

FOS Group | Intermonte Virtual Tech Day

May 19, 2021



FOS at a glance

SECTOR

FOS S.p.A., founded in 1999, is an Italian Innovative SME and it offers market **digital services** focused on data management and protection integrating software platforms, hardware devices, network infrastructures and **innovation services** engaging customers in research and development “collaborative projects to bring them into the digital future”.

ACTIVITIES & CLIENTS

 <p>INFORMATION TECHNOLOGY</p>	<p>Design, development and management of digital infrastructures on site and remote (e.g. smart working, video conference system, network operation & cybersecurity center, datacenters etc.); Design, development and management of digital software platforms (web & mobile applications, artificial intelligence algorithms, big data & cloud solutions, IoT platform). Innovation Projects for specific requests of sectors finance, health, energy and industry areas.</p>	
 <p>COMMUNICATION TECHNOLOGY</p>	<p>Electronic Design; Multivendor Electronic Equipment Repair & Refit Services; Reverse Engineering; Design & development Firmware; Logistics Programming in the electronic and mechanical area mainly for Telecommunication, Gaming and Biomedical sectors.</p>	
 <p>ENGINEERING & TECHNOLOGY TRANSFER</p>	<p>Design & Development of Embedded Systems; IOT & AI Innovative Projects; Design & Development of innovative research projects; Design & development of tech-prototypes to be placed on the market through Joint Research Centers; StartUp & Newco «factory» from IP to Market.</p>	
 <p>AUTOMATION & SOLUTIONS</p>	<p>Design, Development & Management of SCADA System (supervision&remote control & process automation systems) ; Efficient Asset management System; Design of Virtual Reality Solutions; 3D prototyping; Innovative solutions for the management and operation of the plants.</p>	
 <p>DIGITAL LEARNING</p>	<p>Design, Development & Management of Digital Learning Systems; Design & Development of digital Sales & Technical Training; Video Lessons Content Productions; Corporate training projects; Customized LMS; Design & Development of Apps & Serious games.</p>	

Board



Brunello Botte
Chairman

- Over 45 years of professional experience and co-founder of FOS;
- Director of Elsag Bailey;
- Director of M&A Siemens S.p.A.;
- Purchasing Director of Wireline Telecom Italia S.p.A.;
- Director of electronic counter division Enel S.p.A.;
- Chairman of Enel-Si S.p.A and Enel Romania.



Enrico Botte
CEO

- Over 20 years of professional experience and co-founder of FOS;
- Chairman of Confindustria Giovani Genova;
- Deputy-Chairman of Piccola Industria Genoa;
- Youth group coordinator located in Genoa;
- Start up desk promoter;
- Advisory Board of North West Unicredit Bank;
- Chairman of SIIT PMI.



Matteo Pedrelli
CEO

- Over 25 years of professional experience and co-founder of FOS;
- Past Chairman of the Confindustria Genoa IT Industry;
- Civil consumer electronic business activity.



Marco Caneva
Non-executive Director

- Co-founder of Calit Advisors;
- Head of Private Equity and M&A of Hofima SpA (Family Office of the Malacalza Family);
- Investment banking at Goldman Sachs;
- Covered various positions on Boards of Directors;
- Professional with over 22 years of professional investment experience.

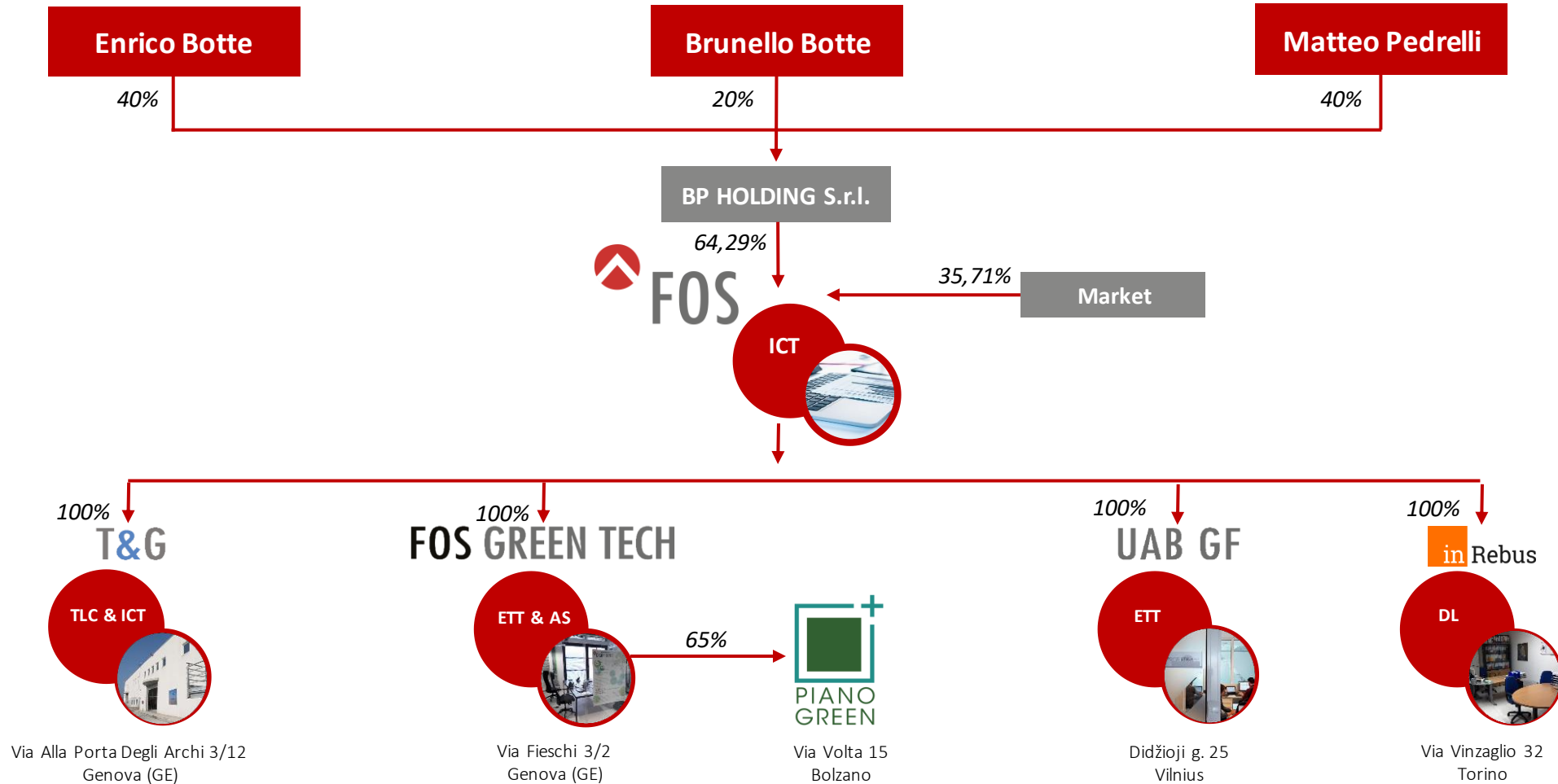


Remo Pertica
Non-executive Director

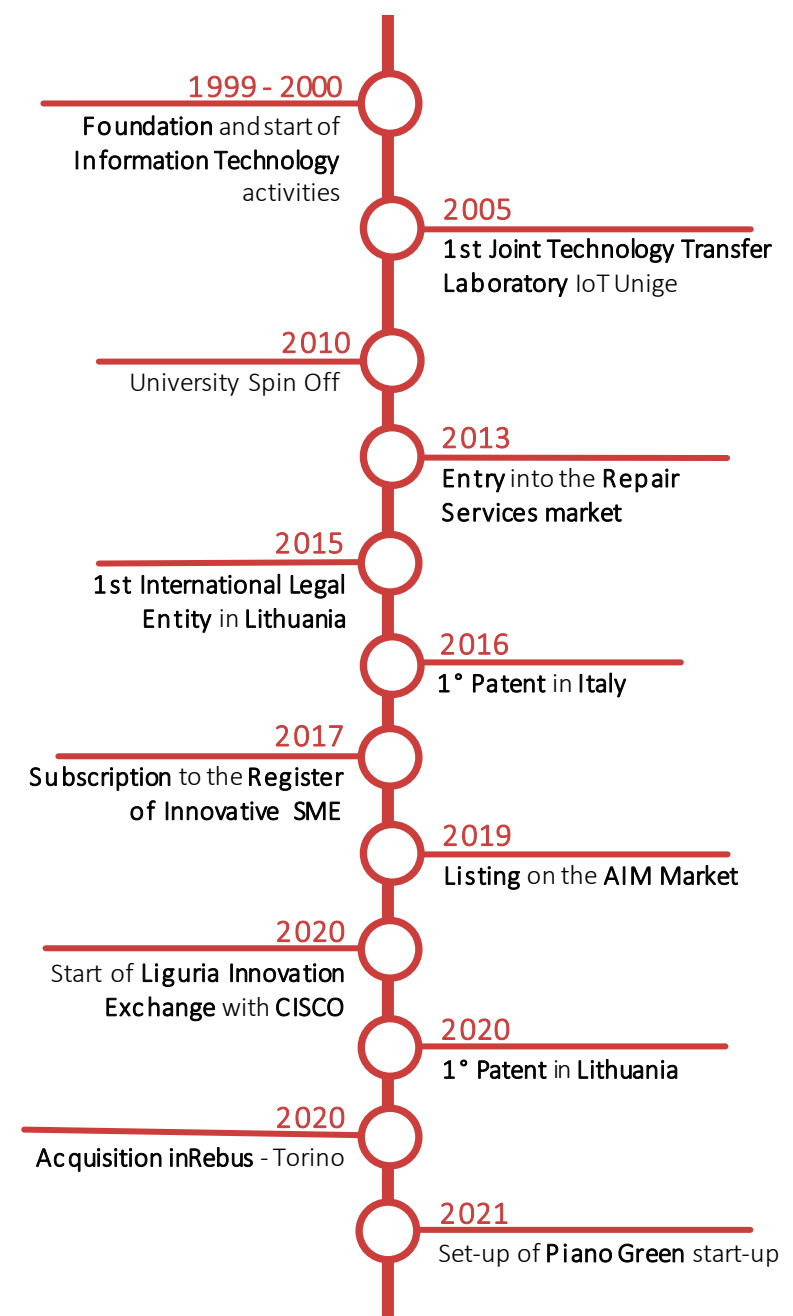
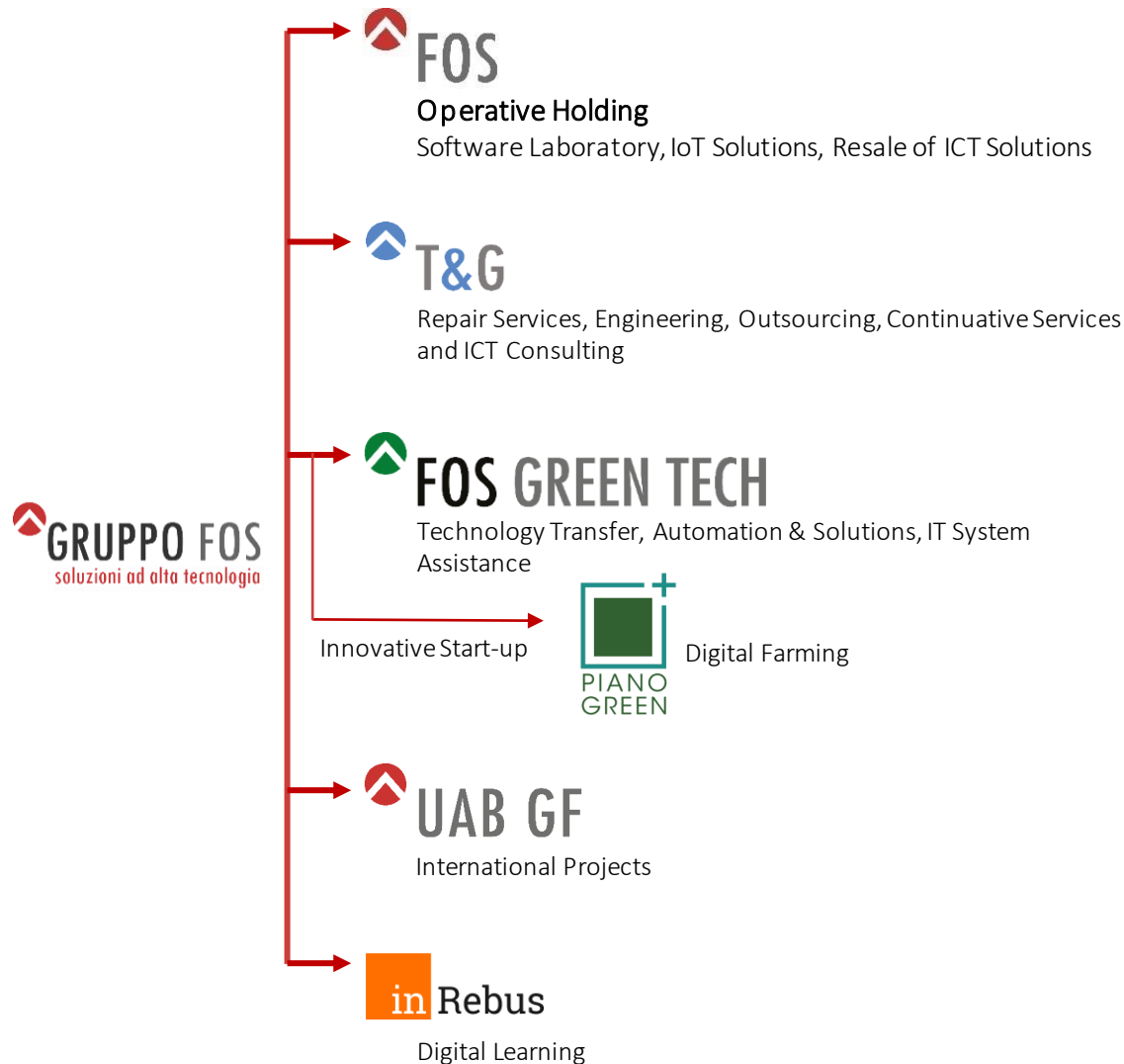
- Co-General Manager Finmeccanica SpA;
- General Manager & CEO Marconi SpA;
- Chairman Selex Galileo SpA;
- Board Member IIT Italian Institute of Technology;
- Chairman AIAD (Italian Defence Company Consortium);
- CEO SIIT SCPA Industrial District;
- Board Member Fondazione Compagnia San Paolo.

Group Structure

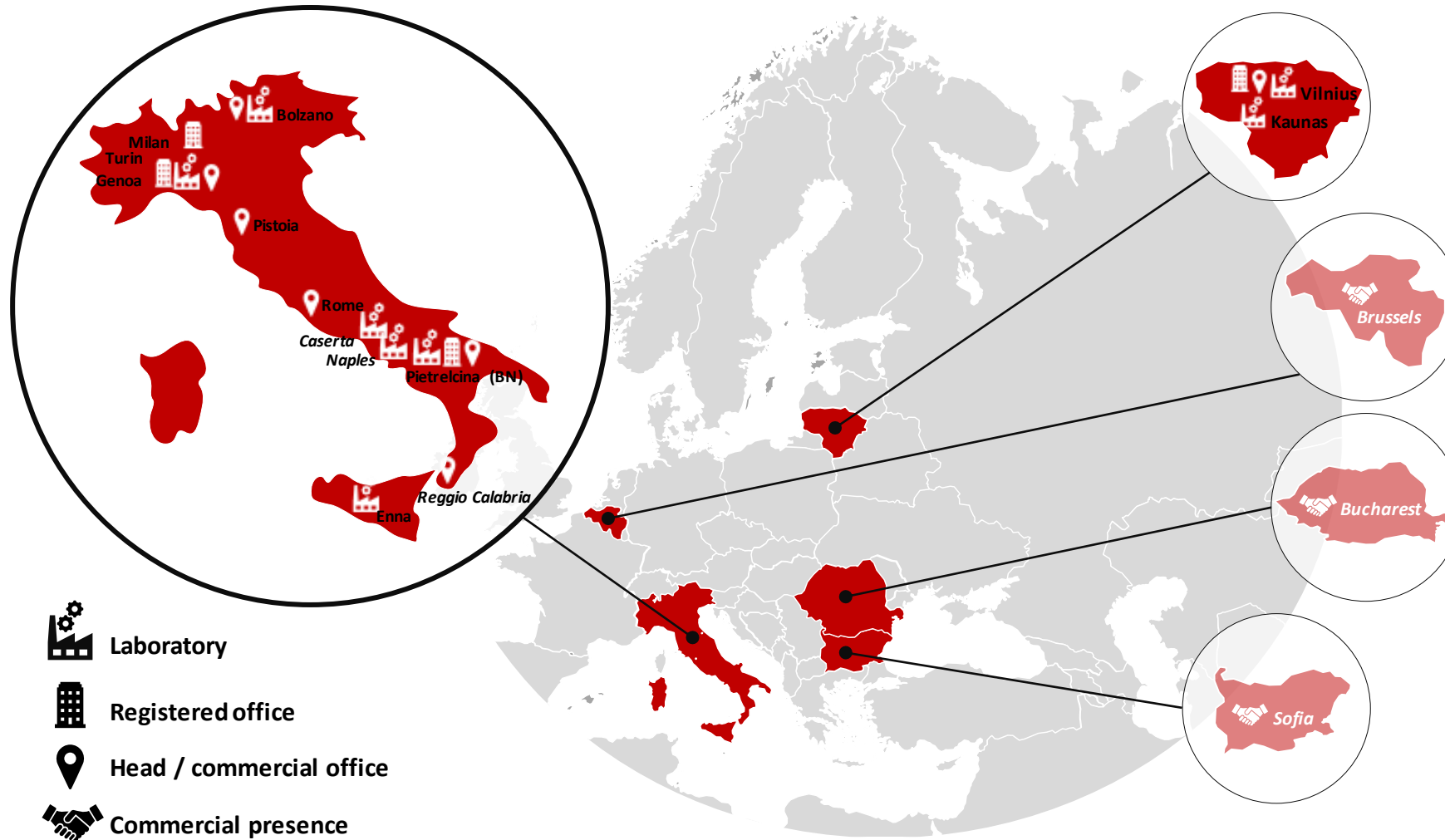
Corporate Structure



History and Organization Chart



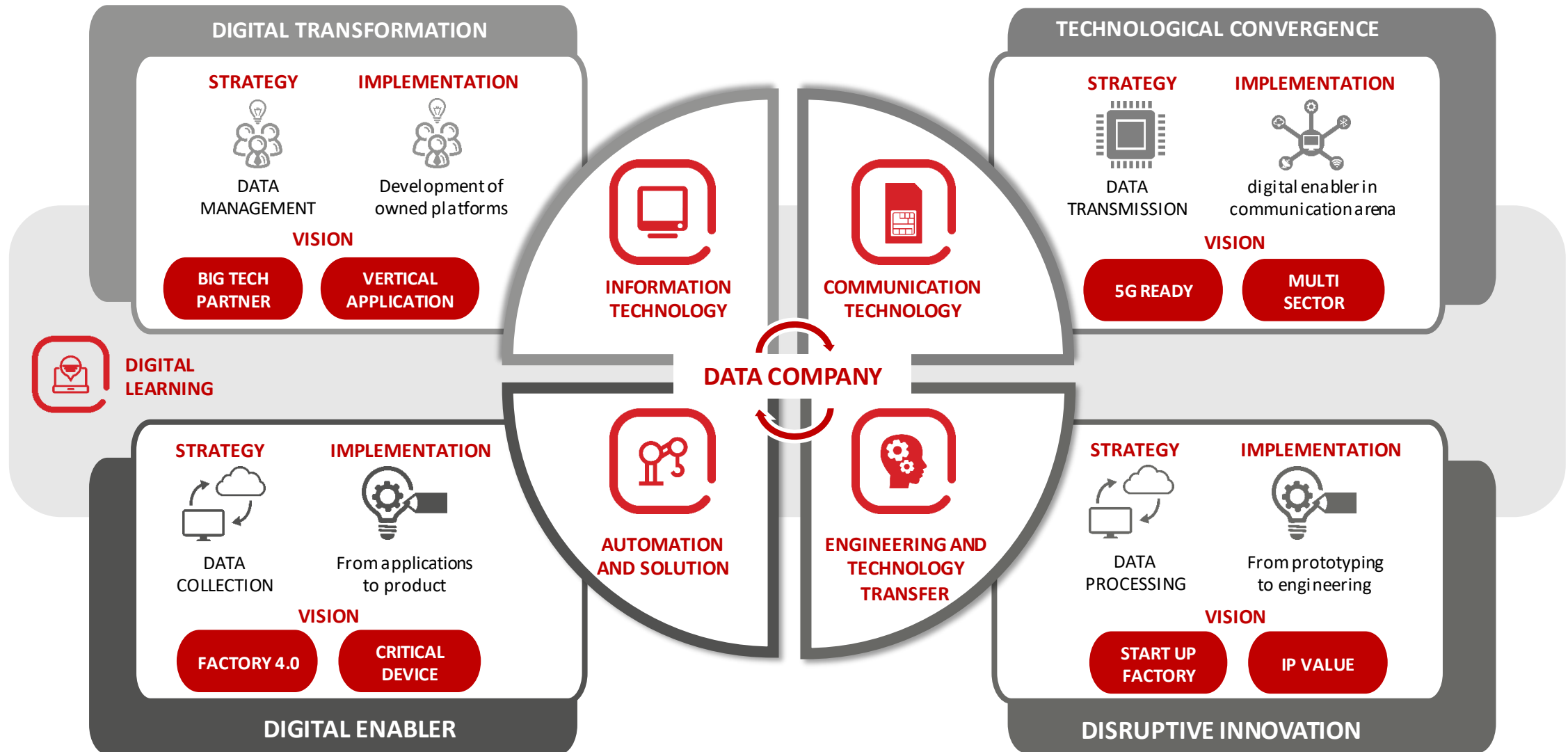
Geographical Spread



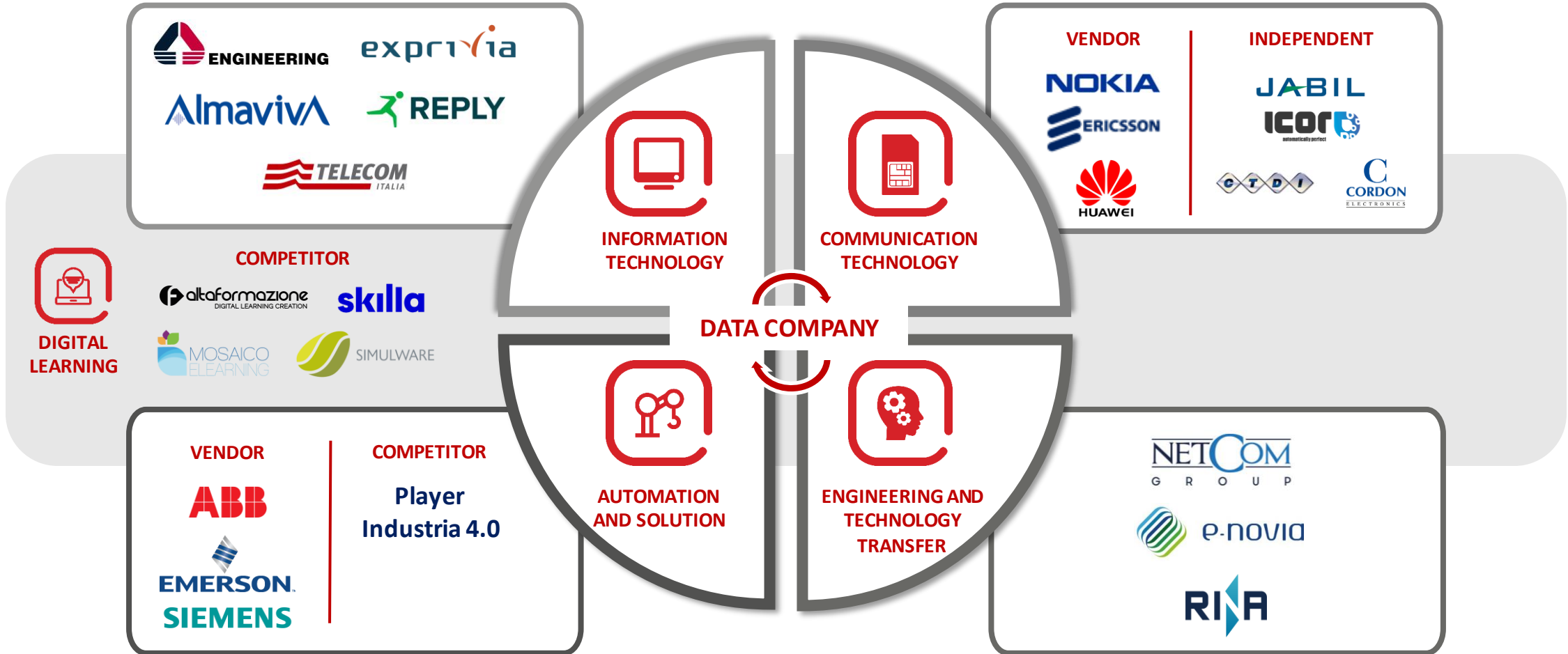
OPPORTUNITIES FOREIGN BRANCH

- High level of education and quality of multi-language technicians
- Physical proximity to clients
- Easy-access to institutional chain
- EU funding opportunities

Business model: Creating Value from DIGITAL to INNOVATION

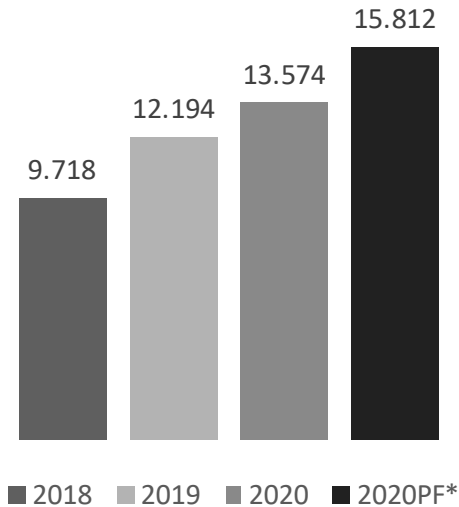


Business Lines & Sector Players

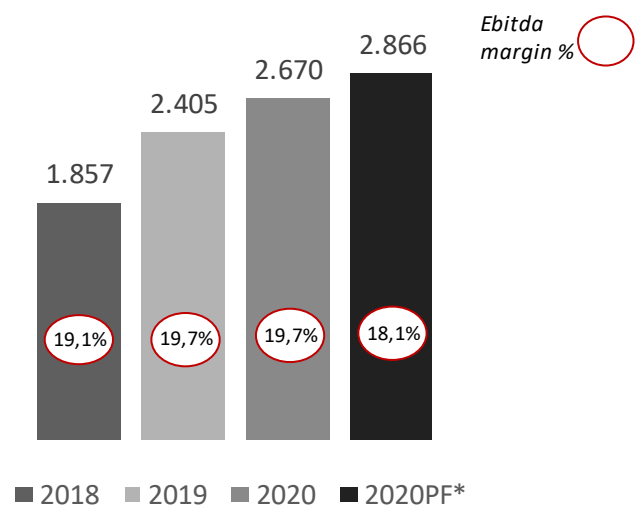


Key Financial Highlights 1/2

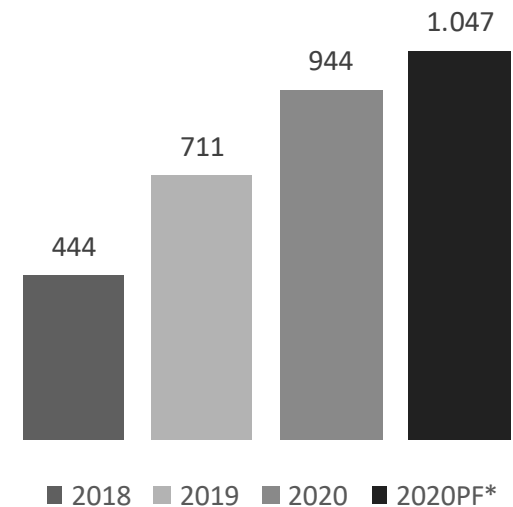
Total Revenues 2018-2019-2020
(000 €)



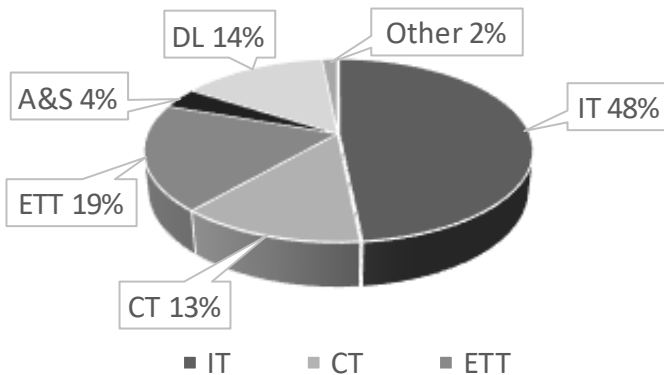
EBITDA ADJUSTED 2018-2019-2020
(000 €)



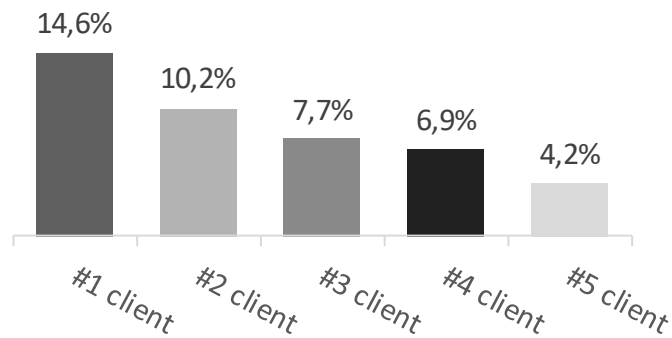
Net income 2018-2019-2020
(000 €)



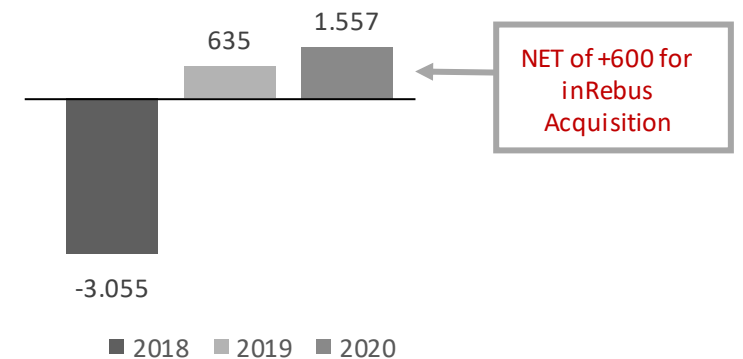
Total Revenues Breakdown 2020PF*



Top 5 Clients 2020PF*

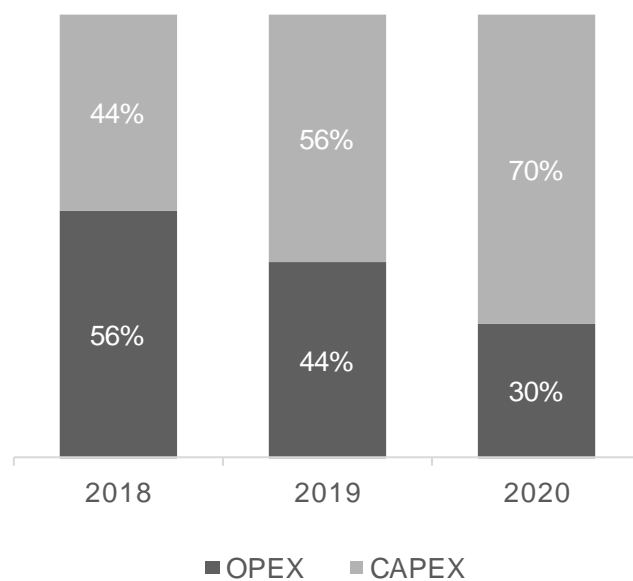


Net Financial Position * (000€)



Key Financial Highlights 2/2

R&D Investments: Opex - Capex



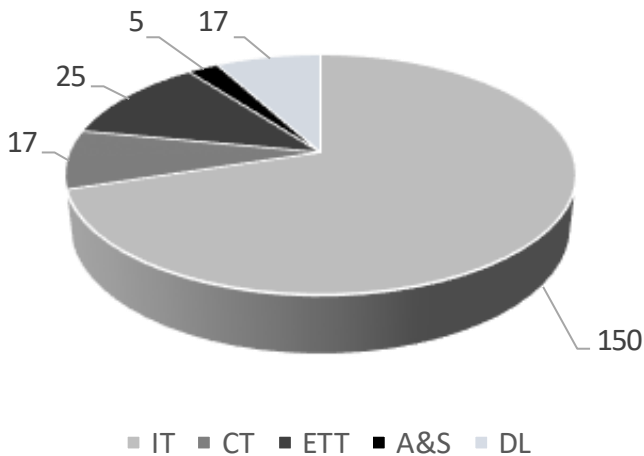
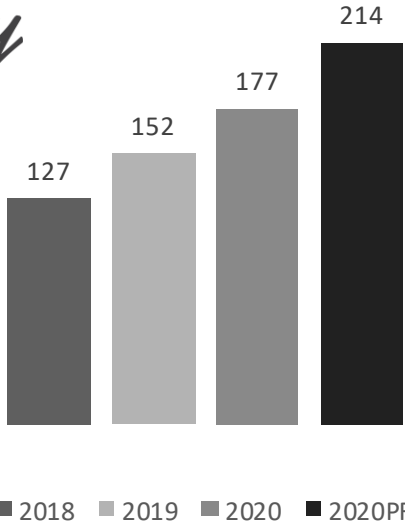
Capex Average 57% (AIM Comparables > 60%)

Intangible assets / Equity



Average 67% (AIM Comparables >1)

Human Resources



LIGURIA INNOVATION EXCHANGE



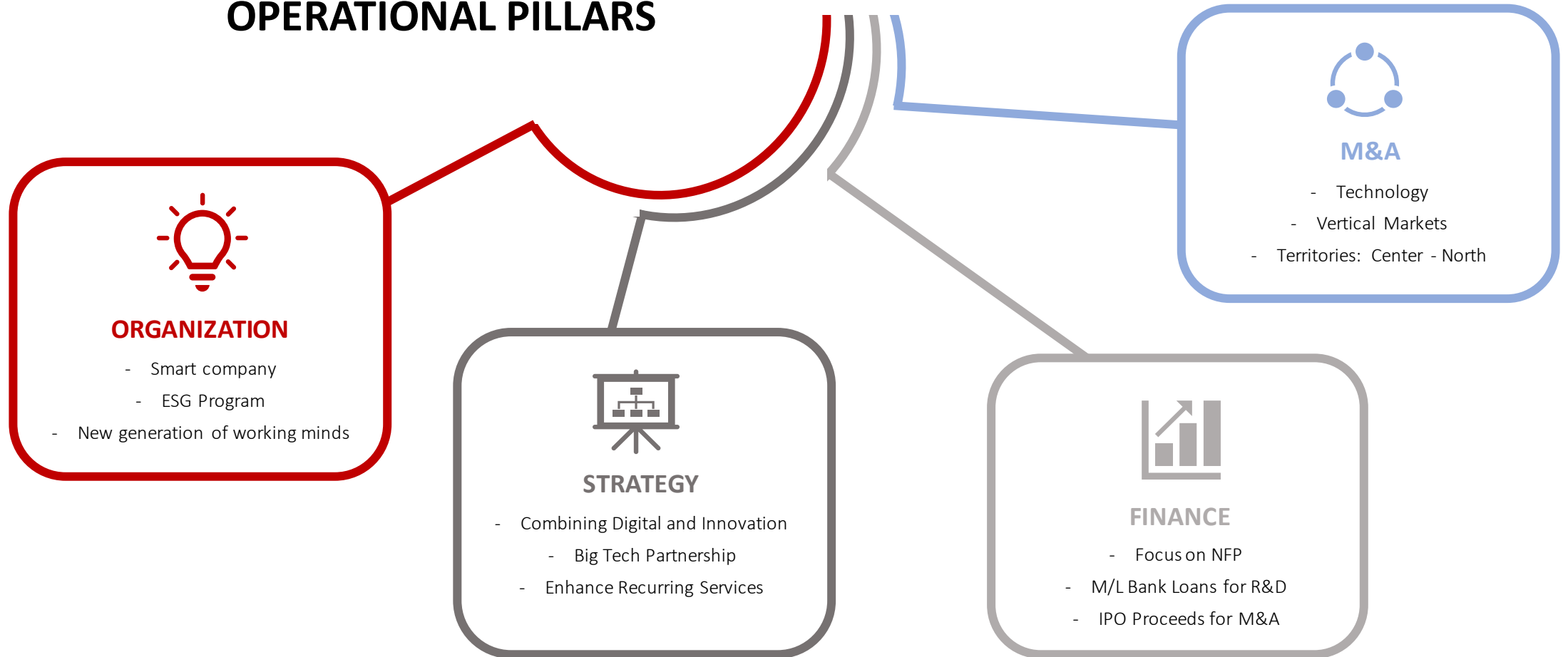
**50%
Employees
involved**

**LIFELONG TRAINING
INTERNSHIPS
DIGITAL IT SCHOOL**

50 students

5 projects in collaboration with clients

OPERATIONAL PILLARS



2021 – Technology Transfer to the Market

AGRO



ISAAC - Innovative lighting system for the plants Farming in Enclosed Areas and to improve human well-being.

European Patent | Collaborations: ENEA

Notice and Grantor:
PON SOUTH 2014 - 2020 HORIZON 2020-
MISE



EYE-TRAP - AI for phytosanitary management

Collaborations: UniBZ



NEWCO in
partnership with
SANTAGATA
1907 S.P.A.

BIOMEDICAL



BRAIN STROKE HELMET - Brain Computer Interface System for Stroke monitoring

Lithuanian Patent | Collaborations: KTU (Kaunas Technology University) and LSMU (Lithuanian University of Health Sciences)

TIME TO MARKET: 31/12/2022

INFRASTRUCTURE



CYMON PROJECT - Digital Twin 4.0

Collaborations: CETENA (Group FINCANTIERI)

TIME TO MARKET: 30/06/2022

BUSINESS

- Repair Center on 5G Ready and a new line on healthcare equipment;
- Partnerships with high-tech giants such as Dell, Cisco, Nutanix, Cohesity and Pure Storage for the supercomputing challenge.

INNOVATION

- Isaac Project on the Company Patent Microcosmo;
- Projects "Diva" (Europe) and the Digital Simulator of an agricultural field were approved in Bolzano;
- Approval of the urban regeneration project "AURA" on ECO CITY line;
- Approved project for the Digital Twin of the Genoa Bridge with Fincantieri;
- "Safe 4.0" project approved with anti-Covid devices in collaboration with SIIT – Ligurian Innovation District;
- Biomedical Patent on "Brain Stroke Helmet" approved and launch of the clinical trials;
- Approval of the project "Genova Sicura" with Leonardo for security control room on Genoa;
- FOS S.p.A will be the beneficiary of the project promoted by the Principal Investigator Biologik-Systems Srls for the realization of an innovative composting system;
- Project "E-CROPS - Technologies for Sustainable Digital Agriculture" approved. The company remains a leader in Smart Agrifood solutions;
- Project EU DIH: RoBOTIC Hand from Space to health.



A photograph of a person sitting in a lush green field, working on a laptop. A tablet is propped up on a stand in front of them. In the background, there are rolling green hills, a utility pole, and some buildings under a cloudy sky. A semi-transparent grey box is overlaid on the bottom left of the image.

Annexes

Engineering and Technology Transfer - Project implementation methods



Prototyping and industrialization of new products

Development, prototyping, testing and engineering of innovative and technologically advanced solutions, in different application areas

To carry out projects with a **high innovative and technological content**, for which research and development activities are mainly financed by public entities. FOS Group manages the **collaboration with Italian university and / or public-government research centers**, through the creation and activation of the so-called **joint laboratories or research centers**



Genoa (GE)

LABORATORIO WISE

Development of **electronic systems and wireless sensors**



Portici (NA)

LABORATORIO TRIPODE

Integration of new semiconductor materials in devices and circuits for **electronics and sensors**



Bolzano (BZ)

GREENTECH LAB

Research and development of large technological systems to monitor the **agro-forestry world and ICT** to develop solutions in the area of **Agriculture 4.0**



KAUNAS (Lituania)

BIOTECH LAB

Development of **bio medical engineering** activities for improvement, re-engineering and characterization of existing products, equipment and software



Genova (GE)

DRUID LAB

Development of IT platforms for **Industry 4.0**



Enna (EN)

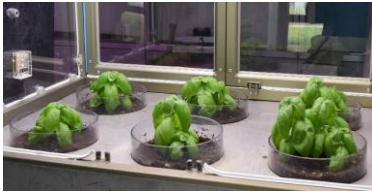
JOINT LABORATORY WITH UKE

Study of **new technologies and sensors to monitor in frastructure**

Engineering and Technology Transfer – Application sectors

- FOS Group is historically active in the Engineering sector;
- Its model is to create a network of joint research centers with university and government research institutes as a platform for prototyping, testing and engineering services for new products / services;
- To date, the Group operates in five different macro-sectors:

1. AGRICULTURE MICROCOSMO



The System allows the study of the growth of plants subjected to experimental conditions (Patented System)

2. ENVIRONMENT EYETRAP



Using microwaves and processing backscattering information through tomographic inversion. It is possible to analyze the health of the tree trunk and therefore the risk of falling

3. BIOMEDICAL BRAIN STROKE HELMET



Medical device to be used for patient monitoring in order to evaluate post-stroke status trends to predict and prevent possible complications and comorbidities

4. ENERGY SUNWISE



Intelligent string framework for remote monitoring of energy production and plant maintenance management

5. INDUSTRY VALVE REMOTE CONTROL



FOS has designed and assembled the remote node that controls the actuator on the valve, for a client who is developing a new remote-control system for the valve, complying with the Safe Return to Port regulations

Financials: Income Statement 2017 – 2020

CONSOLIDATED INCOME STATEMENT (€)	FY2017	FY2018	FY2019	FY2020	FY2020P*
Information Technology Sales	5.723.714	5.927.046	7.326.266	7.658.887	7.658.887
Engineering and TT Sales	41.065	146.850	320.185	443.709	391.709
Communication Technology Sales	1.684.237	1.776.049	2.006.132	2.062.746	2.062.746
Automation and Solutions Sales	0	0	0	579.787	579.787
Digital Learning	0	0	0	0	2.270.864
Other Sales	36.791	40.596	5.202	12.239	12.239
Sales Revenues	7.485.807	7.890.541	9.657.785	10.757.367	12.976.231
<i>YoY growth</i>		5,4%	22,4%	11,4%	34,4%
Other revenues	419.304	430.661	736.534	469.929	489.838
Change in inventories of FP	53.049	908	22.805	(3.066)	(3.066)
Increase of fixed assets	647.052	758.785	1.137.726	1.466.702	1.466.702
Grants receivable	272.967	637.067	639.348	882.788	882.788
Total Revenues	8.878.180	9.717.963	12.194.198	13.573.720	15.812.493
<i>YoY growth</i>		9,5%	25,5%	11,3%	29,7%
Consumptions	(324.341)	(810.203)	(1.655.743)	(1.549.916)	(1.596.104)
Service costs	(2.592.703)	(2.442.739)	(3.025.154)	(3.106.265)	(3.970.416)
Employment costs	(4.149.337)	(4.428.639)	(4.994.331)	(5.930.672)	(6.944.567)
Leased asset costs	(176.062)	(174.072)	(140.062)	(122.660)	(222.607)
Other Operating Expenses	(243.184)	(168.938)	(192.760)	(194.555)	(212.737)
EBITDA	1.392.553	1.693.372	2.186.148	2.669.652	2.866.062
<i>EBITDA %</i>	15,7%	17,4%	17,9%	19,7%	18,1%
EBITDA Adjusted	1.669.315	1.856.826	2.404.951		
<i>EBITDA Adj. %</i>	18,8%	19,1%	19,7%		
Amortization of intangible assets	(408.643)	(531.081)	(950.132)	(1.207.199)	(1.210.689)
Amortization of tangible assets	(59.831)	(65.343)	(71.638)	(77.984)	(85.162)
Provision for bad debts	(73.329)	(13.416)	(31.583)	(8.330)	(8.330)
Other Provisions	(69.500)	(85.000)	69.500	(16.000)	(40.000)
Amortization, depreciation and write-downs	(611.303)	(694.840)	(983.853)	(1.309.513)	(1.344.181)
EBIT	781.250	998.532	1.202.295	1.360.139	1.521.881
<i>EBIT %</i>	8,8%	10,3%	9,9%	10,0%	9,6%
Net financial charges	(139.146)	(227.996)	(157.233)	(169.997)	(169.390)
EBT	642.105	770.536	1.045.062	1.190.142	1.352.491
<i>EBT %</i>	7%	8%	9%	9%	9%
Taxes	(165.656)	(326.761)	(334.190)	(245.890)	(305.026)
NET INCOME	476.449	443.776	710.873	944.252	1.047.465
<i>% on VoP</i>	5,4%	4,6%	5,8%	7,0%	6,6%

Financials: Balance Sheet 2017 – 2020

CONSOLIDATED BALANCE SHEET (€)	FY2017	FY2018	FY2019	FY2020
Trade Receivables	2.134.604	2.807.614	4.381.388	5.988.822
Inventories	399.837	401.392	424.983	405.917
Trade Payables	(1.229.802)	(1.384.624)	(2.604.631)	(2.611.766)
Commercial Working Capital	1.304.639	1.824.382	2.201.740	3.782.973
Prepayments and accrued income	105.282	74.125	155.856	298.735
Tax Receivables	617.888	661.269	1.306.692	824.157
Other receivables	1.783.421	1.835.983	2.018.661	1.491.592
Other current Assents	2.506.591	2.571.377	3.481.209	2.614.484
Accruals and deferred income	(579.656)	(692.132)	(1.112.693)	(1.455.810)
Tax Payables	(774.978)	(894.834)	(888.945)	(697.462)
Other Payables	(722.323)	(883.082)	(892.696)	(1.987.606)
Other current Liabilities	(2.076.957)	(2.470.048)	(2.894.334)	(4.140.877)
Net Working Capital	1.734.273	1.925.711	2.788.615	2.256.580
Intangible fixed assets	1.189.468	3.921.556	5.005.202	5.662.173
Tangible fixed assets	189.017	192.507	228.709	300.741
Financial fixed assets	10.523	100	100	14.516
Net fixed assets	1.389.008	4.114.163	5.234.011	5.977.430
Gross Invested Capital	3.123.281	6.039.874	8.022.626	8.234.010
Employee's Termination Benefit Obligations	(1.066.302)	(997.344)	(1.032.644)	(1.347.213)
Other provisions	(88.959)	(194.550)	(122.725)	(35.803)
NET INVESTED CAPITAL	1.968.019	4.847.980	6.867.257	6.850.994
Cash and cash equivalents *	(2.244.001)	(1.249.457)	(4.668.560)	(7.217.328)
Short Term Financial Debt	1.603.150	128.442	1.503.007	899.040
Short term net financial position	(640.852)	(1.121.015)	(3.165.553)	(6.318.288)
Medium and long term Financial Debt	1.046.922	4.091.284	2.530.845	4.767.826
Shareholders Loans	25.000	85.000	0	0
Net Financial Position	431.070	3.055.269	(634.708)	(1.550.462)
Share Capital	1.000.000	1.000.000	1.555.375	1.555.375
Reserves	60.500	348.934	5.235.717	5.901.829
Profit/ (loss) for the year	476.449	443.776	710.873	944.252
Shareholders' equity	1.536.949	1.792.710	7.501.965	8.401.456
TOTAL SOURCES	1.968.018	4.847.979	6.867.257	6.850.994

Financials: Cash Flow Statement 2017 – 2020

CONSOLIDATED CASH FLOW STATEMENT (€)	FY2017	FY2018	FY2019	FY2020
EBITDA	1.392.553	1.693.372	2.186.148	2.669.652
Taxes	(165.656)	(326.761)	(334.190)	(245.890)
GROSS CASH FLOW	1.226.897	1.366.612	1.851.959	2.423.762
Change in Trade Receivables	15.645	(686.426)	(1.605.357)	(1.615.764)
Change in Inventories	(82.101)	(1.555)	(23.591)	19.066
Change in Trade Payables	272.986	154.822	1.220.007	7.135
CHANGE IN WORKING CAPITAL	206.530	(533.159)	(408.941)	(1.589.563)
Change in Other Current Assets and Liabilities	816.734	328.305	(485.546)	2.113.268
Change in Other Provisions	11.959	20.591	(2.325)	(102.922)
Change in Employee's Termination Benefit Obligations	141.573	(68.958)	35.300	314.569
CHANGE IN NET WORKING CAPITAL	970.266	279.937	(452.571)	2.324.915
OVERALL CHANGE IN NET WORKING CAPITAL	1.176.796	(253.222)	(861.512)	735.352
CASH FLOW FROM CURRENT OPERATIONS	2.403.693	1.113.390	990.447	3.159.114
(Inv.)/Dis. Intangible assets	(682.787)	(3.263.169)	(2.033.778)	(1.864.170)
(Inv.)/Dis. Tangible assets	(132.946)	(68.833)	(107.840)	(150.016)
(Inv.)/Dis. Financial assets	6.880	10.423	0	(14.416)
Net Investment	(808.853)	(3.321.579)	(2.141.618)	(2.028.602)
FREE CASH FLOW FROM OPERATION (FCFO)	1.594.840	(2.208.189)	(1.151.171)	1.130.512
Change in financial debts	(1.030.225)	1.629.655	(270.874)	1.633.014
Capital Increase	(1.690)	(188.015)	4.998.382	(44.761)
Financial income and charges	(139.145)	(227.996)	(157.233)	(169.997)
TOTAL CASH FLOW FOR THE PERIOD	423.780	(994.545)	3.419.104	2.548.768



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Romania: **Bucarest**
Lithuania: **Vilnius**

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