

Antares Vision Group

Strategic Plan 2024-2026

June 18th, 2024

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SUMMARY

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Antares Vision Group plays in **attractive markets**, with growth opportunities in both Life Science and FMCG, maintaining a leading position in **Pharma T&T**, strong presence in **Inspection** and fast-growing presence in **SCT (Supply Chain Transparency – SaaS/Smart Data)***

2023 has represented a year of change for the Group, as the Company became aware of the need to strengthen the organizational structure. **The impact of this decision will be visible from 2024 onwards.** The new organizational model has enabled management to identify and establish four separate Cash Generating Units (CGU): Life Science & Cosmetics, Fast Moving Consumer Goods, Supply Chain Transparency and Other Business.

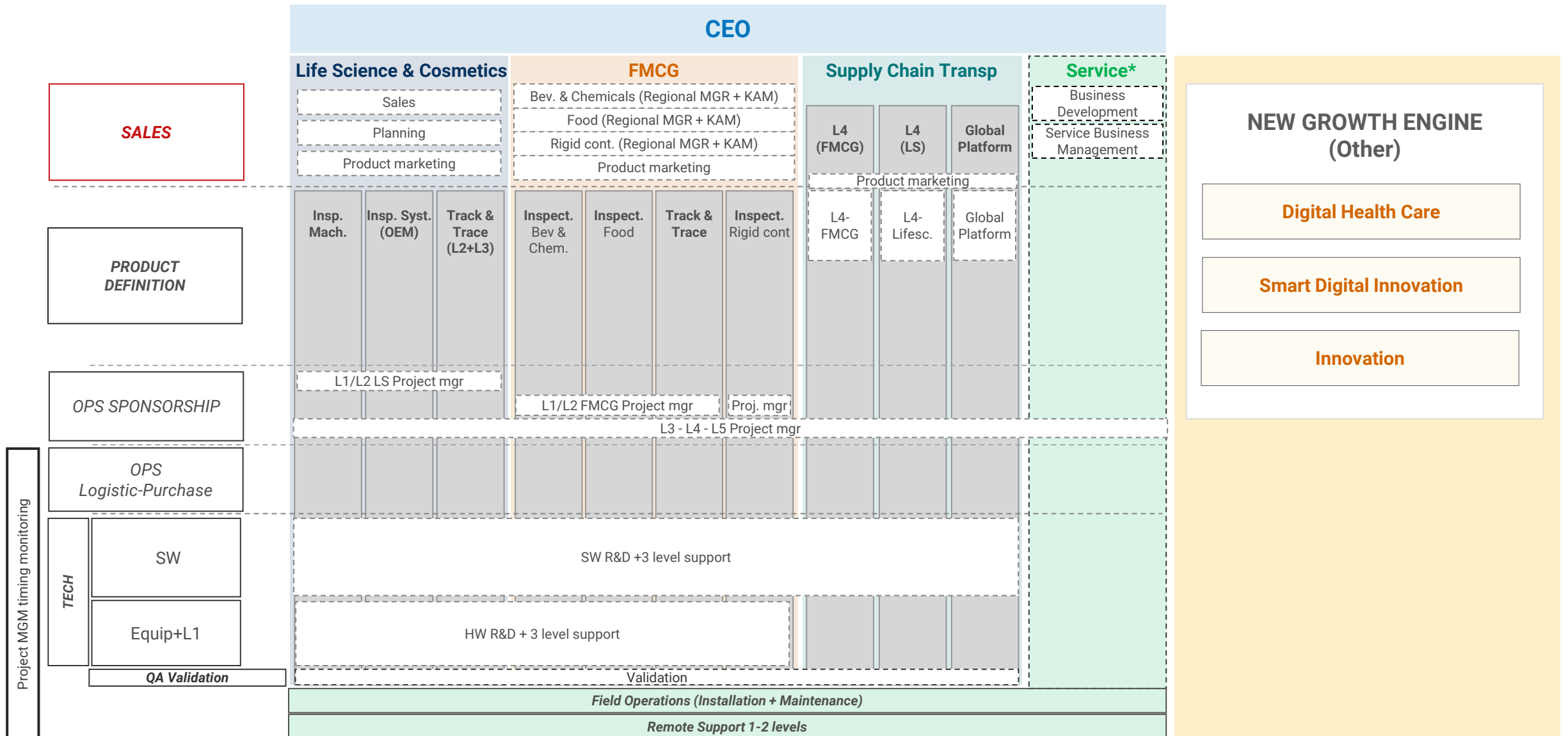
The Group is committed to innovation, pushing services and software (SaaS/Smart Data) and applying advanced technologies to increase perceived value by customers towards an integrated end-to-end solution

The Company's top management has decided to adopt **a prudential approach** regarding **L5 revenues**, considering only the Bahrain contract in the FY 2023 consolidated results and in 2024-'26 strategic plan

The top Management has analyzed the Group financial situation and identified a strategy **over the next three years with the ambition** to deliver a revenue growth CAGR of 4-6% combined with an EBITDA CAGR of 47-55% and positive cash conversion. This will be executed following 3 strategic pillars: 1) **exploit selectively market opportunities** also thanks to **internal re-organization**, 2) **boost marginality and cost discipline** and 3) **unlock cash generation**

New Organization and Historical Numbers

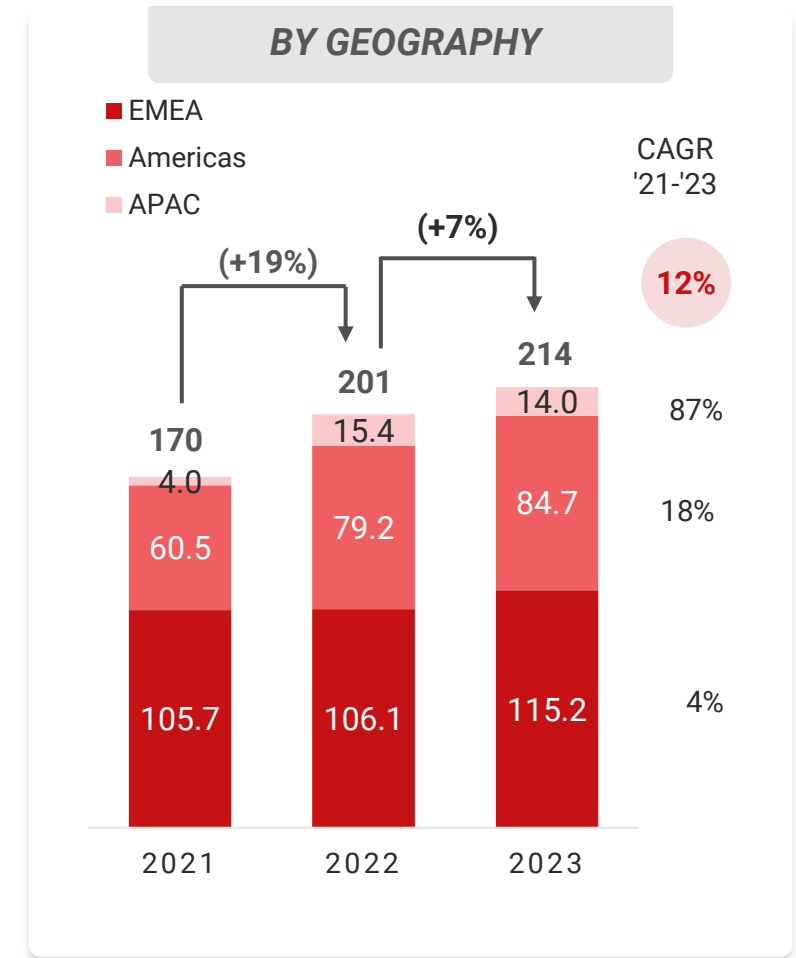
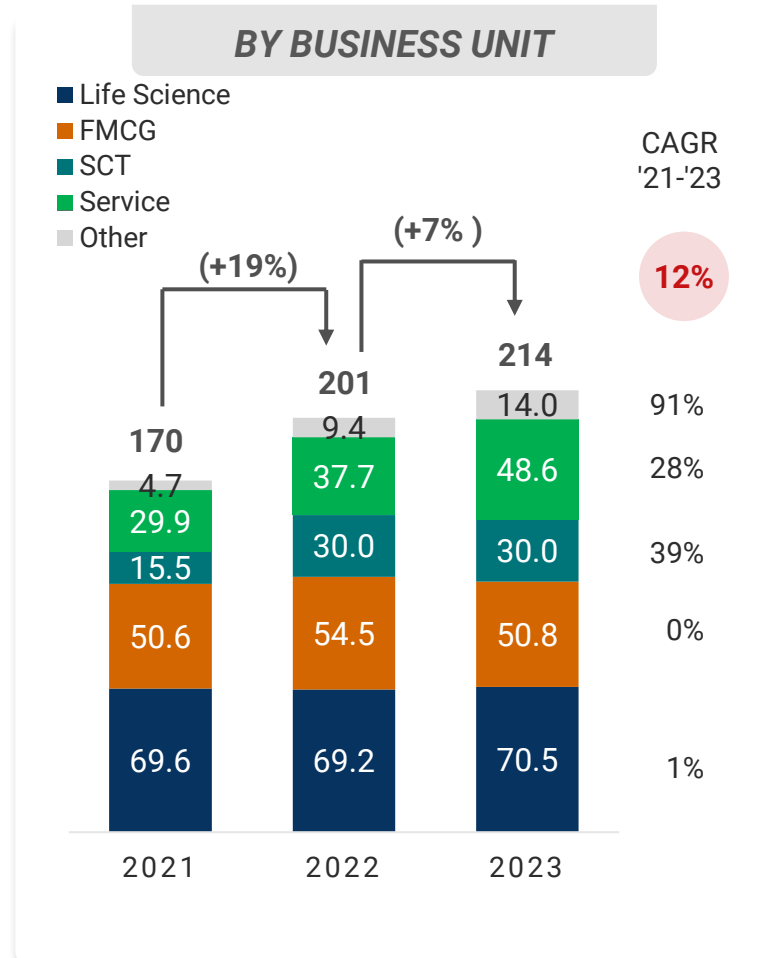
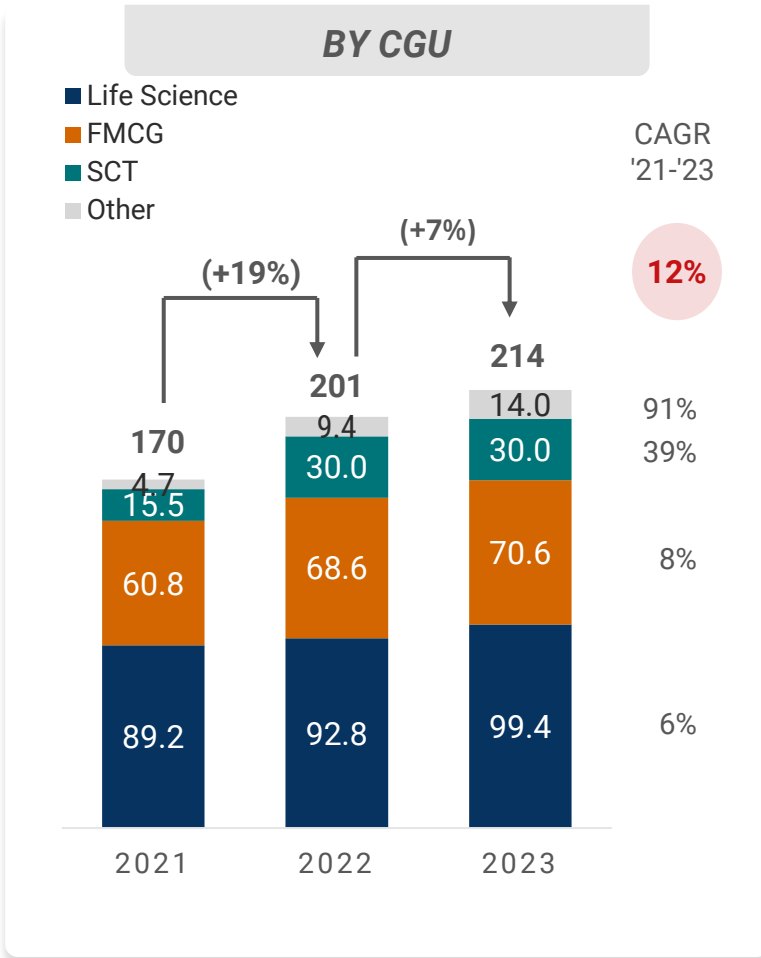
New Operating model



* Included in Life Science and FMCG in the CGU view

AV Group Revs grew at +12% CAGR in '21-'23, excluding L5 business

AV Group Sales excluding L5 business | €M, 2021-2023⁽¹⁾

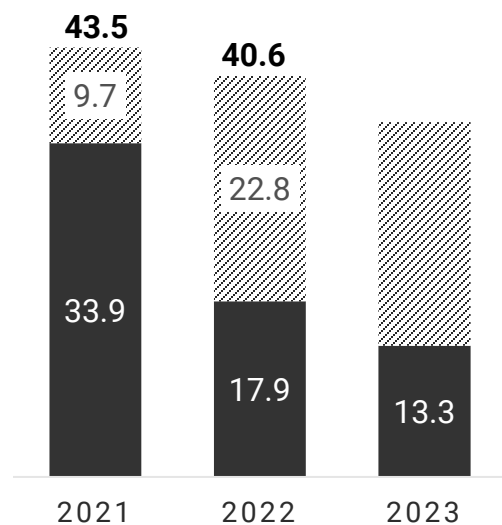


Note: (1) Other includes IMAGO, Digital Healthcare, AVUS and AV RUS; Split by geography based on subsidiaries' location

AV Group profitability declined in 2021-2023, highlighting room for improvement to return to 2021 level

AV Group EBITDA | €M, '21- '23

■ Total w/o L5
▨ L5



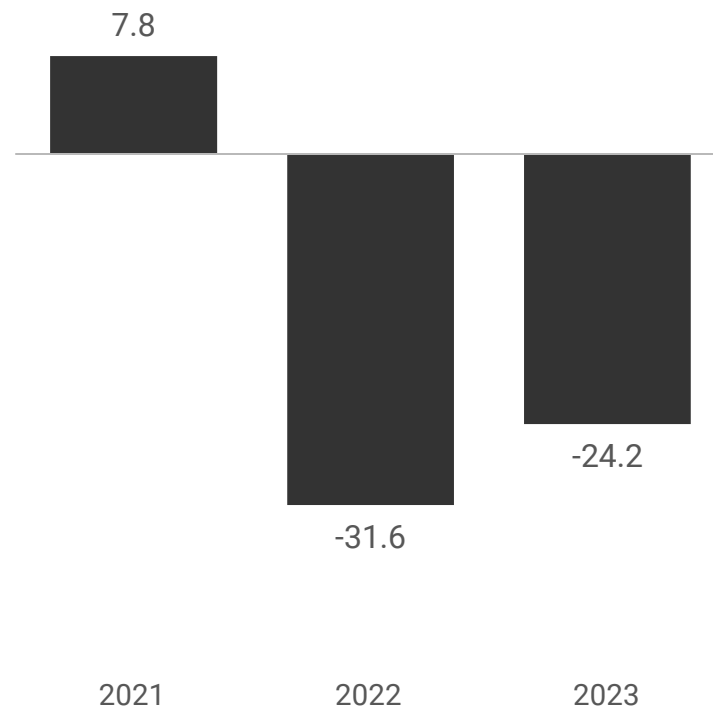
EBITA margin (%)

25.6% 20.2%

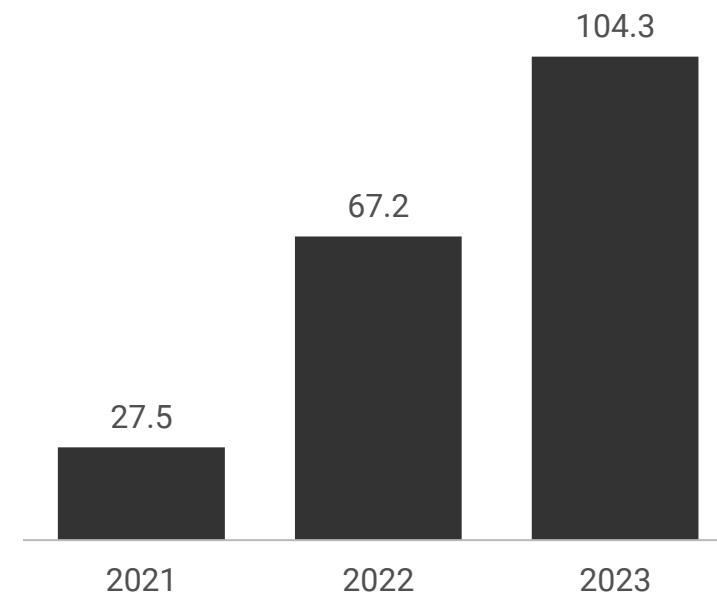
EBITA margin Excl. L5 revs (%)

19.9% 8.9% 6.2%

AV Group Operat. CF* | €M, '21- '23



AV Group NFP | €M, '21- '23



* Operating Cashflow = EBITDA + Change in Working Capital - Severance Indemnity Funds - Bad Debt - Taxes - Capex

2024 – 2026 Market Outlook

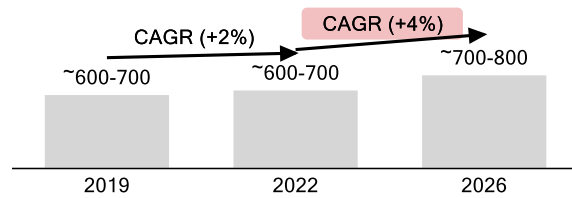
Track & Trace, Inspection and SCT markets expected to grow cross business with SCT showing highest potential



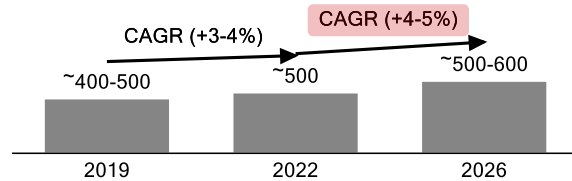
Lifescience | €M, '19-'22-'26



Track & Trace



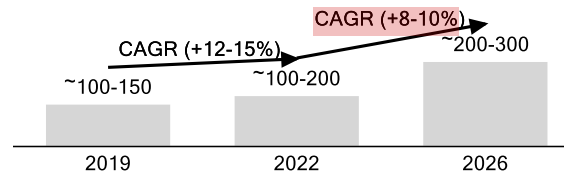
Inspection



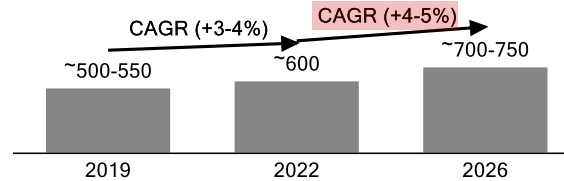
FMCG | €M, '19-'22-'26



Track & Trace⁽¹⁾



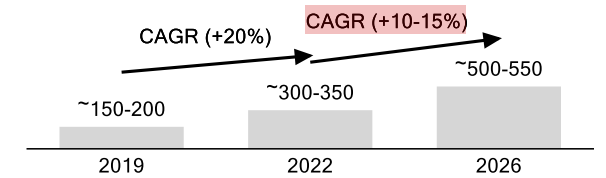
Inspection



SCT* | €M, '19-'22-'26



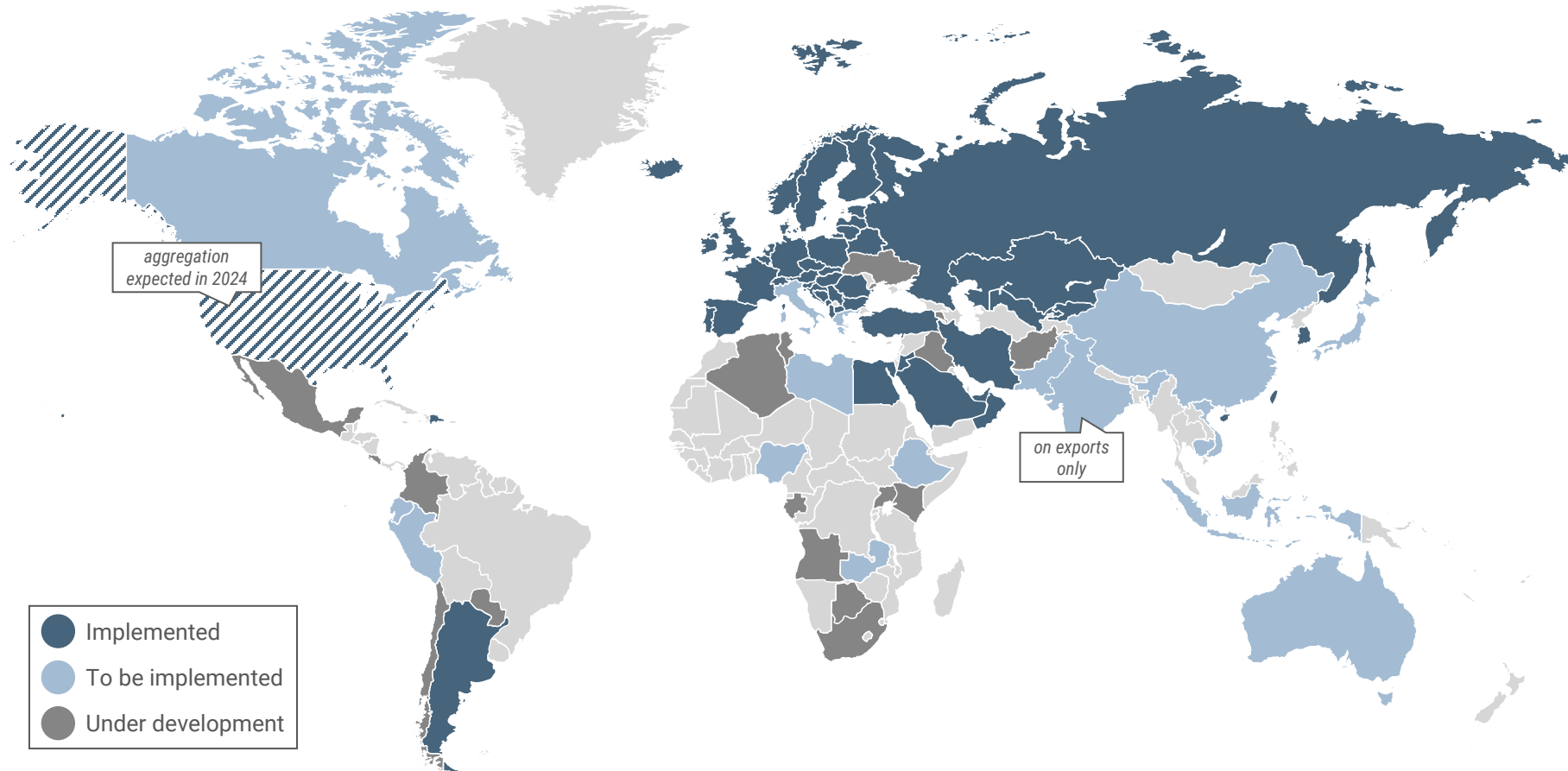
Track & Trace (focus pharma)



All target markets expected to grow during plan horizon with Supply Chain Transparency showing the highest potential

Note: (1) Serialization
 Source: IHS, UCIMA, Market participant interviews
 * SaaS / Smart Data

Several countries on the journey to adopt traceability



Commentary

Other **20-25 countries** are expected to opt for serialization **in the next decade** for global harmonization in healthcare sector, against counterfeiting and diversion.

Most of developed and large countries are already compliant to Track & Trace regulations (**more than 75 countries worldwide**).

Track & Trace use cases in FMCG: many potential additional use cases to be selectively addresses by AV Group in the future



Track & Trace FMCG use cases and current coverage by AV Group

	Food			Beverage			Others		
Main emerging use cases	Fresh food	Packaged food	Nutra-ceuticals	Soft drinks & beers	Wine	Spirits	Fashion	Cosmetics & personal care	Industrial & chemicals
Trace recalls, returns, damaged goods and defects	Mid T&T use cases potential	Mid T&T use cases potential	High T&T use cases potential	Mid T&T use cases potential	Mid T&T use cases potential	Mid T&T use cases potential		Mid T&T use cases potential	Mid T&T use cases potential
Anti-counterfeit/ Detect parallel imp. and product div.		Antares use cases	Mid T&T use cases potential		Antares use cases	High T&T use cases potential	High T&T use cases potential	High T&T use cases potential	
Customer engagement	Mid T&T use cases potential	Antares use cases		Mid T&T use cases potential	Antares use cases	Mid T&T use cases potential	High T&T use cases potential	Mid T&T use cases potential	
Sourcing/ materials/ logistics transp. (e.g., Digital Product Passport)	High T&T use cases potential	Mid T&T use cases potential		Mid T&T use cases potential	Mid T&T use cases potential	Mid T&T use cases potential	High T&T use cases potential		Mid T&T use cases potential
Returnable assets / recycling (e.g., Digital Deposit Return System)	Mid T&T use cases potential	Antares use cases		High T&T use cases potential			High T&T use cases potential		Mid T&T use cases potential

Antares Vision is already offering solutions in some of the identified high potential T&T use cases, with further opportunities to expand to additional potential industries (e.g., Fashion) and use cases

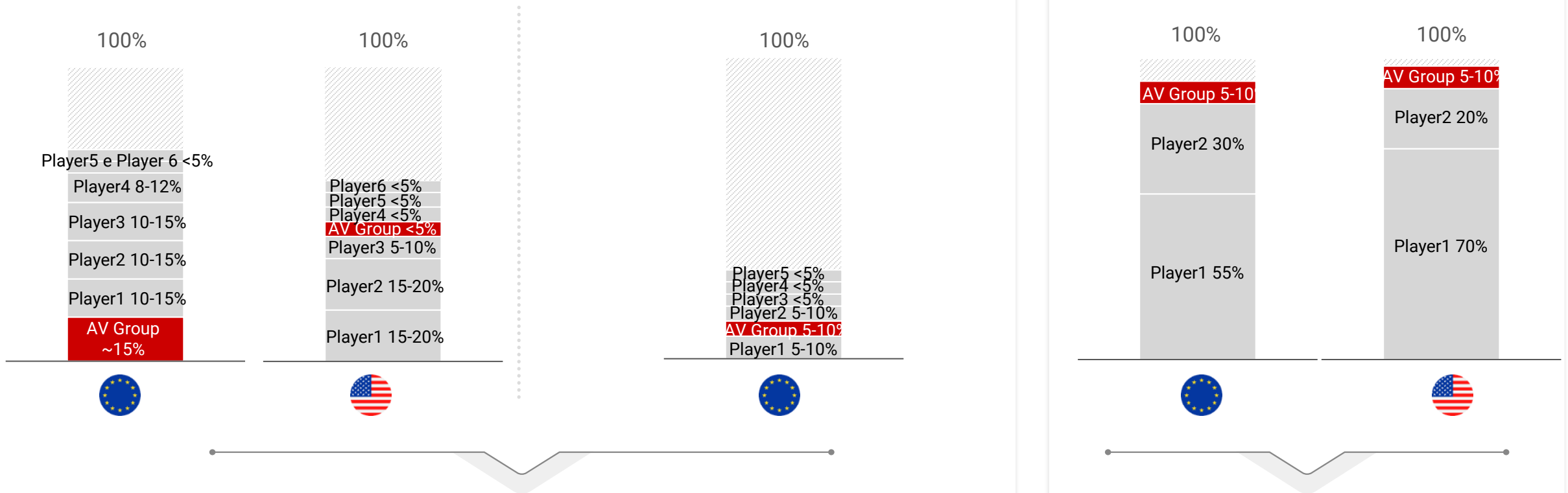
Source: Market participant interviews, Lit Search

AV Group among leading players* in T&T and Inspection markets; relevant insurgent in Supply Chain Transparency

Track & Trace | 2022

Inspection⁽¹⁾ | 2022

Supply Chain Transparency | 2022



AV Group among **leading players in Track & Trace and Inspection markets**, characterized by heavy fragmentation with no clear market leader

SCT markets characterized by dominant leading players with **AV Group positioned as relevant insurgent**

Source: Market participant interviews, Company data; (1) focus Pharma
 * Players ranking is based on market share size, therefore ranking number is not the same Companies' name

Antares Vision is an end-to-end T&T/SCT player with focus on both Europe and US



Players* in the industry • T&T - SCT

		PLAYER 1	PLAYER 2	END-TO-END PLAYER 	PLAYER 3	PLAYER 4	PLAYER 5	PLAYER 6	PLAYER 7	PLAYER 8
L1-L3			✓	✓		✓	✓	✓	✓	✓
L4		✓		✓	✓		✓			
L5		✓		✓	✓					
Geo focus <i>(directional)</i>	US focus	+++	++	++	+++	+	+++	+	+	+++
	EU focus	+++	+++	+++	+++	+++	+	+++	+++	+
End market coverage	Pharma									
	Other			F&B, Cosmetics, AgriTech		F&B, Cosmetics, Agrochemicals	F&B, Agrochemicals		F&B, Lubricants	F&B

Source: Company websites; Capital IQ; Amadeus; Lit. search; Market participant interviews; (1) FY21; (2) Including L5

* Players ranking is based on market share size, therefore ranking number is not the same Companies' name

+++ = stronger presence; + = lighter presence

Strong position Limited position No position

MARKET SHARE

Antares Vision is a global inspection player focused on FMCG and covering Pharma



Players* in the industry • INSPECTION

		PLAYER 1	PLAYER 2	ANTARES VISION GROUP	PLAYER 3	PLAYER 4	PLAYER 5	PLAYER 6	PLAYER 7	PLAYER 8	PLAYER 9	PLAYER 10	PLAYER 11	PLAYER 12
Geo focus <i>(directional)</i>	US focus	++	+++	++	++	+	+	+++	+	+	+	+	++	+
	EU focus	+++	++	+++	+++	++	+++	+	+++	+++	+++	+++	++	++
End market coverage	Pharma													
	Other	Cosmetics, baby foods, petrol products...	F&B	FMCG	F&B, cosmetics	F&B	F&B, Cosmetics, Agrochemicals	F&B	F&B	F&B	F&B, Lubrificant...	Food, Cosmetics...		

Source: Company websites; Capital IQ; Amadeus; Lit. search; Market participant interviews; (1) FY21; (2) Including L5
 * Players ranking is based on market share size, therefore ranking number is not the same Companies' name

+++ = stronger presence; + = lighter presence

Strong position	Limited position	No position
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AV Group plays in **growing markets...**



- **Lifescience** market is growing at 4-5% CAGR ('22-'26) driven by growing Pharma Capital Expenditures
- **FMCG** Inspection also growing at 4-5% CAGR ('22-'26) with Track & Trace expected at 8-10%
- **Supply Chain Transparency*** growing double digit (10-15% CAGR '22-'26)

...AV Group maintains a **solid positioning** in all its markets



- AV Group among leading players in **Track & Trace and Inspection** markets, characterized by heavy fragmentation with no clear market leader
- **Supply Chain Transparency*** markets characterized by dominant leading players with AV Group positioned as relevant insurgent

2024 – 2026 Strategic Plan

Leveraging a strong competitive positioning



Deep relationship with customers

Long-term **customer relationships** built on comprehensive service offerings and customized solutions

2,500+

Blue-chip customers since foundation



Rapidly growing installed base

Rapidly **growing installed base**, with significant service penetration and **further opportunity for L1-L4 cross-selling**

2,700+

T&T installed lines as at 2023 (+11% cagr v. 2018)



Customer proximity & worldwide capabilities

Provider of **customised & flexible solutions** and on the ground **360° service & support**

60+

Countries served



End to end solution for digital supply chain

Comprehensive **portfolio of software and end-to-end technological solutions** for the digital supply chain

~14+%

SCT revenues on total in 2023*

Strategic plan 2024-2026 ambition:

1

Exploit selectively market opportunities

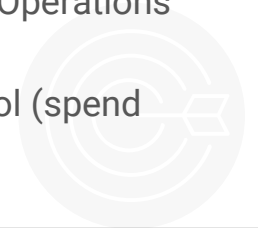
- Defend leadership position in core markets
- Exploit market opportunities, applying technological solutions in the most profitable segments



2

Boost marginality and cost discipline

- Implement pricing optimization to protect products value
- Focus on cost efficiency and optimization actions (Procurement excellence, Operations delivery...)
- Enhance discipline and cost control (spend transparency...)



3

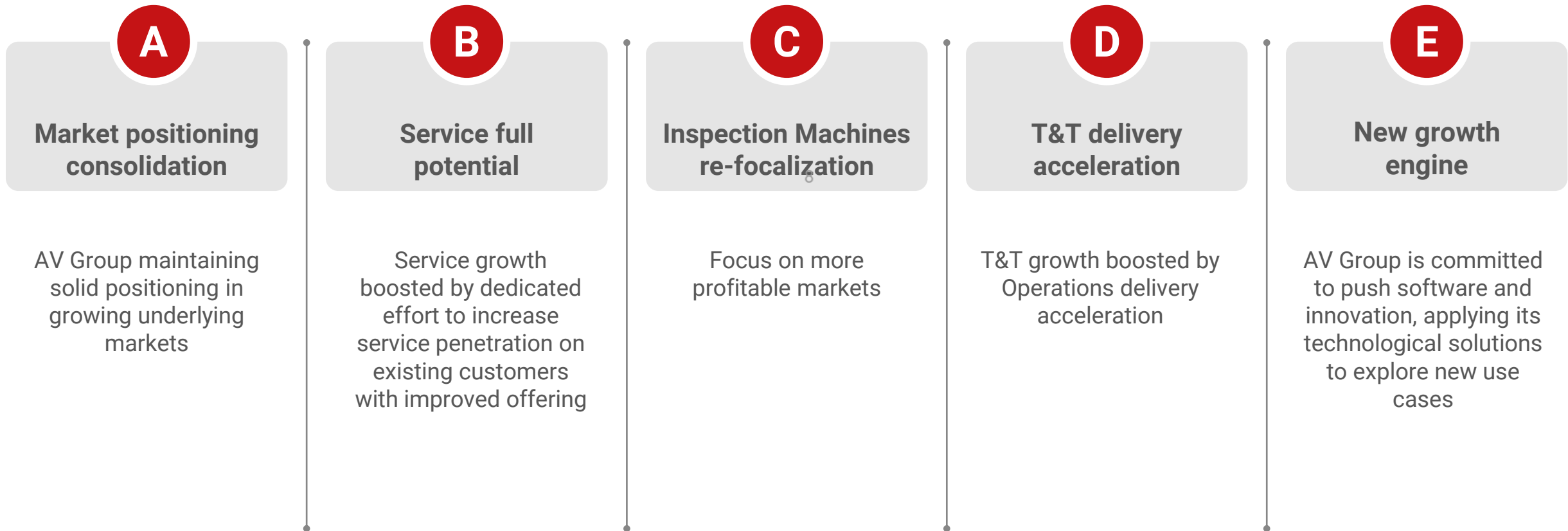
Unlock cash generation

- Optimize working capital and cash management
- Negotiate new contractual terms reflecting projects milestones



1 | Exploit selectively market opportunities

5 key initiatives to sustain '24-'26 AV Group revenues growth



2 | Boost marginality and cost discipline

'24-'26 increase in EBITDA expected from initiatives enhancing AV Group profitability

Pillar	Area	Optimization lever
Boost marginality and cost discipline	(A) Pricing	<ul style="list-style-type: none">• Optimization of T&T and spare parts pricing
	(B) Mix effect	<ul style="list-style-type: none">• Growth of most profitable products/sectors
	(C) Cost control & reduction	<ul style="list-style-type: none">★ COGS Procurement excellence<ul style="list-style-type: none">• Services spend transparency★ G&A, Personnel Cost and other fixed costs reduction• Reporting / Financial transparency: G&A and indirect cost control
	(D) Saturation of personnel working on projects	<ul style="list-style-type: none">★ Life Science Planning & Workload management

Cash Flow Impact

Area	Key cash generation/ absorption levers
A Working capital reduction	Payment terms optimization: <ul style="list-style-type: none">• Intermediate invoicing milestones• Outstanding credits collection focus• Better distribution of revenues during the year• Commercial incentives including contractual payments terms and credit collection Standardization of products/ components reducing inventories
B CAPEX optimization	R&D capitalization IT roadmap / Intangible asset development Tangible asset development / Capex reduced only to essential investments
C Organizational efficiency	AVIT & Subsidiary restructuring Other transformation extraordinary expenses

2024 - 2026 Financial Targets

OUTLOOK: GUIDANCE 2024 - 2026

	2023	2024	2026
REVENUES	€213.9M	4 - 6% CAGR	
ADJ. EBITDA	€13.3M	47 - 55% CAGR	
ADJ. EBITDA MARGIN	6.2%	11.5 - 14%	17.5 - 19.5%
NET DEBT / EBITDA	7.8x	4.1 - 3.3x	< 1.7x
CAPEX	€25.2M*	€15 - 17M P.A.	

* Including M&A, excluding M&A €17M

Further Growth Potential Opportunities (NOT included in the Business Plan)

New technologies in the Inspection business will potentially foster further growth, NOT included in the plan

NEW GROWTH ENGINE • FURTHER POTENTIAL NOT INCLUDED IN STRATEGIC PLAN

Inspection robotics technology

Business area impacted:
Inspection System – FMCG

- **Robotics technology** enables in-line quality controls throughout production
- Traditional quality analyses, like torque cap, CO₂ and O₂ concentration, Brix, and alcohol measurements, are currently conducted manually in laboratory settings within the plant
- Future advancements will see all quality analyses integrated directly into the production line, operating in real-time and fully automated
- This eliminates the need for dedicated sample preparation or product wastage

Benefits of Antares Vision Group Robotics technology:

Numerous benefits of the solution include real-time quality monitoring, improved line performance, time and energy savings, and enhanced production line sustainability

Inspection microwaves technology

Business area impacted:
Inspection System – FMCG

- **Microwaves technology** offers a solution for detecting physical contaminants in Food and Beverage packaging, ensuring consumer safety
- Current inspection systems primarily rely on X-ray technology, which has limitations in detecting low-density foreign bodies like plastic in certain food products (e.g., sauces, creams, vegetables, yogurt)
- Unlike X-ray technology, Microwaves technology detects contaminants based on the differing physical conductivity of materials

Benefits of Antares Vision Group Microwaves technology :

Microwaves advanced technology can detect a wider range of contaminants that may go undetected by traditional methods

Medical devices, Digital Product Passport and Digital Deposit Return System represent areas of potential opportunities

NEW GROWTH ENGINE • FURTHER POTENTIAL NOT INCLUDED IN STRATEGIC PLAN



Medical Devices serialization applications

- Most medical devices do not require serialization at product level, but **serialization is mandated for active implantable medical devices through unique UDI-PI**
- **Medical devices regulation started before compared to pharma in US, aiming to uniquely identify implantable and high-risk medical devices**
- **MDs requiring serialization amount to ~66B in 2022 and are expected to grow low/mid single digit during plan period**
- **Potential to expand offering to manage T&T-like needs in Medical Devices space** from regulatory driven changes (i.e. UDI)

Opportunity for Antares Vision Group:

Antares Vision right to win in the MDs T&T market is mainly linked to its strong knowledge of technical procedures, data analytics capabilities & regulatory compliance know-how



Digital Product Passport (European Commission)

- **European Commission** is discussing the introduction of **Digital Product Passports (DPP)** that contain information about the **specific product** (e.g., supply chain, materials, product care, prolong life cycle through reparation, recycling, ...)
- **Application is expected within 2026 for apparel, batteries and consumer electronics** with other product categories to follow
- Aim is to **reduce the life cycle environmental impacts of products through efficient digital solutions** but also boost the demand for sustainable goods and support sustainable production

Opportunity for Antares Vision Group:

Leverage track & trace capabilities to provide digital tools software/ hardware to enterprises interested in complying with new regulation



Digital Deposit Return System (DDRS)

- A **deposit-return system (DRS)** is a scheme for **recycling single-use beverage containers through a surcharge on a product when purchased** and a rebate when it is returned
- In a **Digital DRS scheme, the rebate can be redeemed through scanning a code** and letting the container go on with the already existing household waste collection infrastructure

Opportunity for Antares Vision Group:

Develop DDRS infrastructure using track & trace technology enabling containers tracking along the value chain

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