Relatech Investor Presentation

illimity

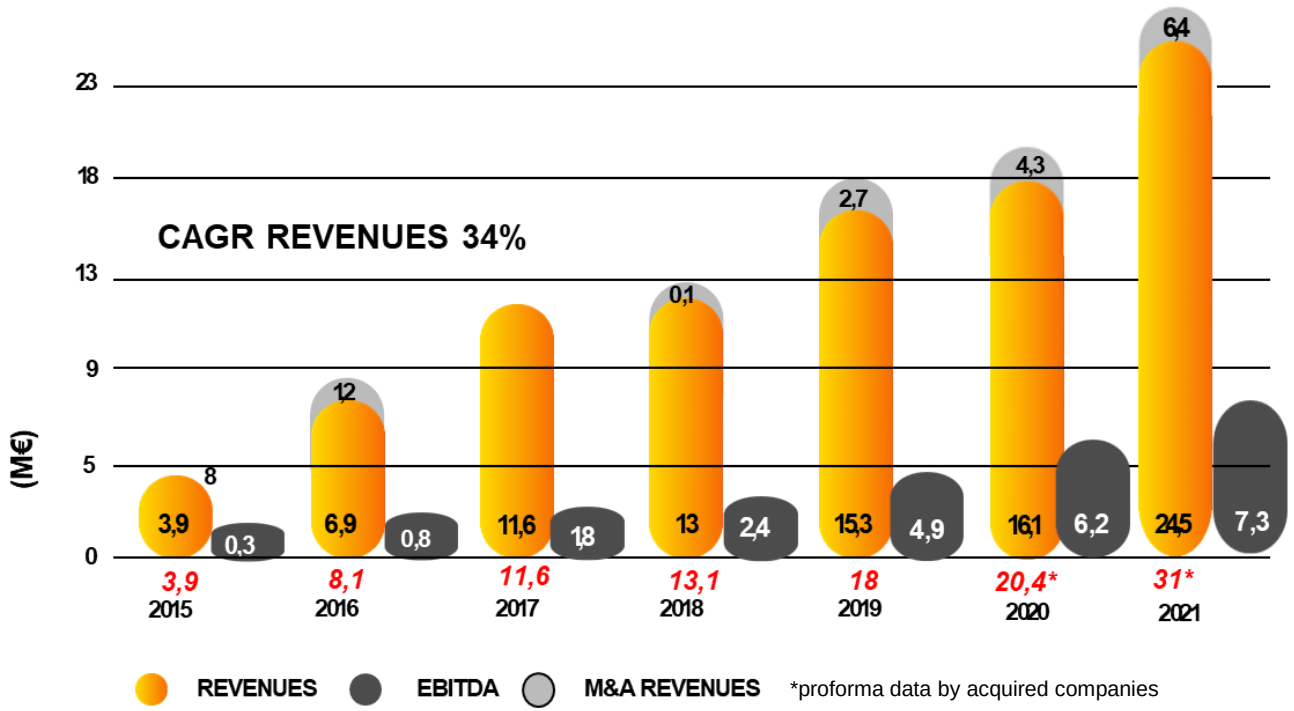
ILLIMITY NOVAS EQUITY CONFERENCE
20 SEPTEMBER 2022

DIGITAL TECHNOLOGIES TO ENABLE YOUR INNOVATION, SOLUTIONS FOR A SUSTAINABLE GROWTH, KNOW-HOW TO DRIVE YOUR SUCCESS!

RELATECH: YOUR DESK FOR INNOVATION

Avvia Video

Relatech at a Glance



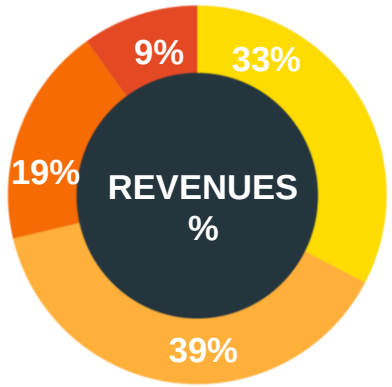
M&A OPERATIONS

Year	Company	Ratio
2016	SHOPSTIC	TECHNOLOGICAL ACQUISITION
	POINTSTIC	TECHNOLOGICAL ACQUISITION
	CLEARDROP	REVENUES INCREASE
2018	OKT	R&D REINFORCEMENT
2019	CONNEXÒ	NEW PARTNERS AND CLIENTS
2020	MEDIATECH	INDUSTRIAL PARTNERSHIP
	XONNE	KNOW-HOW AND NEW MARKETS
2021	GRUPPO SIGLA	NEW CLIENTS, NEW SECTORS, R&D
	DIALOG SISTEMI	
	DTOK	
2022	E.F.A. AUTOMAZIONE	NEW MARKET OPPORTUNITY
	FAIR WINDS DIGITAL	NEW SOLUTIONS NEW OFFICES
	VENTICENTO	NEW INTERNATIONAL MARKET OPPORTUINITY

CUSTOMER BASE

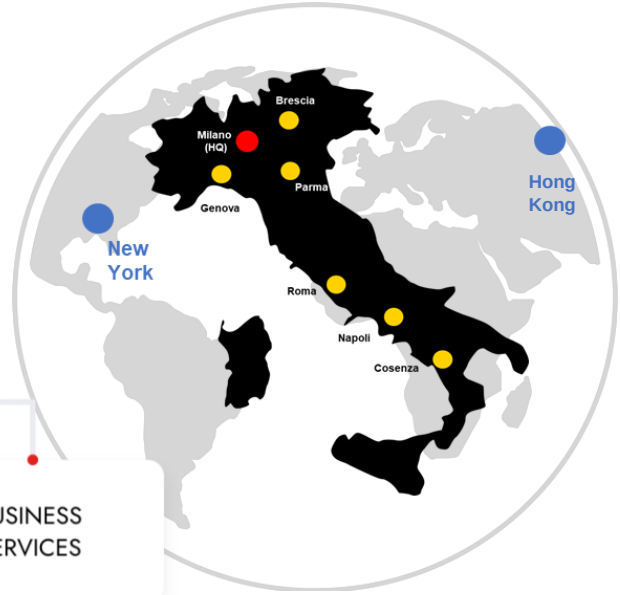
- MORE THAN **250** ACTIVE CUSTOMERS EQUALLY DISTRIBUTED
- OVER **70%** CUSTOMERS WITH CONTRACTS OLDER THAN 3 YEARS
- RECURRENT REVENUES (2021): **27% (+53% ON 2020)**
- CUSTOMER CHURN RATE**< 1%** ON TURNOVER
- OVER **45%** OF TURNOVER IS ON INTERNATIONAL CUSTOMERS

MARKETS



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

Company Structure



RELATECH
YOUR DESK FOR INNOVATION

- R&D & INNOVATION
- INDUSTRIAL AUTOMATION, IIOT & EDGE
- CX, VR/AR MOBILE
- IT SERVICE MANAGEMENT
- CYBER SECURITY & CLOUD
- BUSINESS SERVICES

100%	60%	81,66%	75%	100%	51%	100%	60%	100%
Ithea	Gruppo SIGLA	EFA AUTOMAZIONE	FAIR WINDS DIGITAL	Xone	20100 VENTICENTO	mediatech	Dialog	RELATECH CONSULTING

51%	51%
OKT	DtoK LAB

Relatech Group Human Capital: +420

3M Strategy: *Margin & Management* 1H 2022

Publication of the ESG report 2021

Collaboration with Movinlog for the digitization of its corporate assets and business processes in **Cloud**

Relatech partner in the "**Iulm AI lab**" project, a scientific research laboratory on **AI**

Scientific and technological ecosystem strengthened with 12.5% participation in the new university spin-off **Bigtech** specialized in **AI & IoT** solutions

ReSoc, the security operation center service of Relatech Group

Renewed the partnership with **HMS Networks**, world leader for **IIoT solutions** and products

Technological partner of **AIAC Service** and Italian association of football coaches for the development of an innovative and **interactive digital platform**

Collaboration with **NIO Cocktails** for the optimization of management, accounting, logistics and production processes in **Cloud**

Environmental Solution for monitoring that uses modern IoT technologies and sensor systems based on LoRaWAN technology

R&D PROJECTS

- **ZHENIT project** with the aim of implementing avantgarde for the construction of zero waste heat ships
- **FrailCare**, an innovative digital solution for the prevention and management of the frailty of the elderly

Strategic partnership to strengthen the marketplace platform and to position **Rocket** among the major players in the retail e-market

3M Strategy: Merger & Acquisition 1H 2022

FEB

Closing of the acquisition of 81,66% of the share capital of **EFA Automazione S.p.A.**, ***leader in IoT solutions***

MAY

Signed a binding agreement for the acquisition of 75% of the share capital of **Fair Winds Digital s.r.l.,** company specialized in ***IoT technology*** and in the development of ***edge computing solutions*** in **industry4.0**, **telco** and **smart city**

MAY

Consolidates the shareholding in **Venticento s.r.l**., a company specialized in the offering of **cloud and cybersecurity solutions** for the **enterprise market**, getting to hold 51% of the capital

M&A Track Record from IPO to 2022

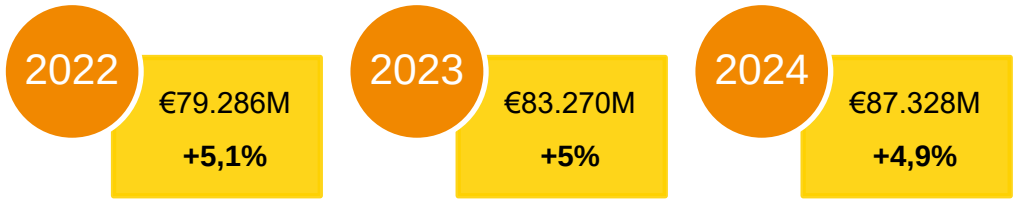
	2020		2021			2022		
	mediatech	Xonne	Gruppo SIGLA	Dialog	DtoK LAB	EFA AUTOMAZIONE	FAIR WINDS DIGITAL	20100 VENTICENTO
Sector	CYBERSECURITY CLOUD	CX, VR/AR MOBILE	INDUSTRIAL AUTOMATION, IIOT & EDGE	BUSINESS SERVICES	R&D INNOVATION BIG DATA CLOUD	INDUSTRIAL AUTOMATION, IIOT & EDGE	INDUSTRIAL AUTOMATION, IIOT & EDGE	IT SERVICE MANAGEMENT
Revenues*	4,3M/€	1.3M/€	5.9M/€	1.2M/€	0,06M/€	16.5M/€	2.5M/€	10,0M/€
Employee*	14	8	80	11	5	26	9	25

* Data at 31.12.2021

Digital Enablers Market and PNRR

Italian Digital Enabler Market: Growth 2022-2024[1]

Italian digital market in 2021 has continued its growth, reaching €75.410 Million Euro.



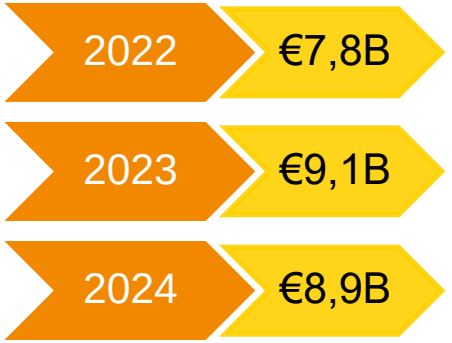
Focus on Italian Market

- Italian **digitalization rate[2]**: 62,6%, 19° position in Europe. European average 65%.
- **Digital competences and innovation culture[1]:** 72% of italian companies declare they have to improve them.

The resources allocated in the Plan amount to **€ 222B**, divided into six missions:

- **Digitization**, **Innovation**, Competitiveness and culture – **€50B**
- Green revolution and ecological transition - **€59 B**
- Infrastructure for sustainable mobility – **€25 B**
- Education and research – **€30 B**
- Inclusion and cohesion - **€19 B**
- Health - 15.63 billion

PNRR Digital Sector[1]
€29,2B in 2021-2024



[1]Anitec-Assinform nel rapporto “Il Digitale in Italia»; [2] European investment bank

Critical Success Factors

INNOVATION LAB

- R&D PROJECTS WITH OUR SCIENTIFIC ECOSYSTEM
- UPDATED KNOW-HOW ON DIGITAL ENABLERS

Consiglio Nazionale delle Ricerche
UNIVERSITÀ DELLA CALABRIA
UNIVERSITÀ di VERONA
Università di Genova
START4.0

VALUE PROPOSITION

- INNOVATION SERVICES
- DIGITAL SOLUTIONS

SOFTWARE FACTORY

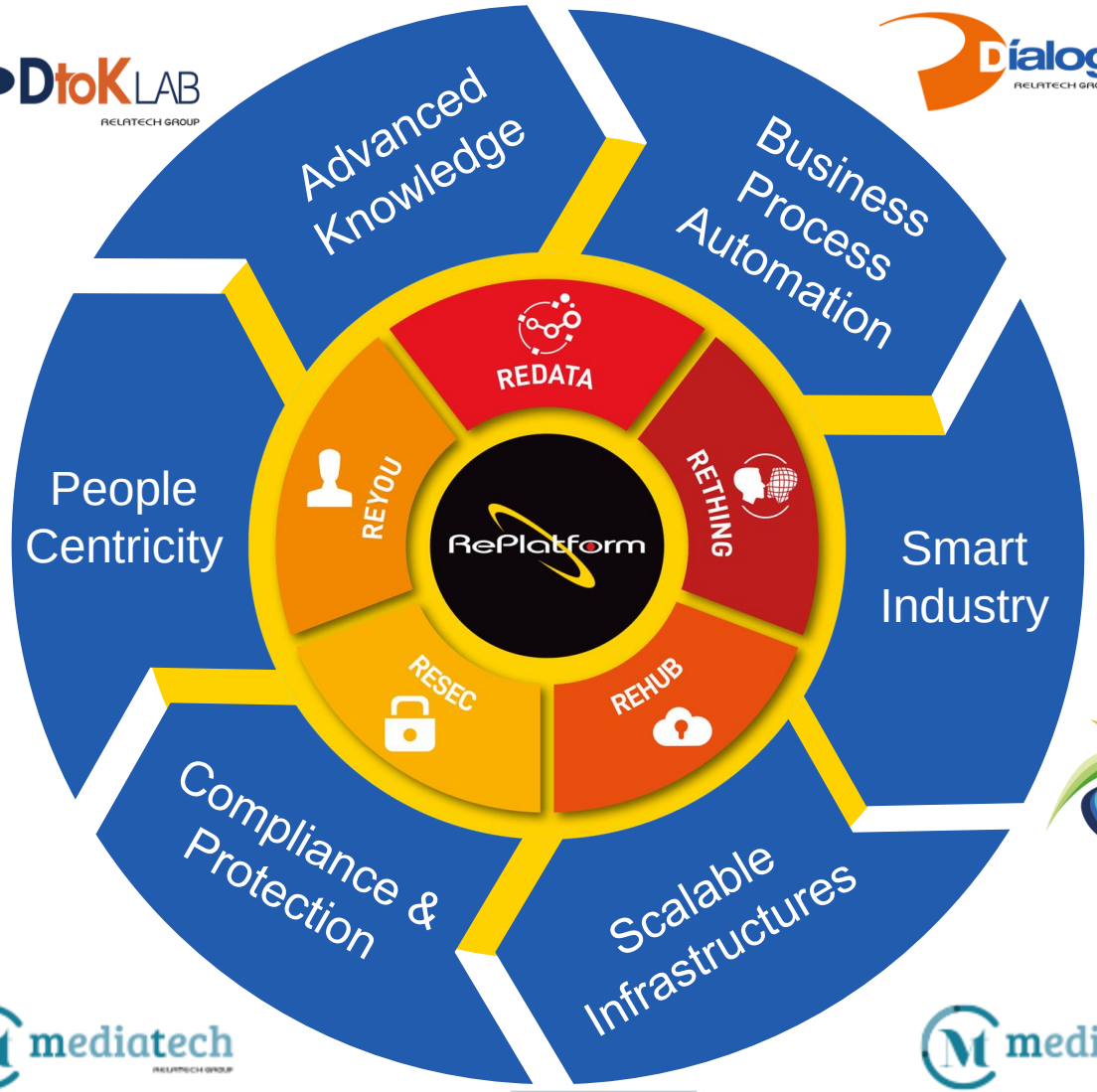
- REPLATFORM & SOLUTIONS ENGINEERING
- TOP SKILLS ON SOFTWARE TECHNOLOGIES

IBM
redhat
Microsoft
NUTANIX
ORACLE
Cynet
ORACLE NetSuite

REPLATFORM

- MODULAR DIGITAL CLOUD PLATFORM
- CLOUD, BIGDATA & AI, IOT,CYBER, BLOCKCHAIN

REPLATFORM


Advanced Knowledge
Business Process Automation
Smart Industry
Scalable Infrastructures
Compliance & Protection
People Centricity
REDATA
RETHING
REHUB
RESEC
REYOU
RePlatform

Value Proposition

We design and develop DIGITAL SOLUTIONS and INNOVATION SERVICES

INNOVATION SERVICES

- Business Services
- Managed Services

DIGITAL SOLUTION

- Vertical Solutions
- Tailor-made Solutions

to meet business needs of all companies who see the digital innovation as the driver for a sustainable growth

Digital Solutions: Vertical Solutions

Market Verticals based on RePlatform

ReFab4.0
INDUSTRY 4.0

- Continuous process control
- Anomalies prevention based on AI
- Operations costs reduction

ReZone
CUSTOMER ENGAGEMENT

- Continuous consumer engagement
- Omni-channel analytics based on AI
- Personalized customer journey

REFAB4.0 MARKET SEGMENTS

PRODUCTION
Predictive Analytics,
Digital Twins

MOBILITY
EV charging,
Traffic tracking

HEALTH
Remote Health,
Patient tracking

ENVIRONMENT
Pollution Control,
Energy Saving

REZONE MARKET SEGMENTS:

FASHION
Customer Journey,
MkT Automation
Virtual Assistance

PHARMACIES
Patient Journey
Store Engagement
Brand Marketing

CULTURE & ENTERTAINMENT
Virtual visit, Gaming,
Digital Rights
AR & Arts

Innovation Services: Managed Services

We help customers manage their technological infrastructures in a secure, scalable and efficient way

ReCloud
Multi Cloud Services

- Managed Hybrid Cloud infrastructure
- Cloud Backup Service
- Cloud Disaster Recovery Service

ReSOC
Managed Security Services

- MDR: Managed Security Operations
- EDR: End point protection tools
- Industrial Cybersecurity (OT)
- Penetration & Vulnerability test service

ReDesk
IT Service Management

- IT support services
- Network management
- Help Desk

H1 2022 Key Financials

Sales Revenues*

28.1 M

Recurring Revenues

+34%

Foreign revenues

+42%

NFP (cash)

1.3 M

Warrant conversion

4,9M

(2M from top management)

M&A operation

+3 target acquired

* Data Pro-forma include only EFA Automazione and DtoK Lab. (Venticento and Fair Winds Digital have been concluded on 2H-2022).

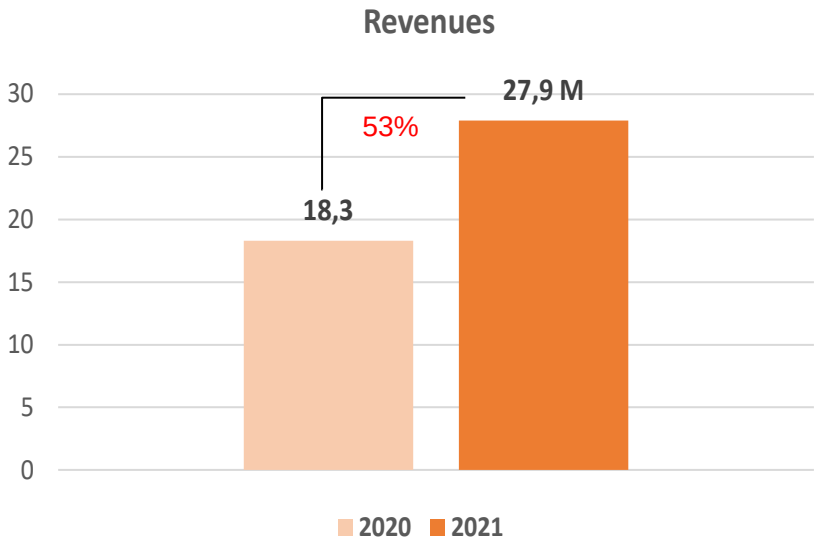
FY2021 Key Financials

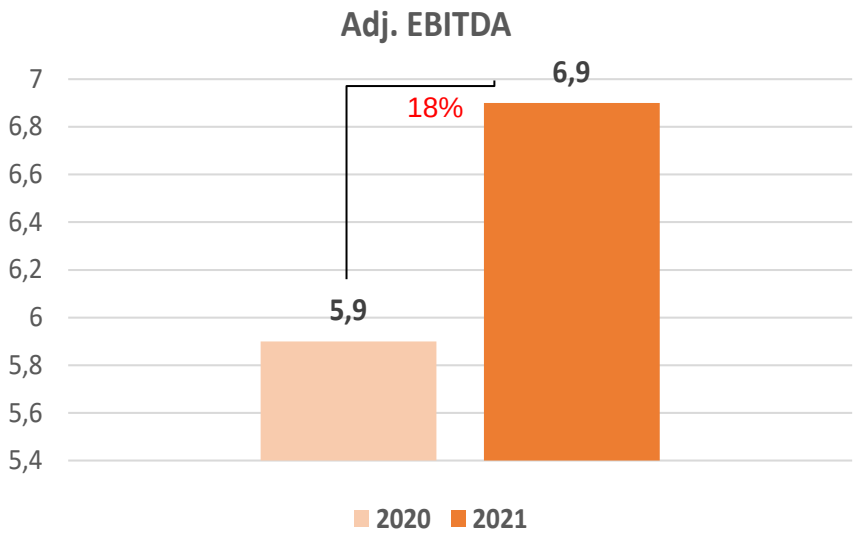
Value of Prod.* **37.2 M**	**Adj. EBITDA*** **7.3 M**	**NFP (cash)** **(1.7M)**
Sales Revenues* **31 M**	**Adj. EBITDA Margin*** **24%**	**Net Cash** **11M**
Recurring Revenues **27%**	**R&D Investments** **5M**	**Revenues Organic Growth** **20%**

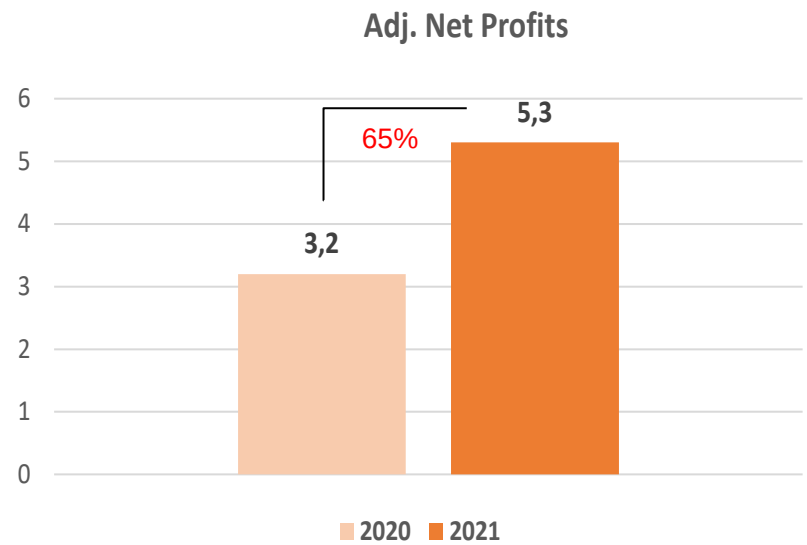
* Data pro-forma base include the acquisitions of Dialog Sistemi and Gruppo SIGLA concluded on 2021 (EFA Automazione and DtoK Lab are not included).

FY2021 vs FY2020 Financial Highlights

(€/mln)



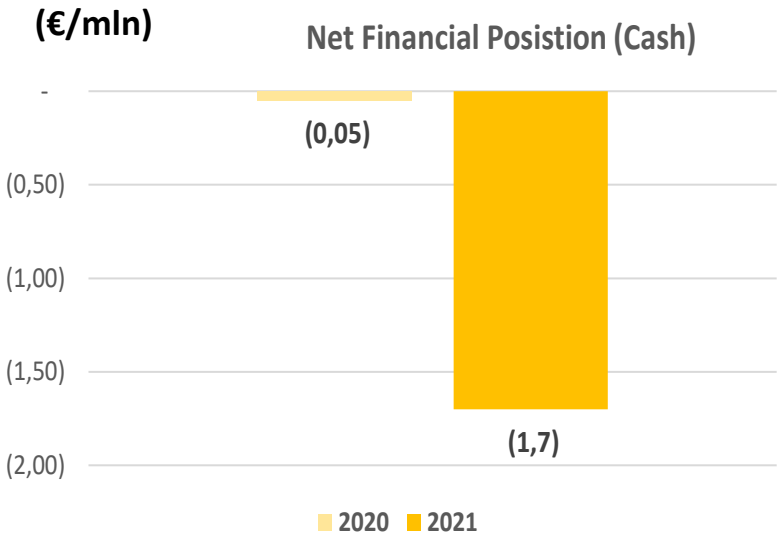


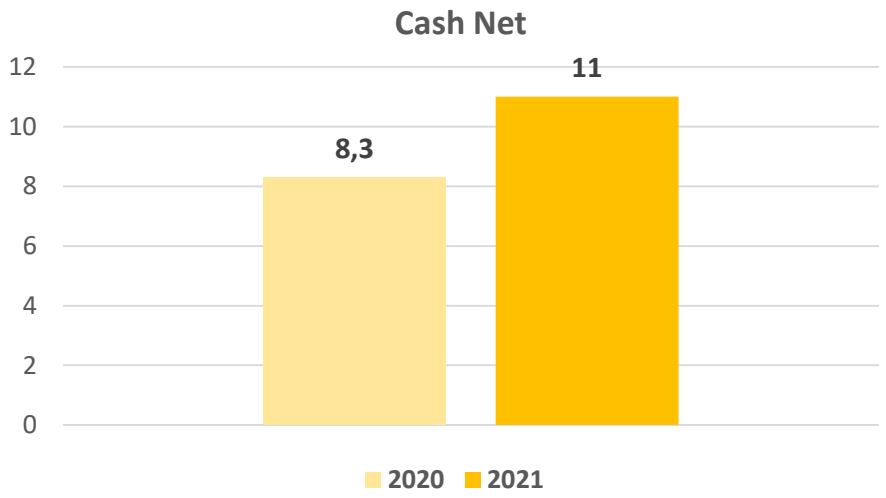


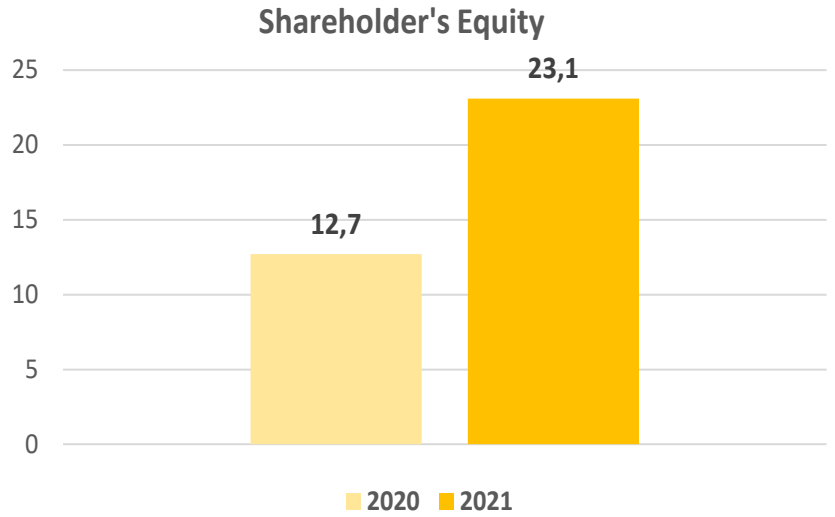
- **Revenues 2021** amount is 27.9M *Euro*, with increase of **53%** on 2020 generated revenues by organic growth of around 20% and by cross-selling & up-selling offering through acquired companies' customers.
- **Adj EBITDA** increase of **+18%**, from 5.9 M *Euro* 2020 to 6.9 M *Euro* 2021.
- 2021 year still focus on value added R&D investments for 5M *Euro* (18% on revenues base), **+17%** on 2020, and on strengthening staff and commercial structure with hiring new people through expenses for 0,5M *Euro*.
- **Net Profit** reached in 2021 5.3 M *Euro*, **+65%** on 2020, confirming positive trend of margins and profits, with impact of DTA and thanks to an efficient management of financial investments.

* Data pro-forma base include the acquisitions of Dialog Sistemi and Gruppo SIGLA concluded on 2021 (EFA Automazione and DtoK Lab are not included).

FY2021 vs FY2020 Financial Highlights



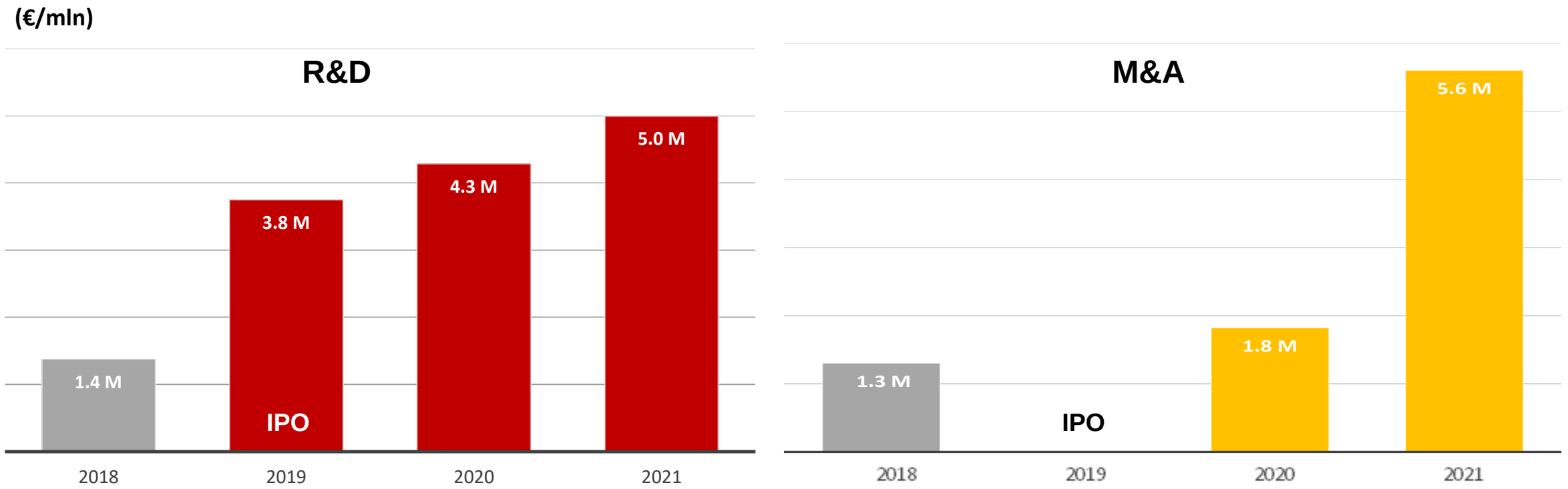




- In May 2021 is recorded a Capital Increase inflow for 4.3M *Euro* by Warrant.
- As not current outflows in 2021 are recorded expenditures for M&A of 4.2M *Euro* and the treasury shares buy-back plan completed for 1.5M *Euro.*
- **Net Financial Position** increase up to (1.7M cash) *Euro* in 2021, compared to (0,05 cash) *Euro* of 2020, confirming the strong cash flow generation capability of RLT business model despite high amount of investments. **Net Cash** up to Euro 11M in 2021, compared to Euro 8.3M in 2020.
- **Shareholders Equity** reached in 2021 23.1M *Euro*, almost double compared to 2020, thanks to the positive trend of net profit results and the yearly capital increases.

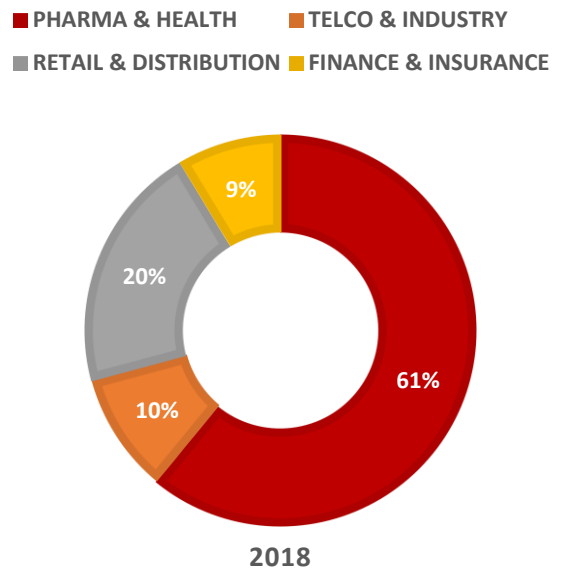
* Data pro-forma base include the acquisitions of Dialog Sistemi and Gruppo SIGLA concluded on 2021 (EFA Automazione and DtoK Lab are not included).

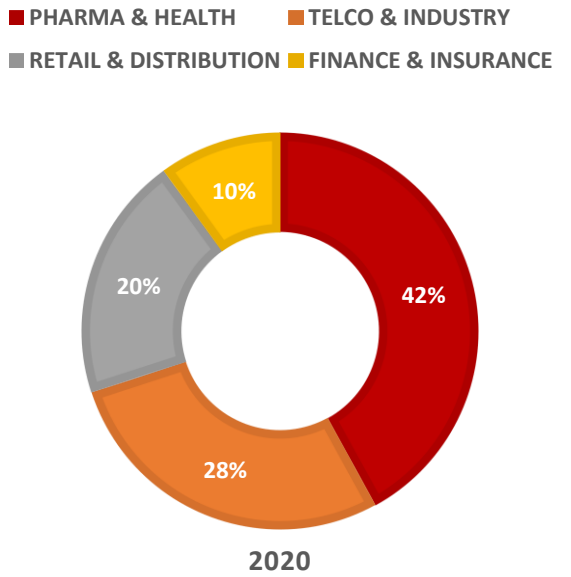
2018-2021 Investments

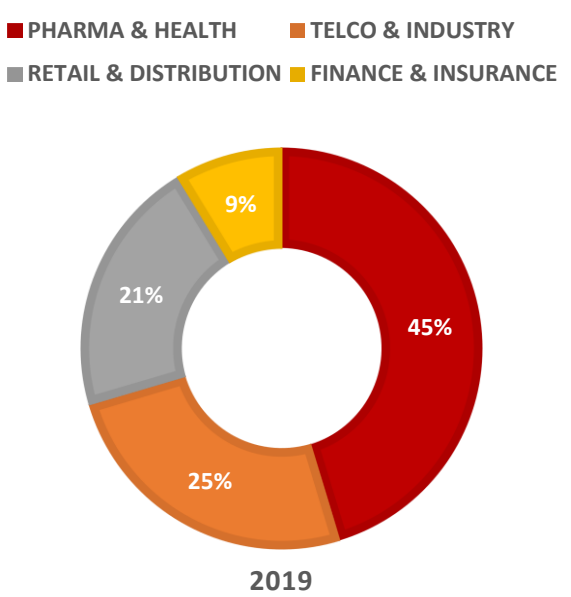


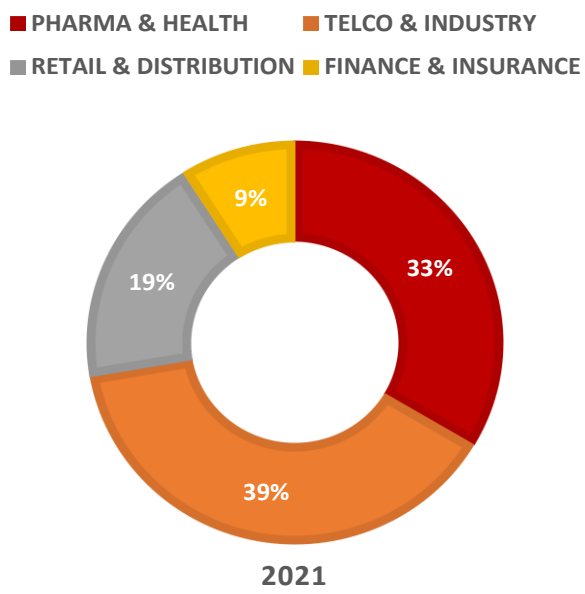
- Relatech constantly invests in technical project mainly focused on Replatform development.
- R&D activities grant to identify new offering of innovation and digital solutions.
- Lots of R&D project deployed on vertical and custom solutions bring an enhancement of internal know-how.
- Company strategic growth is also based on M&A by its 3M Strategy.
- During this 4 years have been completed 6 majority stake of acquisitions.
- EFA Automazione SpA is part of Relatech Group from february 2022 (data not included in this chart).

2018-2021 Market trend results





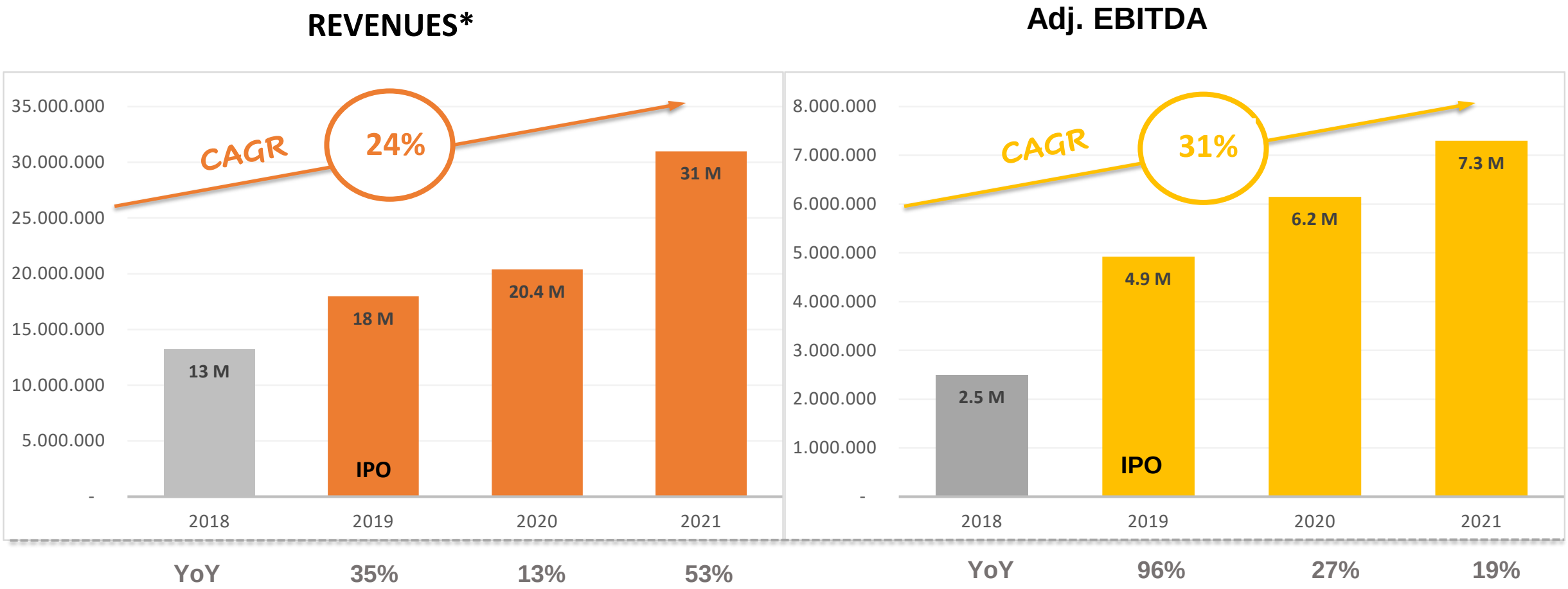




- **Pharma & Health** business percentage decrease from 2018 to 2021 passing from 61% to 33%.
- **Retail & Distribution** lost market over the last two years 2020-21 soffering covid-19 effects.
- **Finance & Insurance** the same target thank to consolidated business relationships.
- **Telco & Industry** reached in 2021 39% with a huge increase from 10% in 2018, resulting the biggest performance thanks to cross-selling sales and the acquired companies.

2018-2021 Annual Economic Results

(€/mln)

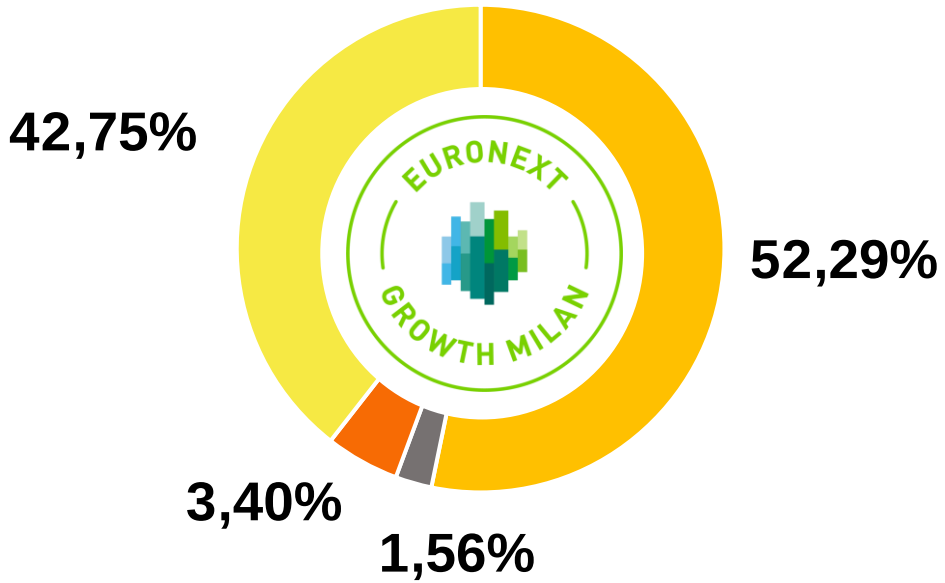


* Pro-forma with 12 months consolidation acquired companies

Shareholders Structure

- Share Capital Euro 210.926,24
- N. Shares 42.937.638
- Exercised n. 3,458,772 Warrants and subscribed no. 5,188,158 newly issued Ordinary Shares for a total of Euro 4,928,750.10 (May 20, 2022)
- Relatech top management has invested more than 2 million euro in the company through the conversion of warrants

UPDATED TO JULY 4, 2022



** NON-SIGNIFICANT SHAREHOLDERS WITH LOCK-UP ON THE SHARES INCLUDING SILVIO COSOLETO, COO RELATECH

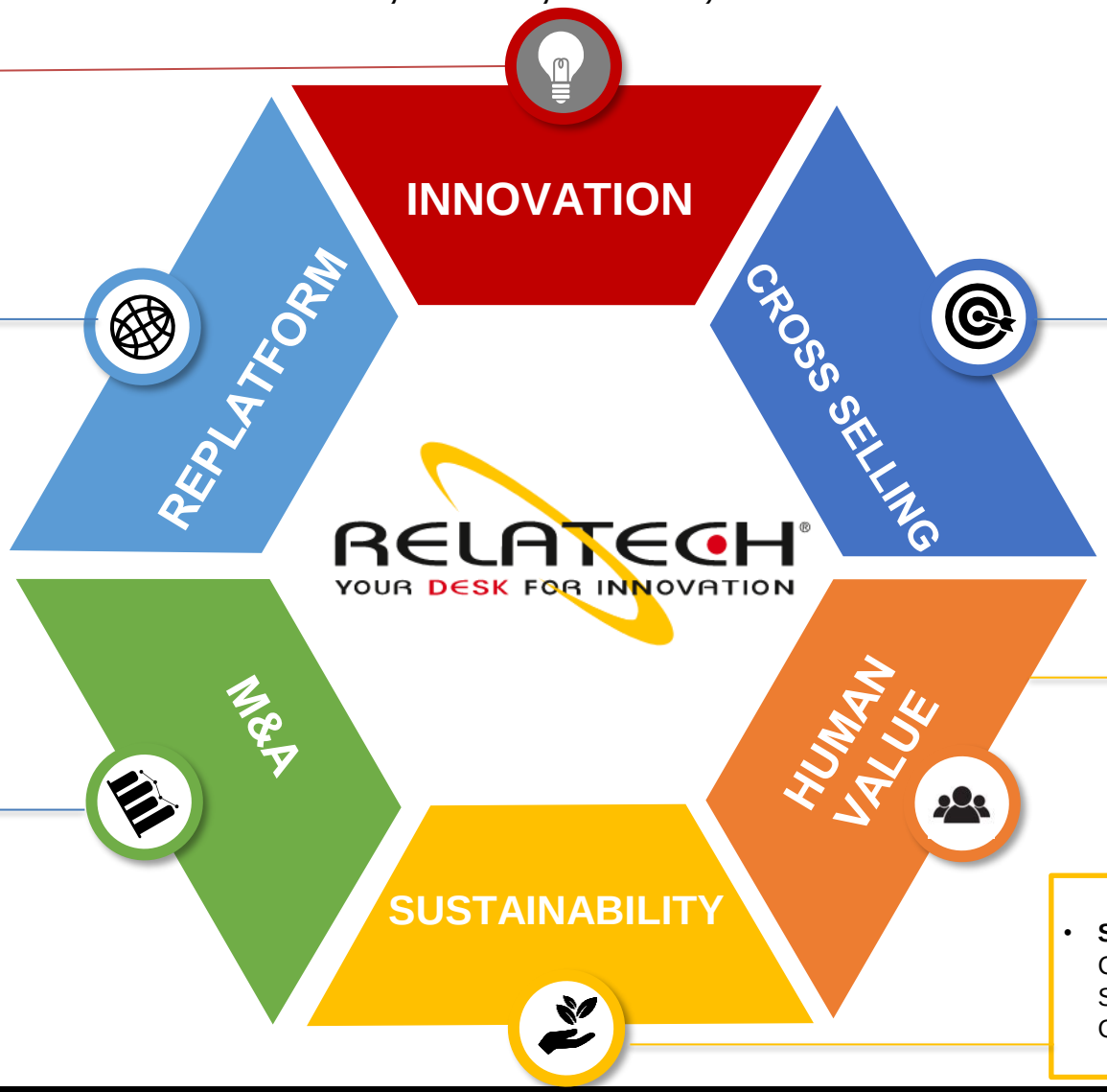
Sustainable Growth Strategy 2022

GROWTH DRIVER:
3M STRATEGY, *MERGE*, *MARGIN, MANAGEMENT*

IOT, METAVERSE, EDGE COMPUTING, CYBERSECURITY

SUPPORTING **SME** IN THE DIGITAL TRANSFORMATION PROCESS

IDENTIFY TARGETS WITH R&D ACTIVITIES AND WITH SPECIALISATION IN **METAVERSE, CYBERSECURITY PHIGITAL CUSTOMER EXPERIENCE, EDGE COMPUTING**



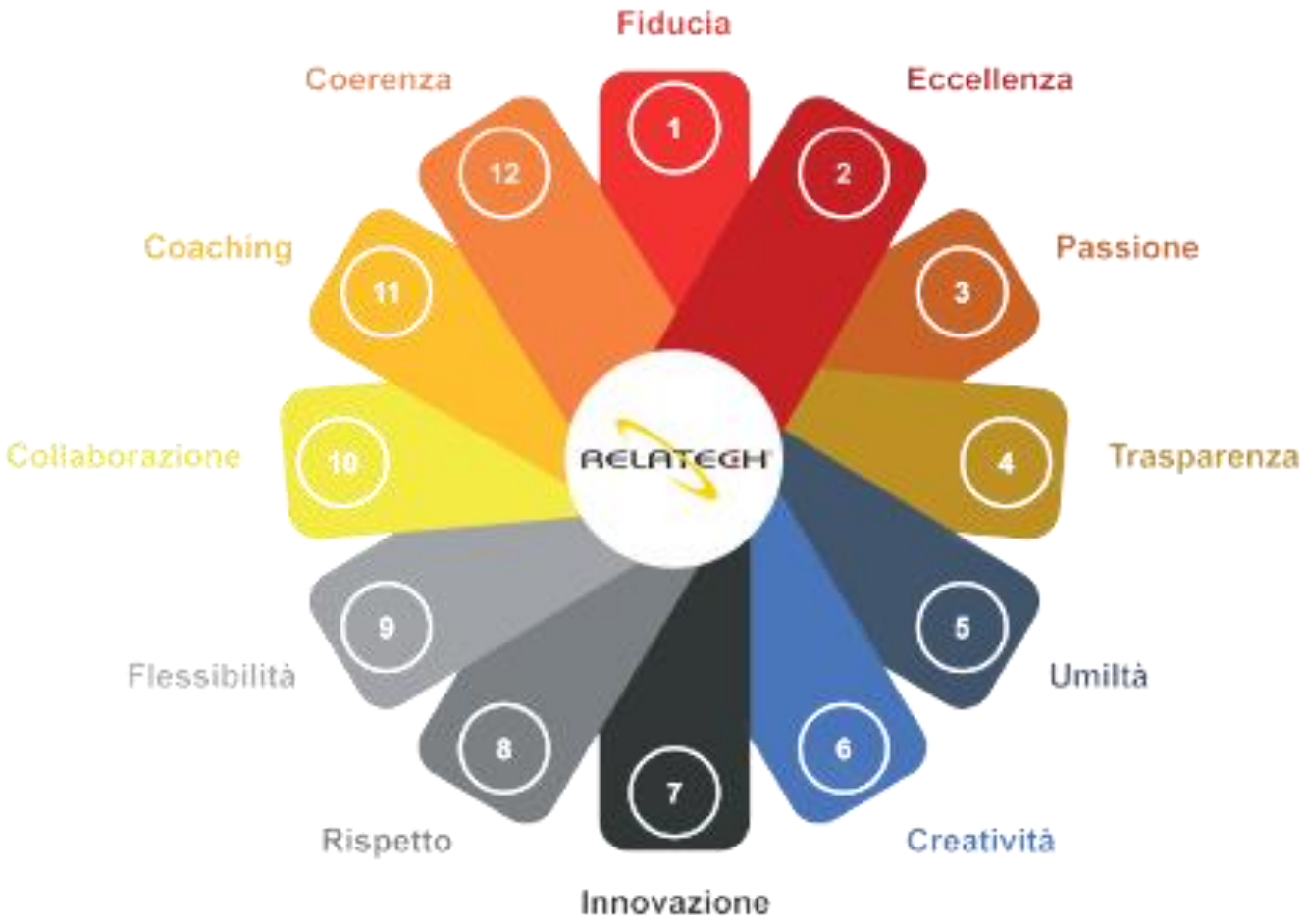
- ACTIVATE **CROSS SELLING PLANS AND SYNERGIES OF REVENUES AND COSTS WITH ACQUIRED COMPANIES**
- EVOLUTION OF RECURRING REVENUES WITH REPLICABLE DIGITAL SOLUTIONS

- PROFESSIONAL & **INCENTIVE PLANS** FOR OUR TALENTS
- CREATING INNOVATION HUBS IN PARTNERSHIP WITH UNIVERSITIES TO ATTRACT NEW TALENTS

- **SECOND YEAR OF ESG REPORT**, THE COMPANY PAYS ATTENTION TO THE SDGs OF 2030 AGENDA THAT THE GROUP IS COMMITED TO PURSUE.

Sustainable Growth Strategy 2022

GROWTH DRIVER:
3M STRATEGY, *MERGE*, *MARGIN, MANAGEMENT*



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