



FOS S.p.A. – Investor Presentation *October, 2021* 

### Market approach with business lines



Design, development and management of digital infrastructures on site and remote (e.g. smart working, video conference system, network operations & 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.

























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.























Design & Development of Embedded Systems; IOT & Al 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.

















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.





















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.













#### **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.

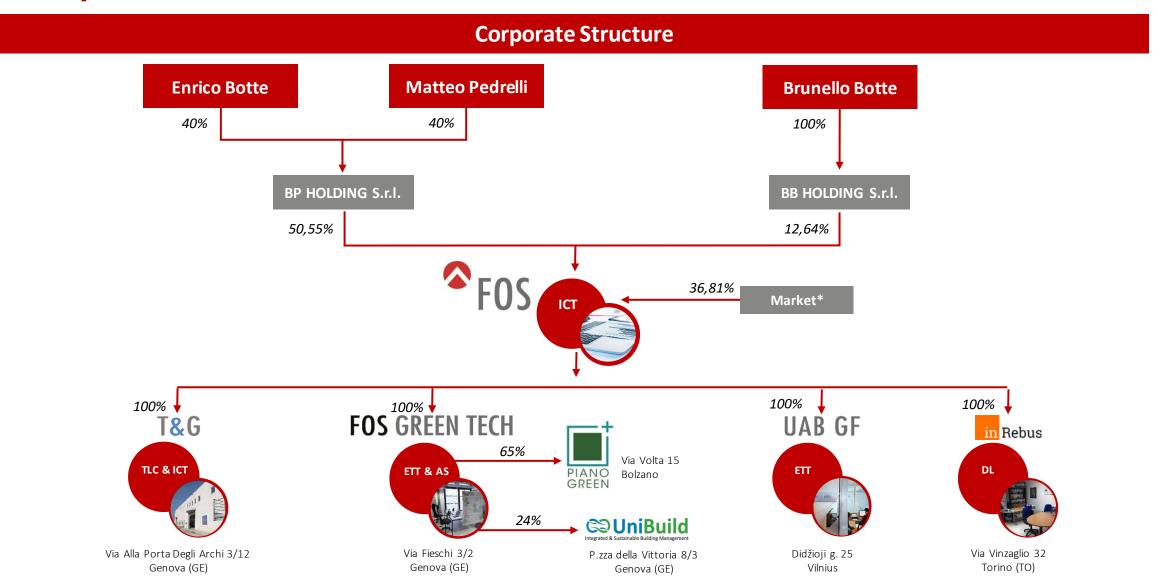


Remo Pertica
Non-executive Director

- 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.

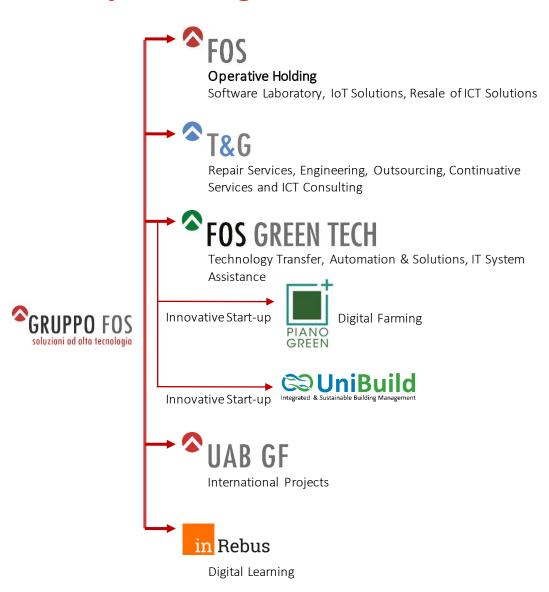


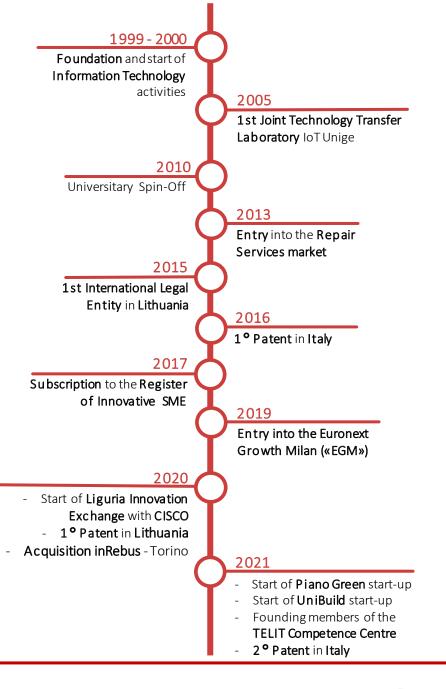
## **Group Structure**





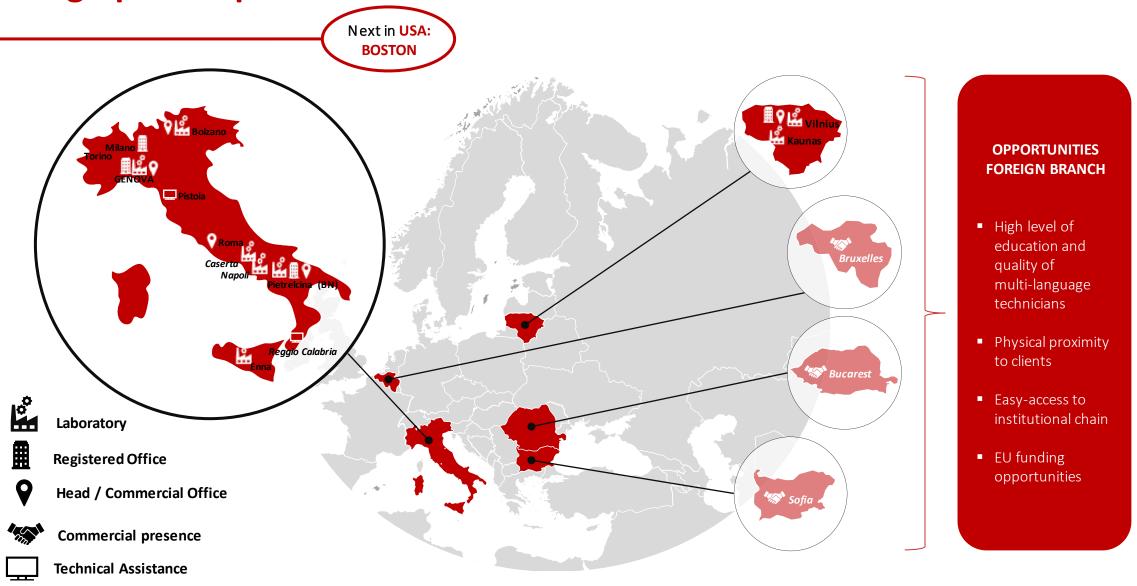
## **History and Organization Chart**







**Geographical Spread** 



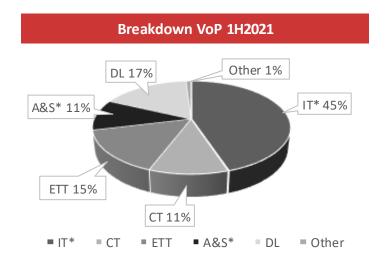


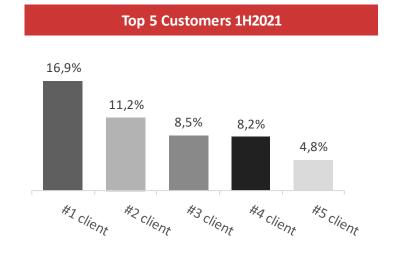
# **Key Financial Highlights 1/2**

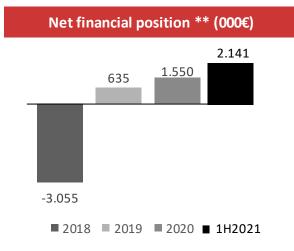




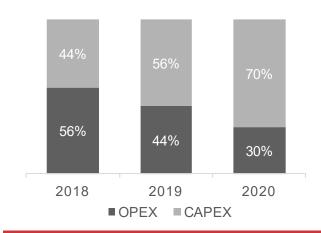
# **Key Financial Highlights 2/2**





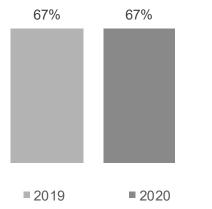


#### **Investment in Research & Development**



Media Capex 57% (Comparable AIM > 60%)





Media 67 % (Comparable AIM > 1)

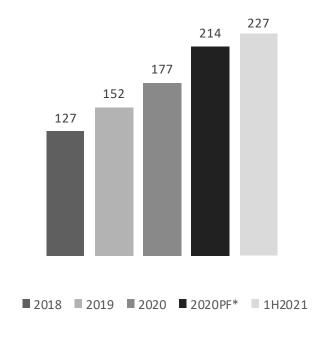


Source: Consolidated Financial Statements (Audited)

<sup>\*:</sup> From 2021 new industrial approach with the aim of expanding hardware sales, this sale goes from Information Technology line to total management of the Automation and Solution line

#### **Human Resources**







50% Employees involved INTERNSHIPS
DIGITAL IT SCHOOL

50 students

5 projects in collaboration with customers



## Mission and Objectives for the future

**FOS** is an innovative SME that offers the market:

- **Digital services** focused on data management and protection by integrating software platforms, hardware and network infrastructures;
- **Research and Innovation Projects** involving customers in «joint» research and development activities with the aim of transferring innovative technologies to the market in order to improve or create new products and services.

FOS's mission is to help customers build strong and successful businesses over time by «integrating» digital services and products based on sustainability and continuous innovation into their value chain.

#### **FUTURE:**

The future programs of FOS S.p.A. are focused on improving its positioning on the market through:

- the path of transparency and visibility, oriented to sustainable success;
- growth in turnover;
- the improvement of economic performance;
- the soundness of the financial and asset position.

#### The corporate values that inspire FOS's future:

- Pursuing the ESG objectives: enhancing people and territories;
- Focus on customers needs;
- Focus on treasury: healthy and sustainable.



## Strong boost from organic growth

#### **OBJECTIVE:**

The **strategic objective** of the group is to continue the positioning process of the company, **already focused on the recurrence of activities and long-term relationship with our customers**, to a further "step" focused on:

- commercial alliances with «large account» customers (procurement partnerships or individual orders);
- strategic partnerships with leading customers in the «vertical» sector (on joint innovative product/service development up to newco/startup in partnership).

#### **DUAL STRATEGY:**

The **strategy** focuses on the integration of two guidelines that guarantee both sustainable growth (the «cash cow» model) and "disruptive" growth with products/services with a high potential for "capitalization" (the «unicorn» model):

- **1. The strong organic growth of digital services** by increasing both the customer portfolio and the technological offer;
- 2. The «high-tech» drive of innovation projects and the exploitation of strategic partnerships linked to the technology transfer to the market of research results of joint laboratories with institutions and universities.



## **Growth for external lines: M&A and Startups**

As part of the growth strategy for external lines, the Group intends to continue in the research and closing of acquisition operations in order to to improve its market share in Italy, expand the portfolio of offer and its territorial presence.

The target companies operate mainly in the fields of telecommunications, information technology and automation.

The selection of potential target companies starts from the identification of companies with **an offer that is complementary to that of the Group with the possibility of activating synergies in terms of cost**. At the moment, some preliminary assessments are being carried out by operating companies in Italy (central and northern Italy) whose business models are part of the strategy just outlined.

The objectives of 2021:

- Finalize 1 New Acquisition in the course of 2021 (in progress)
- **Create 3 New** Start-ups (already established: Green Plan s.r.l and Unibuild S.r.l. 1 in progress)



# **ESG - Environmental, Social and Governance**

With the approval of the 2020 Financial Statements, the company gave information to the Board of Directors of:

- Report on Non-financial Information in ESG
- Appointment of the ESG Internal Committee

#### Started path to the Benefit Company with:





**OBJECTIVES 2021** 

- By September 2021:
   Publication of the «ESG
   Non-financial Information
   Report»;
- By December 2021: Evaluation process transformation into Benefit Society.









# Business model: 4X generate profitable and sustainable value over time

#### **Digitali Services**

The margin mix and cross selling generated by the convergence of business lines allows to generate both economic and technological value.

The integrated offer allows to respond to the market demand linked to transformation, enabling and digital innovation.



### **Open Innovation**

Initiating the transfer of research results to the market makes it possible to operate in the market for technological innovation.

The startup factory generates «technological» value for the business lines and also offers the opportunity to find a game changer of great value from the economic - patrimonial point of view.



#### **Markets**

Start offering on vertical sectors to optimize experiences on individual processes.

#### **Territory**

The value generated by the territory also in ESG perspective is both incoming (positioning, staff, credibility, grant) and outgoing (technological evolution, sector connotation, ect).

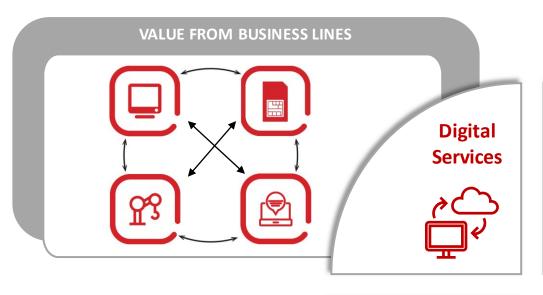
Scalability.



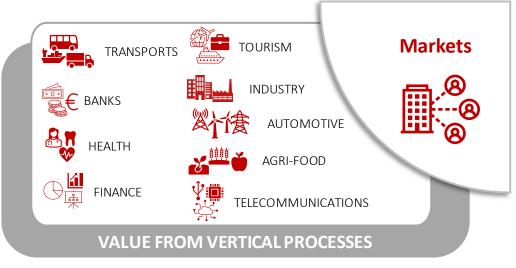




## Business model: 4X generate profitable and sustainable value over time











## **Start-ups**





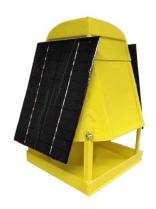


**MICROCOSMO** - Field simulation system to study the growth of plants under experimental conditions

**European Patent n. 3236741** (06/03/2019) **Italian Patent n. 1426220** (02/02/2016)

Collaborations: ENEA

Call: PON SOUTH 2014 - 2020 HORIZON 2020 - MISE



**EYE-TRAP** - Hub trap, smart, chromotropic and pheromone, able to integrate environmental parameters: temperature, humidity, leaf wetting, etc.

Collaborations: Uni BZ



PARTNER:



 $\begin{tabular}{ll} \textbf{UNIBUILD} & \textbf{Design \& implementation of high-tech solutions for energy and infrastructure monitoring with direct marketing through integration of services. \end{tabular}$ 

Future goal: widen the focus on Human Quality support and Telemedicine based on the experience gained.

Collaborations: LOXONE



### 2022 - Technology Transfer to the Market

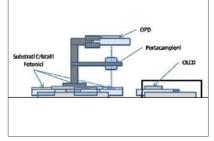


#### **BRAIN STROKE HELMET SYSTEM**

Development of stroke monitoring system through electrical impedance

#### Lithuanian Patent n. WO2020031104

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



**STADION** - Photometric station for in vitro diagnostic analysis using organic based opto-electronic devices and photonic crystals

Italian Patent n. 102019000013251 (19/07/2021)

Collaborations: ENEA

**BIOMEDICAL** 



**NEUROGLASS** - Detection of biometric indices related to fatigue, drows in ess or stress conditions that allow monitoring and prediction of neurodegenerative diseases

Collaborations: University of Genoa



**RECONNECT** - Improved mechanical transmission of a hand prosthesis by integrating an ultra-compact planetary reducer

Collaborations: STAM S.r.l. and EURAC Research

**INFRASTRUCTURES** 



**CYMON PROJECT** - Digital Twin 4.0 - Digital model that replicates in real time the structural and environmental conditions of a road infrastructure, thanks to a network of sensors and augmented reality that allows its optimal maintenance.

Collaborations: CETENA (FINCANTIERI Group)

**ENVIRONMENT** 



**AURA PROJECT** - Industrial research and experimental development project for the creation of a new generation of urban furniture called «green & smart urban furniture».

Collaborations: Euphorbia and University of Naples - Federico II



# **Proprietary digital platforms (Licenses and Saas)**







**X-WISE:** HW platform for data acquisition and transmission - Internet of Things (IoT). Experiments in the fields of environment, territory, safety, and maintenance systems.





**SANISOFT:** Information technology platform, designed and developed entirely by FOS, dedicated to the needs of Health Funds and <u>Savings Bank</u>.





**SKITE** is an advanced **remote maintenance** system that captures images from the environment thanks to sensors with visual recognition, integrable with Hands-Free vision devices useful for the remote operator during technical assistance activities

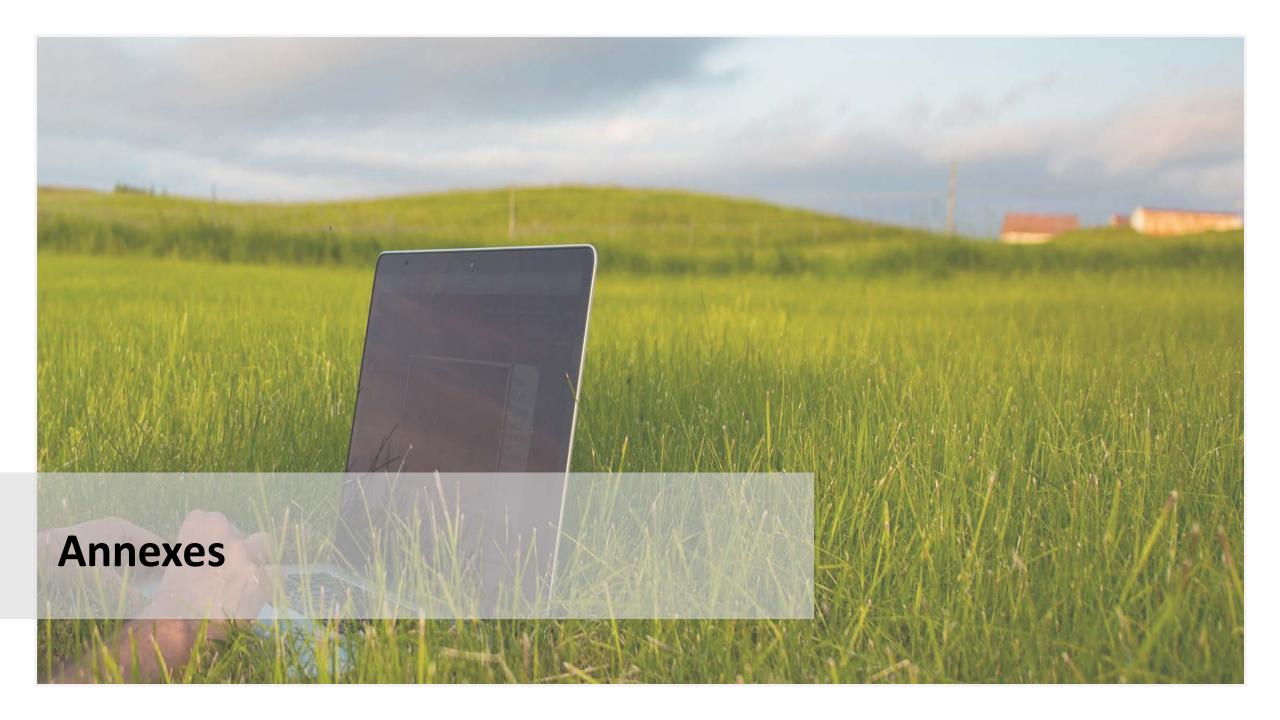


#### 2021 – NEWSFLOW

- Strengthening the Repair Center on 5G-Ready technology and a new line on equipment in the world of health;
- Strengthen partnerships with high-tech giants such as Dell, Cisco, Nutanix, Cohesity and Pure Storage for the supercomputer challenge.
- Closing Project Isaac on the Microcosm Company Patent;
- The "Diva" Projects (Europe) and the Digital Simulator of an agricultural field have been approved in Bolzano;
- Approval of the urban regeneration project «AURA» on-line ECO CITY;
- The plan for the Digital Twin of the Bridge of Genoa with Fincantieri;
- Approved project «Safe 4.0» with anti-Covid devices with SIIT Distretto Ligure Innovazione;
- Biomedical Patent on the «Brain Stroke Helmet» approved and clinical trials;
- Project «Genova Sicura» with Leonardo for security control room on Genoa;
- FOS S.p.A. will benefit from the project promoted by the Principal Investigator Biologik-Systems Srls for the realization of an innovative composting system;
- Approved the project "E-CROPS Technologies for sustainable digital agriculture". The company remains a leader in Smart Agrifood solutions;
- EU DIH Project: Robotic Hand from Space to Health;
- Approved the project "RIAS" which provides an investment in Research and Development for the development of the platform R.I.A.S. (Remote Interactive Advanced Support) in order to create a digital platform for remote technical assistance;
- Funded project "SAFETY 4.0" for the port and industrial shipbuilding sector. Gruppo FOS wins the call for applications from the Competence Center Start 4.0 with the R&D project "Awareness for Safety" (A4S);
- FOS S.p.A. has been awarded an important R&D project for the predictive implementation in the industrial and naval field with the application of Industry 4.0 technologies: Digital Twin and IoT;
- FOS S.p.A. New R&D project approved "Elvis" for biomedical training thanks to an innovative multimodal laparoscopic surgery simulator;
- Funded the R&D project "Realter" biomedical sector for an augmented reality device (AR) for the support of visually impaired people;
- FOS S.p.A. is the new Competence Center of TELIT Communications PLC, a global leader in enabling Internet of Things (IoT) and a pioneer in mobile broadband technology.







#### Financials: Income Statement 2018 – 1H 2021

CONSOLIDATED								
INCOME STATEMENT (€)		FY2018	FY2019	FY2020	FY2020P*	1H 2020	1H 2020 P**	1H 202
Information Technoloy Sales		5.927.046	7.326.266	7.658.887	7.658.887	3.230.756	3.063.065	3.866.0
Engineering and TT Sales		146.850	320.185	443.709	391.709	484.274	90.813	77.46
Communication Technology Sales		1.776.049	2.006.132	2.062.746	2.062.746	731.320	943.988	931.13
Automation and Solutions Sales		0	o	579.787	579.787	174.321	522.805	920.96
Digital Learning		0	o	0	2.270.864		980.786	1.469.8
Other Sales		40.596	5.202	12.239	12.239	12.795	12.796	1.706
Sales Revenues		7.890.541	9.657.785	10.757.367	12.976.231	4.633.466	5.614.252	7.267.2
	YoY growth	5,4%	22,4%	11,4%	34,4%	10,5%		56,62
Other revenues		430.661	736.534	469.929	489.838	194.982	196.326	191.70
Change in inventories of FP		908	22.805	(3.066)	(3.066)	8.956	8.956	(5.349
Increase of fixed assets		758.785	1.137.726	1.466.702	1.466.702	687.382	687.382	529.67
Grants receivable		637.067	639.348	882.788	882.788	243.330	243.330	602.15
Value of Production (VoP)		9.717.963	12.194.198	13.573.720	15.812.493	5.768.116	6.750.246	8.585.4
	YoY growth	£5%	25,5%	11,3%	28,7%	11,8%		48,82
Consumptions		(810.203)	(1.655.743)	(1.549.916)	(1.596.104)	(375.599)	(437.388)	(555.06
Service costs		(2.442.739)	(3.025.154)	(3.106.265)	(3.970.416)	(1.276.316)	(1.557.926)	(2.231.8
Employement costs		(4.428.639)	(4.994.331)	(5.930.672)	(6.944.567)	(2.889.110)	(3.327.878)	(4.125.1
Leased assest costs		(174.072)	(140.062)	(122.660)	(222.607)	(92.476)	(146.742)	(81.45
Other Operating Expenses		(168.938)	(192.760)	(194.555)	(212.737)	(63.570)	(103.429)	(58.39)
EBITDA		1.693.372	2.186.148	2.669.652	2.866.062	1.071.045	1.176.883	1.533.4
	EBITDA %	17,4%	17,5%	15,7%	18,1%	18,6%	17,4%	17,5%

EBITDA Adjusted	1.856.826	2.404.951	1				
EBITDA Adj. %	18,1%	18,7%					
Amortization of intangible assets	(531.081)	(950.132)	(1.207.199)	(1.210.689)	(452.240)	(454.069)	(709.800)
Amortization of tangible assets	(65.343)	(71.638)	(77.984)	(85.162)	(34.368)	(37.609)	(42.875)
Provision for bad debts	(13.416)	(31.583)	(8.330)	(8.330)	0	0	0
Other Provisions	(85.000)	69.500	(16.000)	(40.000)	0	(12.000)	0
Amortization, depreciation and write-downs	(694.840)	(983.853)	(1.309.513)	(1.344.181)	(486.608)	(503.678)	(752.675)
EBIT	998.532	1.202.295	1.360.139	1.521.881	584.437	673.205	780.776
EBIT %	16,3%	5,5%	10,0%	5,6%	10,12	10,02	S, 1%
Net financial charges	(227.996)	(157.233)	(169.997)	(169.390)	(82.081)	(83.597)	(54.108)
EBT	770.536	1.045.062	1.190.142	1.352.491	502.356	589.608	726.668
EBT %	82	SE	502	52	sz	SE	82
Taxes	(326.761)	(334.190)	(245.890)	(305.026)	(131.836)	(157.336)	(200.514)
NET INCOME	443.776	710.873	944.252	1.047.465	370.520	432.272	526.154
Net Profit / (Loss) attributable to minority interests							(4.566)
GROUP NET INCOME	443.776	710.873	944.252	1.047.465	370.520	432.272	530.720
% on VoP	4.6%	5,8%	7,0%	6,6%	6,4%	6,4%	6,2%



## Financials: Balance Sheet 2018 – 1H 2021

CONSOLIDATED	FY2018	FY2019	FY2020	1H 2020	1H 2021
BALANCE SHEET (€)	F12018	F12019	F12020	1H 2020	1H 2021
Trade Receivables	2.807.614	4.381.388	5.988.822	4.363.588	5.567.946
Inventories	401.392	424.983	405.917	433.822	400.572
Trade Payables	(1.384.624)	(2.604.631)	(2.611.766)	(1.956.469)	(2.197.264
Commercial Working Capital	1.824.382	2.201.740	3.782.973	2.840.941	3.771.254
Intercompany Receivables					
Prepayments and accrued income	74.125	155.856	298.735	158.744	309.533
Tax Receivables	661.269	1.306.692	824.157	784.957	918.869
Other receivables	1.835.983	2.018.661	1.491.592	1.913.360	1.486.532
Other current Assents	2.571.377	3.481.209	2.614.484	2.857.061	2.714.934
Debiti intercompany	0	0	0	0	
Accruals and deferred income	(692.132)	(1.112.693)	(1.455.810)	(1.152.236)	(1.200.467
Tax Payables	(894.834)	(888.945)	(697.462)	(384.002)	(906.089)
Other Payables	(883.083)	(892.696)	(1.987.606)	(1.325.767)	(2.215.485
Other current Liabilities	(2.470.049)	(2.894.334)	(4.140.877)	(2.862.005)	(4.322.041
Net Working Capital	1.925.710	2.788.615	2.256.580	2.835.997	2.164.147
Intangible fixed assets	3.921.556	5.005.202	5.662.173	5.240.343	5.510.507
Tangible fixed assets	192.507	228.709	300.741	246.368	373.961
Financial fixed assets	100	100	14.516	100	14.516
Net fixed assets	4.114.163	5.234.011	5.977.430	5.486.811	5.898.984
Gross Invested Capital	6.039.873	8.022.626	8.234.010	8.322.808	8.063.131
Employee's Termination Benefit Obligations	(997.344)	(1.032.644)	(1.347.213)	(1.073.249)	(1.472.212
Other provisions	(194.550)	(122.725)	(35.803)	(38.887)	(32.742)
NET INVESTED CAPITAL	4.847.979	6.867.257	6.850.994	7.210.672	6.558.177
Cash and cash equivalents *	(1.249.457)	(4.668.560)	(7.217.328)	(4.601.527)	(8.943.226
Attività finanziarie non correnti	0	0		0	
Short Term Financial Debt	128.442	1.503.007	899.040	1.334.708	1.127.602
Other financiale debts	0	0	0	333.442	
Short term net financial position	(1.121.015)	(3.165.553)	(6.318.288)	(2.933.377)	(7.815.624
Medium and long term Financial Debt	4.091.284	2.530.845	4.767.826	2.271.564	5.674.039
Shareholders Loans	85.000	0	0	0	
Net Financial Position	3.055.269	(634.708)	(1.550.462)	(661.813)	(2.141.585
Share Capital	1.000.000	1.555.375	1.555.375	1.555.375	1.555.375
Reserves	348.934	5.235.717	5.901.829	5.946.590	6.597.233
Profit/ (Loss) period	443.776	710.873	944.252	370.520	530.720
Group shareholders' equity	1.792.710	7.501.965	8.401.456	7.872.485	8.683.328
Minorities shareholders' equity					16.434
TOTAL SOURCES	4.847.979	6.867.257	6.850.994	7.210.672	6.558.177



#### Financials: Cash Flow Statement 2017 - 2020

CONSOLIDATED	Y201.	FY2018	FY2019	FY2020	1H 2020	1H 2021
CASH FLOW STATEMENT (€)	1201.	F12018	F12019	F12020	1H 2020	1H 2021
EBITDA	###	1.693.372	2.186.148	2.669.652	1.071.043	1.533.451
Taxes	###	(326.761)	(334.190)	(245.890)	(131.836)	(200.514)
GROSS CASH FLOW	###	1.366.612	1.851.959	2.423.762	939.207	1.332.937
Change in Trade Receivables	###	(686.426)	(1.605.357)	(1.615.764)	17.800	420.876
Change in Inventories	###	(1.555)	(23.591)	19.066	(8.839)	5.345
Change in Trade Payables	###	154.822	1.220.007	7.135	(648.162)	(414.502)
CHANGE IN WORKING CAPITAL	###	(533.159)	(408.941)	(1.589.563)	(639.201)	11.719
Change in Other Current Assets and Liabilities	###	328.305	(485.547)	2.113.268	591.819	80.714
Change in Other Provisions	###	20.591	(2.325)	(102.922)	(83.838)	(3.061)
Change in Employee's Termination Benefit Obligations	###	(68.958)	35.300	314.569	40.605	124.999
CHANGE IN NET WORKING CAPITAL	###	279.937	(452.572)	2.324.915	548.586	202.652
OVERALL CHANGE IN NET WORKING CAPITAL	###	(253.222)	(861.513)	735.352	(90.615)	214.371
CASH FLOW FROM CURRENT OPERATIONS	###	1.113.390	990.446	3.159.114	848.592	1.547.308
(Inv.)/Dis. Intangible assets	###	(3.263.169)	(2.033.778)	(1.864.170)	(687.381)	(558.134)
(Inv.)/Dis. Tangible assets	###	(68.833)	(107.840)	(150.016)	(52.027)	(116.095)
(Inv.)/Dis. Financial assets	###	10.423	0	(14.416)	0	0
Net Investment	###	(3.321.579)	(2.141.618)	(2.028.602)	(739.408)	(674.229)
FREE CASH FLOW FROM OPERATION (FCFO)	###	(2.208.189)	(1.151.172)	1.130.512	109.184	873.079
Change in financial debts	###	1.629.655	(270.874)	1.633.014	(94.138)	1.134.775
Gruop Capital Increase/(Decrease)	###	(188.015)	4.998.382	(44.761)	0	(248.848)
Minority Shareholders Capital Increase						21.000
Financial income and charges	###	(227.996)	(157.233)	(169.997)	(82.081)	(54.108)
TOTAL CASH FLOW FOR THE PERIOD	###	(994.545)	3.419.103	2.548.768	(67.035)	1.725.898





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