
Provision	(2,715)	(1,510)	(1,205)	80%
NET INVESTED CAPITAL	25,330	14,073	11,257	80%
Equity	22,467	15,640	6,827	44%
NFP/(Cash)	2,863	(1,568)	4,431	-283%
TOTALE SOURCE	25,330	14,073	11,257	80%

- **The Net Financial Position** is equal to Euro 2.9 million compared to Euro -1.6 million at 31 December 2019, (debt of Euro 4.7 million at 30 June 2020). The change compared to 2019 is mainly attributable to the increase in long-term bank debt, necessary to finance the structural investments and acquisitions of the companies completed in 2020.
- **Net invested capital** is growing and stands at Euro 25.3 million, mainly as a result of the important investments made in fixed assets, aimed at increasing production capacity but also as a result of the revaluation made on tangible fixed assets for approximately Euro 3.46 millions

NFP	31/12/2020	31/12/2019	Variance
Cash	(9,943)	(6,819)	(3,124)
Current Bank financing	2,624	2,432	192
Current Other financing	253	116	137
Current NFP	(7,067)	(4,271)	(2,796)
Non-current Bank financing	8,871	2,375	6,497
Non-current Other financing	1,059	329	730
Non-current financing (b)	9,930	2,703	7,227
NFP (c=a+b)	2,863	(1,568)	4,432

Finlogic's activity falls within the services qualifiable as essential by the D.P.C.M. of 22/03/2020, the 3 production plants continue to be fully operational.

At the moment, Finlogic has no problems in supply of raw materials and products as most of our suppliers are operational.



The DVR has been updated, the operating procedure on safety has been issued and the most stringent hygiene and health standards, personal protective equipment have been issued

The Group is fully operational. The warehouse, commercial and technical support are operational, in smart working mode with remote technical assistance



Groups efficiency has responded well to the emergency situation, thanks to the tenacity and determination of the management, the commercial and marketing department and the production department who have continued to work tirelessly to support all customers who have continued their activity at full capacity, during the peak of the pandemic

The role of digital innovation and the high experienced and innovative thinking of management was fundamental, which allowed us to quickly create ad hoc solutions:

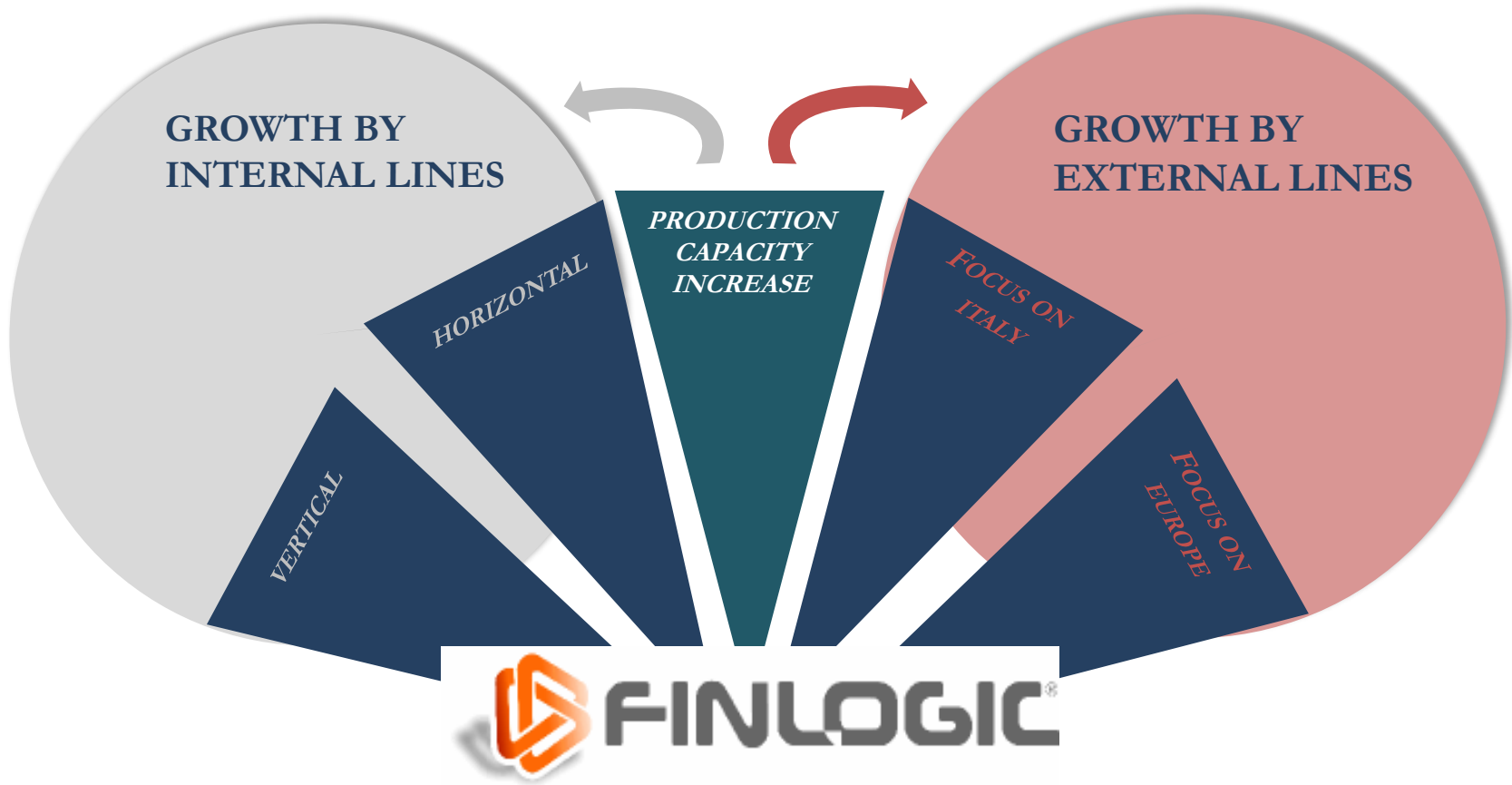
- 3D production of face protection visors as certified PPE
- Production of labels used in the healthcare sector, such as identification bracelets for patients, labels for test tubes and blood bags, labels for the sterilization of surgical instruments etc.
- Design and manufacturing of a wearable device, called "Smart Distance" which vibrates and signals if the safety distance is not respected. This device can be used for many other uses, anti-collision between forklifts, man-down signaling, badge for attendance or for access to unauthorized places.



The Auto-ID sector has been necessary for the indispensable supply chains. The Finlogic Group continued its activity above all in the service of the food sector, GDO, health and logistics, underlining its role as undisputed leader on the national territory

«Labeling, tracking and tracing are at the basis of digital transformation, but also and above all of a greater and necessary efficiency of logistics and delivery, which today is clearly growing»





Why invest in Finlogic

1

Scalable market with high growth potential

High fragmentation (over 500 operators)

2

Distinctive marketing tools

Software for price quotation, which represents an important competitive advantage and the sales tool to increase the customer base.

3

Significantly diversified customer base

Orders typically of limited unit values, Widespread customer base, where an individual client does not weigh more than 3% of overall revenues.

4

Customer loyalty through «Tailor-Made» solutions

Tailor-made solutions in response to customer requests that translate into customer loyalty.

5

Sales force and growing orders

Continuous increase in demand, as result of the efficient sales network, with positive effects on revenue growth and consequent increase in production capacity.

6

Track record in M&A

Increase in production capabilities and product diversification.

7

Growing Income and Cash Flow generation

CAGR 09-'19: VdP +17.41%; EBITDA + 19.95%

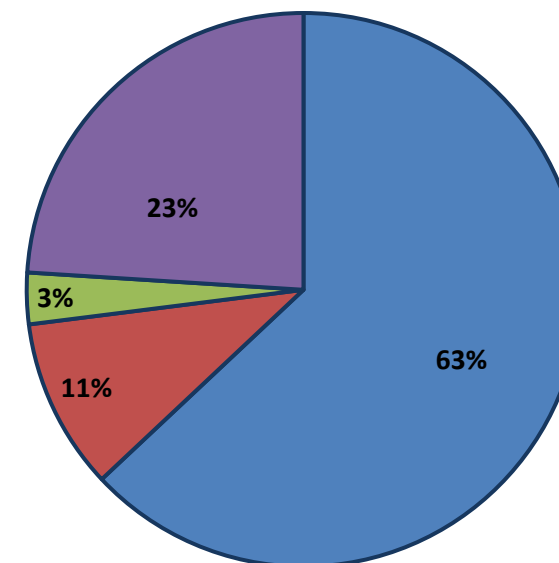
*The two main strategic directives have been maintained: **the growth of fundamentals and the creation of value for shareholders***

Market	AIM Italia
Date IPO	09-giu-17
Price IPO	Euro 3.60
Cap IPO	Euro 24.3 mln
ISIN Warrant FINLOGIC 2017-2020	IT0005256349
N. Warrants	zero
ISIN	IT0005256323
N. shares	7,343,634
Price share as of may 2021	Euro 6.08
Performance from IPO	75%
Capitalization as of may 2021	Euro 45 mln
Equity Research 1	KT&Partners

Market Value



SHAREHOLDERS



- BF Capital
- Hydra S.p.A.
- Italcode Srl
- Altri azionisti