



ANTARESVISION

OUR TECHNOLOGY, YOUR SAFETY.

FY 2019 INVESTOR PRESENTATION

21st April 2020



BUSINESS MODEL & STRATEGY

Emidio Zorzella
CHAIRMAN & CEO

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MANAGING AND TECHNICAL
DIRECTOR

OUR TECHNOLOGY, **YOUR SAFETY.**



MISSION

Leading the complete process of **protecting products** throughout their life-cycle, **Antares Vision** delivers the most comprehensive and scalable global solution in **Inspection Systems, Track & Trace** and **Smart Data Management**. Driven by **competence, energy** and **passion**, we have fun in providing **innovative technologies** and developing strong partnerships with our customers to co-create **added value**.

**LIVING TECHNOLOGY FOR A HEALTHIER
AND SAFER WORLD.**



PROTECTING PRODUCTS THROUGHOUT THEIR LIFE CYCLE



INSPECTION

Visual inspection systems and automatic machines to guarantee **integrity** and **conformity** of products, containers and packaging.



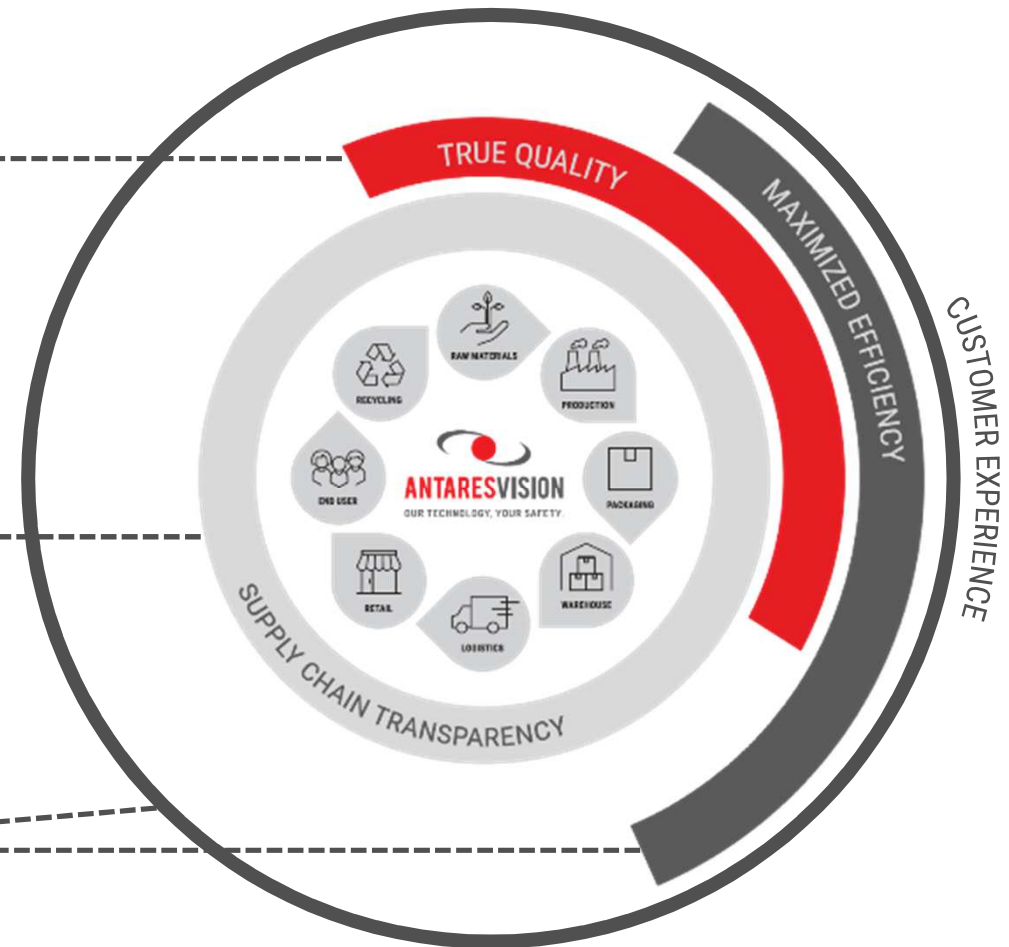
TRACK & TRACE

Traceability solutions to **identify** and **trace** products from the origin to the end user, at every stage of the **supply chain**.



SMART DATA MANAGEMENT

New **synergies** and added value through **data storage**, **data analytics** and **business intelligence**.



INSPECTION: QUALITY IS SMART

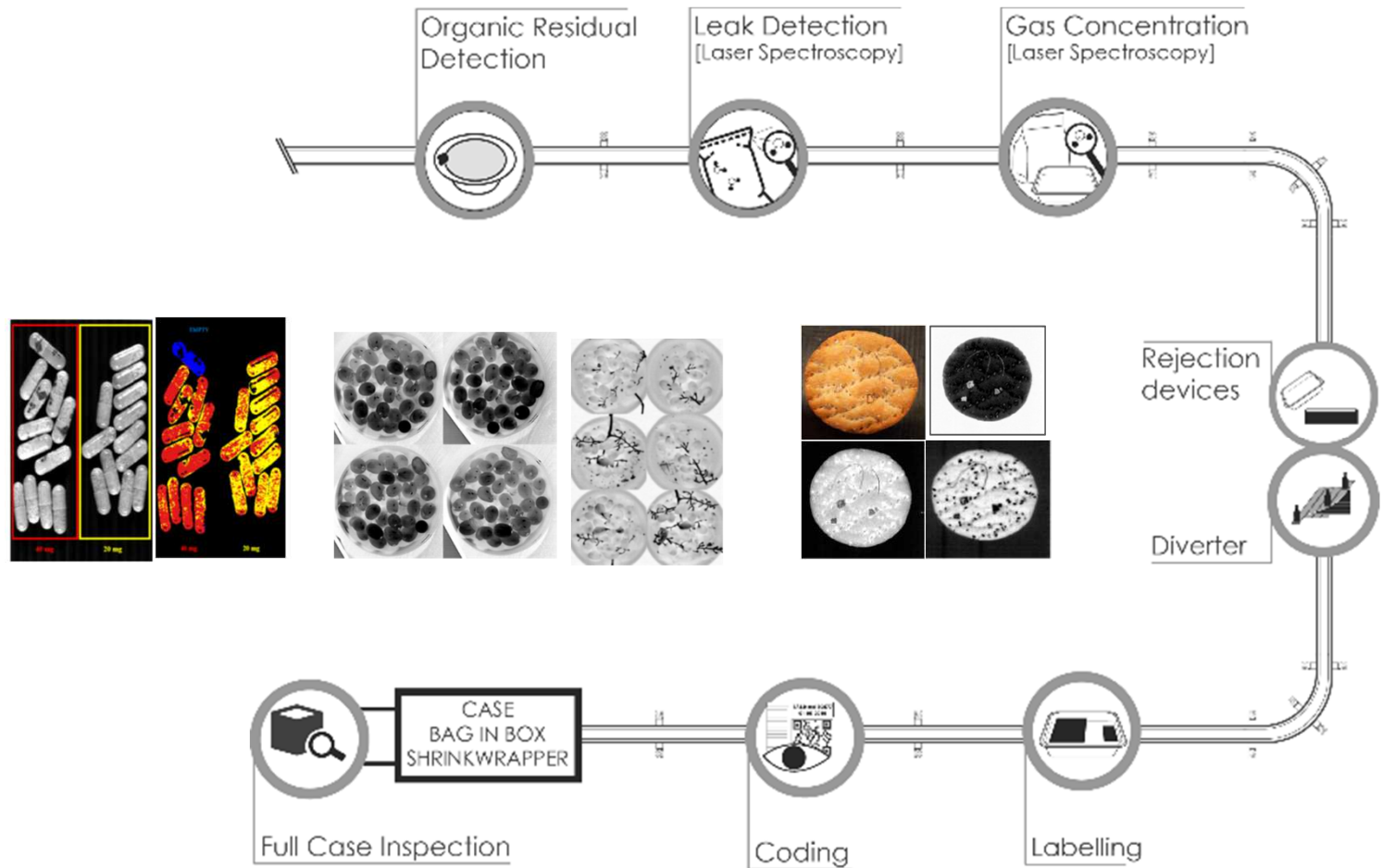
FULL QUALITY CONTROL TO GUARANTEE:

Product Integrity

- ✓ Material inspection
- ✓ Mix up prevention
- ✓ Container/ bottle inspection

Packaging Control

- ✓ Packaging material inspection
- ✓ Product orientation control
- ✓ Empty package inspection
- ✓ Seal inspection
- ✓ Label inspection
- ✓ Printing control



TRACK & TRACE: THE #1 TURNKEY SOLUTION



Governmental / Supply chain

Smart Data

Corporate Level 4

Smart Data

Production plant Level 3

T&T

Production line Level 2

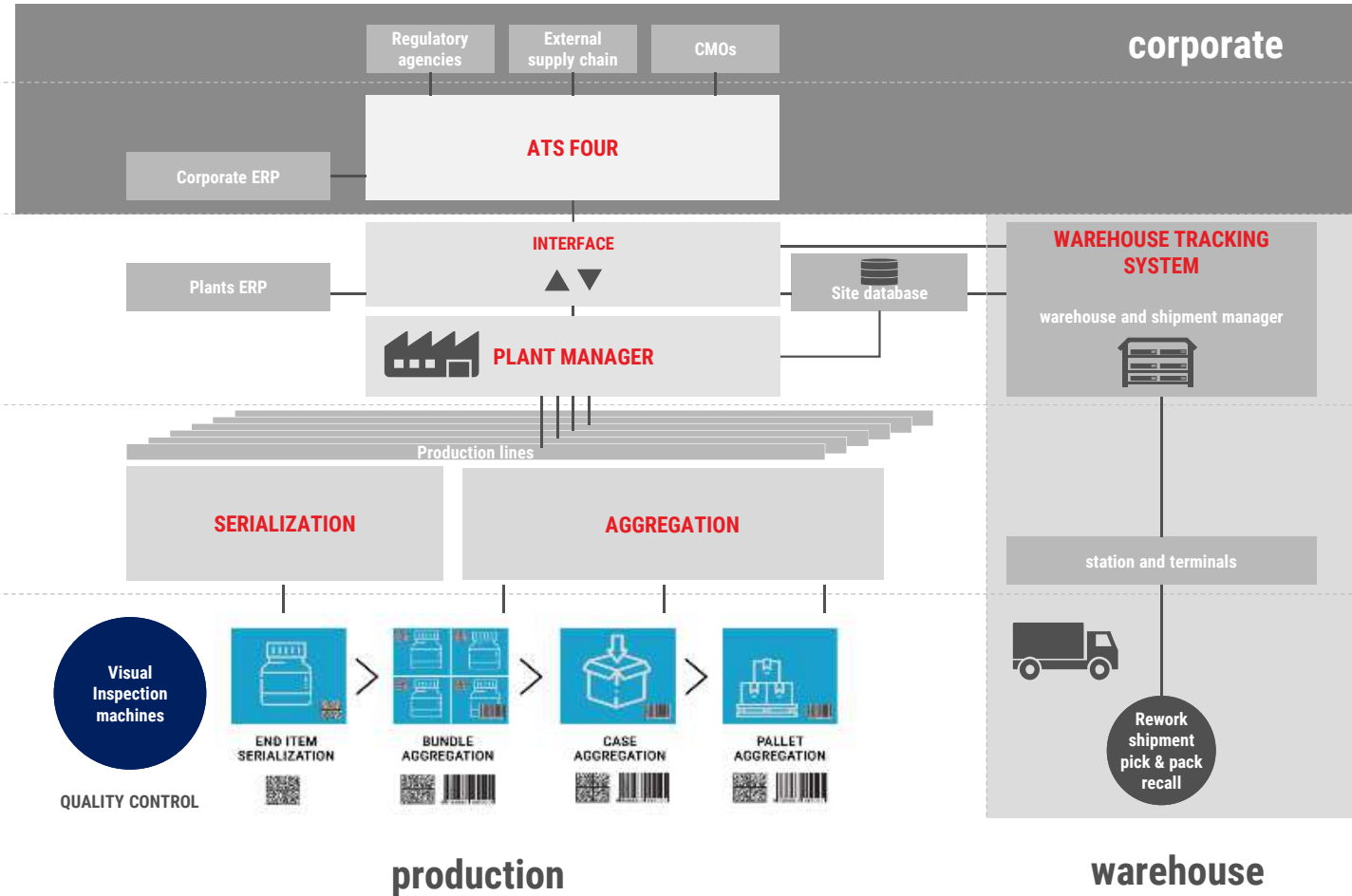
T&T

VI

Devices Level 1

T&T

VI

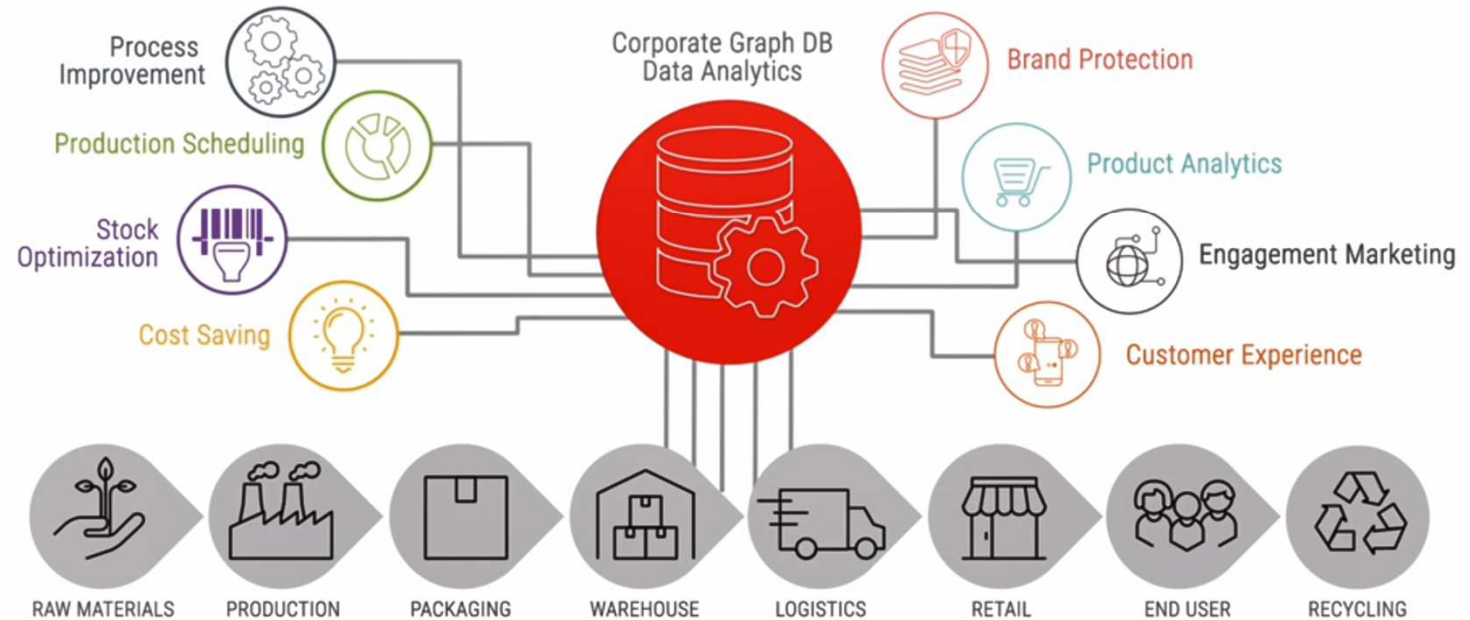


UNIQUE VALUE PROPOSITION

- Native born as both hardware and software solution provider
- Complete, scalable, flexible solution for all the scenario and stakeholders
- High powerful database to gather, store and exchange data.
- Software suite for compliance with worldwide traceability regulations

SMART DATA MANAGEMENT: THE POWER OF DATA

Smart Data Management



UNIQUE VALUE PROPOSITION

Data collection from each step of supply chain

Empowerment by artificial intelligence

Development of **business intelligence** and shared benefits for governments, industrial processes and all citizens



STRATEGIC DEVELOPMENT 2019



STRATEGIC MILESTONES OF OUR BUSINESS



LEADERSHIP

Technology leader ideally positioned to benefit from the secular trends in tracing, inspection and quality

PARTNERSHIP

Long term partner to key customers and unique ability to keep up with their quickly evolving needs

INDEPENDENCE

Fully independent technology Company with a global awareness as a listed player and no "entrepreneurial business" constraints

CONSOLIDATOR

Aggregating force in the fragmented reference market

1. LEADERSHIP IN PHARMA



• New product/solution developments

- ✓ Track& trace equipment (flat carton, customized solutions)
- ✓ Inspection Machines (CCIT, Lisa, Inspection+Traceability)
- ✓ Inspection system (Print Inspection, HR Camera)
- ✓ Smart data (smart factory, smart product)

• Strategic Endorsement

- ✓ **#1 Traceability Platform in Russian market**, more than 50 referenced companies.
- ✓ Appointed by the Ministry of Economic Development to set up a **smart ward platform**, project of digital transformation into the hospital

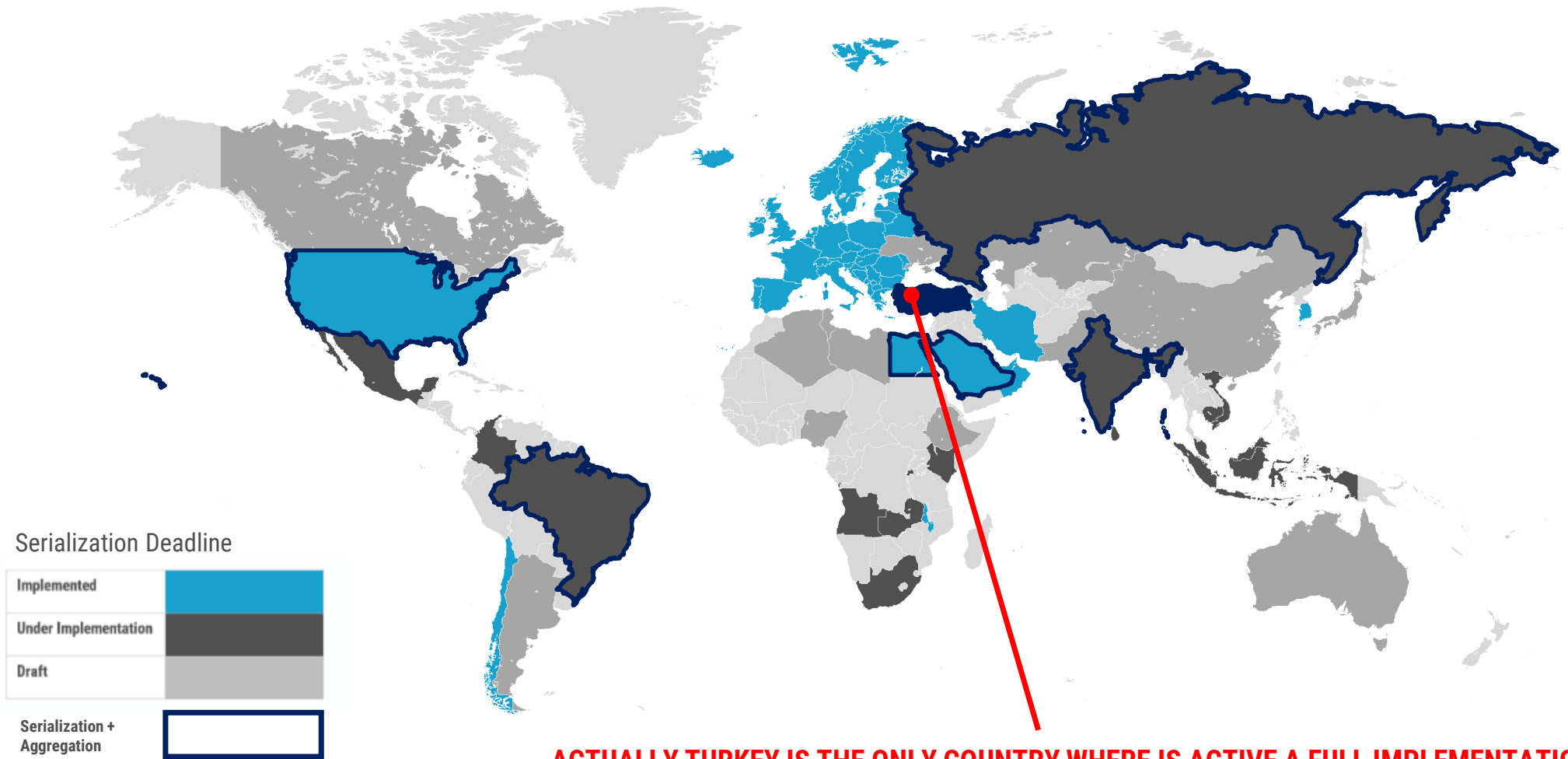
• Distinctive Boost in Inspection Machine BU

- ✓ **Important growth** in Inspection Machines Area (+300% 2019 vs 2018)
- ✓ **The most innovative solution** in the market than the historical competitors, thanks to a global approach that simultaneously combines different technologies and Artificial Intelligence empowerment.
- ✓ **Strategic pilot projects** are under the way to maximize production efficiency and cost saving by the data-driven approach.

• Strengthening international presence

- ✓ New building in Brazil
- ✓ AV Russia
- ✓ AV India
- ✓ AV Asia Pacific
- ✓ AV China

TRACEABILITY IN THE PHARMA INDUSTRY



ACTUALLY TURKEY IS THE ONLY COUNTRY WHERE IS ACTIVE A FULL IMPLEMENTATION

2. MARKET DIVERSIFICATION

- **New acquisition**

- ✓ **FT System**, food & beverage inspection, Italy

- **Strategic Endorsement**

- ✓ Appointed by the Ministry of Economic Development to set up a traceability platform for **Agrifood products** to preserve Made in Italy value, from farm to fork.

- **Wider Customers Portfolio**

- ✓ More than 2000 customers from FT SYSTEM, including the big player in beverage industry.

- **Ongoing Pilot Projects**

- ✓ Pilot projects are ongoing with most important player in food and beverage, in Italy and US dealing with **anticounterfeiting, transparency of supply chain, recalls management, brand protection and customer engagement**

- **New Opportunities**

- ✓ Cross selling within Beverage and food inspection, adding traceability and smart data

OUR REFERENCES **BEFORE** FT SYSTEM



OUR REFERENCES **AFTER** FT SYSTEM



TRACEABILITY REGULATIONS **IN EXTRA PHARMA** – ONGOING



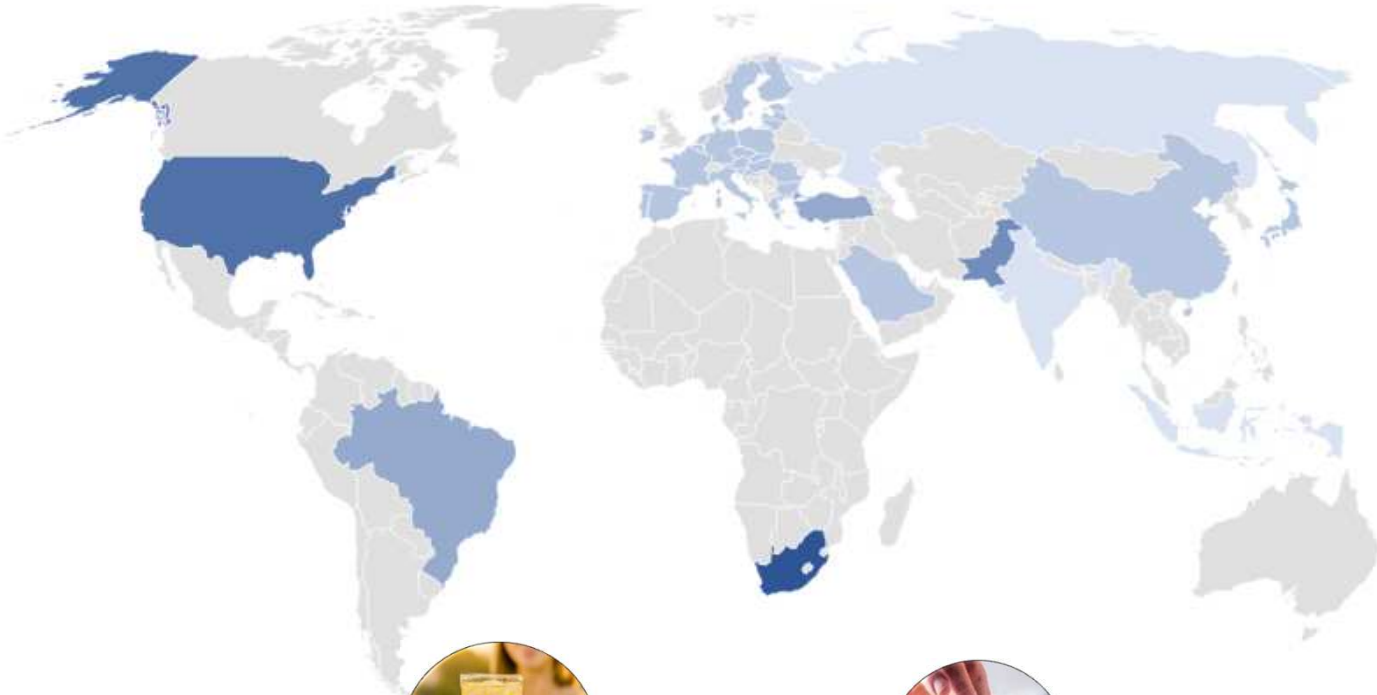
MEDICAL DEVICES

CHINA -2020
EU -2020 - 2021
INDIA -2022
IRELAND -2020
JAPAN -2022
SAUDI ARABIA -2020



COSMETICS

RUSSIA -2020
INDONESIA -2023
INDIA -2020
TURKEY 2023 (tbd)



CANNABIS

USA -2020
THAILAND - 2020



TOBACCO

RUSSIA -2020
PAKISTAN 2021 - 2023
INDIA -2020
SOUTH AFRICA - 2022
BRAZIL - 2022



BEVERAGE

RUSSIA - 2020
TURKEY 2021 - 2023
BRAZIL -2020
CHINA 2021 - 2025



FOOD

EUROPE-ON GOING
USA -ON GOING
RUSSIA-2021
CHINA 2021 - 2025
PAKISTAN 2021 - 2023

AGRIFOOD PROJECT

<https://www.mise.gov.it/index.php/it/per-i-media/notizie/it/198-notizie-stampa/2040654-il-ministro-patuanelli-autorizza-6-accordi-per-l-innovazione>

Development of a **system of traceability of products in the food and wine supply chain** from the “field to the fork”, borrowed from traceability technologies already in use in the pharma industry.

Total costs of the project amount to approximately 6,96 million euros, of which 1,6 financed by the Mise;



3. LEADING TECH INNOVATION

- **New acquisitions**

- ✓ **T2 software**, data management to maximize performance, Brazil
- ✓ **Orobix**, Artificial Intelligence, Italy
- ✓ **Tradeticity**, Traceability software (2020)

- **Cooperation with International Research Centers**

- ✓ **Elettra Sincrotrone Trieste**
- ✓ **Fraunhofer**

- **New Innovation Center**

- ✓ **CSMT** (Centre for Multisectoral and Technological Services) place of consolidated networking and different skills, for: Exploitation and promotion of research, Technology Transfer Incubator of start-ups, technical and specialist training

- **New developments**

- ✓ **Advanced Artificial Vision and Sensors**
 - Hyperspectral technology NIR (pharma, agrifood)
 - Detection of foreign objectives in food and beverage
- ✓ **Advanced data collection and analysis techniques**
 - Artificial Intelligence
 - Cloud technologies
 - Blockchain technologies
 - Advanced compression and storage methods (data, images, videos)
- ✓ **Authentication technologies**
- ✓ **Connectivity and communications**
 - Geolocation
 - CyberSecurity
 - 5G
- ✓ **Smart Greenhouse Project** (analysis of basil growth aimed to optimize production and to ensure the highest quality)

- **New partnerships**

- ✓ Sacred Heart Catholic University in Brescia
- ✓ University of Brescia
- ✓ University of Parma
- ✓ University of Genova

4. ENHANCING INTERNAL ORGANIZATION

- **New Service Business Unit**

- ✓ Develop Services Business and Customer Satisfaction
- ✓ Service Business Profitability
- ✓ Service Assurance for all others Business Units

- **Empowerment team management**

- ✓ Strengthening Management by Performance, developing growth plan for managers and employees
- ✓ Efficiency challenge: time optimization and cost saving

- **New Building**

- ✓ **Enlargement Headquarters in Travagliato adding 3000 sqm**
 - 1800 sqm for Production and Warehouse
 - 1200 sqm for additional offices
- ✓ **Design through BIM (Building Information Model)**
 - Reduced Cost and Mitigated Risk
 - Improved Coordination and Clash Detection
 - Greater efficiency in building maintenance

- **Corporate Social responsibility**

- ✓ Internal community
- ✓ Environmental Sustainability
- ✓ Cultural Heritage
- ✓ Social Support
- ✓ Research and Innovation

DISCOVER THE POWER OF TRUSTPARENCY



2019 Business Model

Technological Empowerment

Market Diversification

Internationalization

Track & Trace



Traceability
Serialization



Inspection

Food
Beverage



Smart Data



Artificial
Intelligence



Data
Management



- AV Russia
- AV India
- AV APAC
- AV China
- FT System Spain, Mexico, UK



PHARMA

MEDICAL DEVICES

FOOD

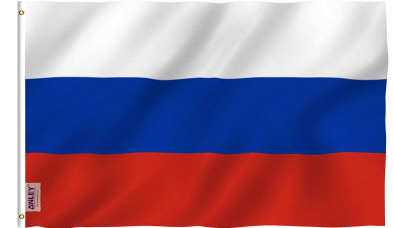
BEVERAGE

COSMETICS

FASHION

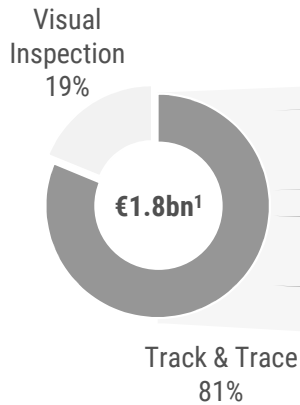
ONGOING TREND: TRACEABILITY BEYOND PHARMACEUTICALS

- **Russia** already introduced serialization in Tobacco and Alcoholics, and is now introducing progressively serialization in several other markets: milk, mineral water, soft drinks, food, tires, shoes, cosmetics, watches and other luxury goods;
Russia is going to be the pilot Country in the world for massive serialization by law.
- **Turkey** (pilot Country for pharmaceutical serialization between since 2012), Brazil, Pakistan, South Africa, etc... are planning to introduce similar regulations
- **China** has introduced law to serialize Food & Beverage within the program Made in China 2025 (main target: quality increase and fight counterfeit products)
- **USA**: after the DSCSA, FDA is seeking to introduce more strict regulations on food traceability: Frank Yannas, former food quality vice-president @ Walmart has been onboarded on FDA as Deputy commissioner for food policy and response
- **Amazon**: introduced Transparency on the US market last year, and is planning to extend it to the main European markets: Germany, UK, France, Italy and Spain by 2020



PHARMACEUTICAL MARKET at the forefront of the technological and regulatory development

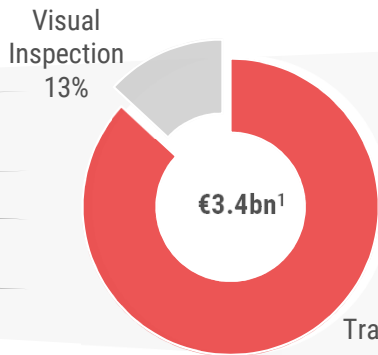
2019



Visual Inspection:
+5.4% CAGR '19-'24

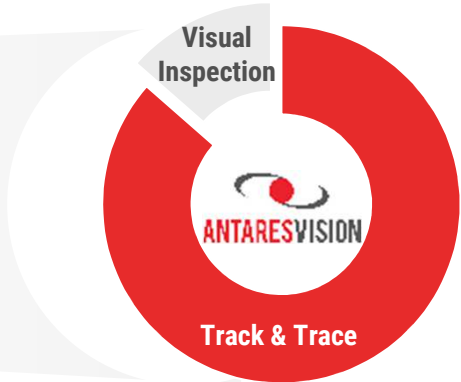
Track & Trace:
+14.8% CAGR '19-'24

2024



Track & Trace
87%

AV potential



Key features

- Advanced technological footprint thanks to earlier regulation enforcement
- T&T solutions focused on the packaging process
- VI sector characterized by more standardized solutions
- Applications focused on prescription drugs

Growth drivers

- Increasing T&T penetration (from 3% in 2017 to 55% in 2025) due to regulatory push
- Growing underlying pharma market (+4.6% CAGR 2017-22)
- Fundamental shift towards technological solutions in the VI sector
- Untapped OTC market (c. €115bn in 2016)

Antares Vision

- Consolidation of leading technological positioning
- Upstream/downstream integration of T&T solutions (e.g. suppliers, customers)
- Cross-selling in the VI sector leveraging relations with existing T&T clients
- Increasing role of smart data management
- T&T replacement cycle (revamping approximately every 6 years)

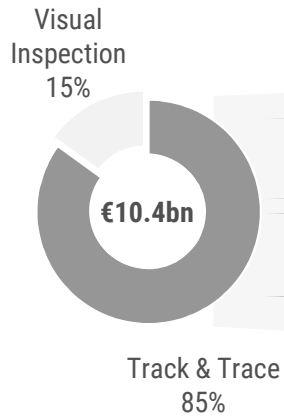
Sources: Company information, Markets and Markets, Efficacy Associates
Notes: (1) Excluding OTC market

ATTRACTIVE MARKET FUNDAMENTALS, DRIVEN BY REGULATORY PUSH, WITH SECULAR TRENDS TOWARDS PRODUCT SAFETY, QUALITY AND TRACEABILITY SOLUTIONS FAVOURING THE PENETRATION OF TRACK & TRACE AND VISUAL INSPECTION SYSTEMS IN NEW SECTORS (2/2)



T&T/VI solutions in the INDUSTRIAL SECTORS will most probably align to the pharmaceutical market standards

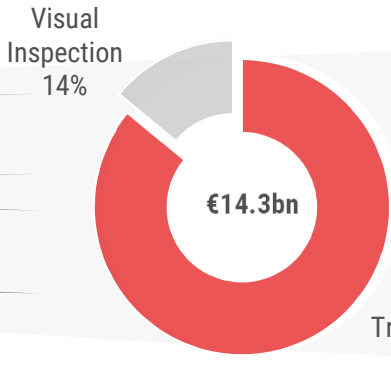
2019



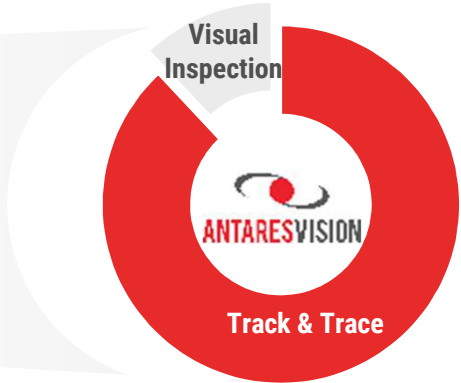
Visual Inspection:
+4.1% CAGR '19-'24

Track & Trace:
+6.9% CAGR '19-'24

2024



AV potential



Key features

Relevant market size vs pharma (c. 6x the currently addressed market)

Technological profile not aligned to the market needs

T&T solutions not applicable to the single SKU

Regulatory evolution starting to enforce structural changes in some industrial sectors

Growth drivers

Positive growth outlook (+6.5% CAGR 2019-24) widespread across several markets



Increasing penetration

Standard T&T solutions replacement cycle

Antares Vision

Best-in-class technology to be the enabling factor of a technological revolution

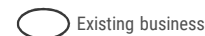
Full supply chain management to track and trace the whole life cycle

Cross-selling in the VI sector providing fully integrated solutions

Increasing role of smart data management

Leverage on industrial investors know-how and experience

Sources: Company information, Markets and Markets, Efficacy Associates
Notes: (1) Testing labs & health institutes, utilities & municipalities and biotechnology



TRACEABILITY AND **SERIALIZATION**

YESTERDAY

Batch Traceability

Expiration Date: 15/06/2020
Batch/ Lot Number: AF 4572



TODAY

Serialization

Expiration Date: 15/06/2020
Batch/ Lot Number: AF 4572

SERIAL NR:
1535893



SERIAL NR:
1473138

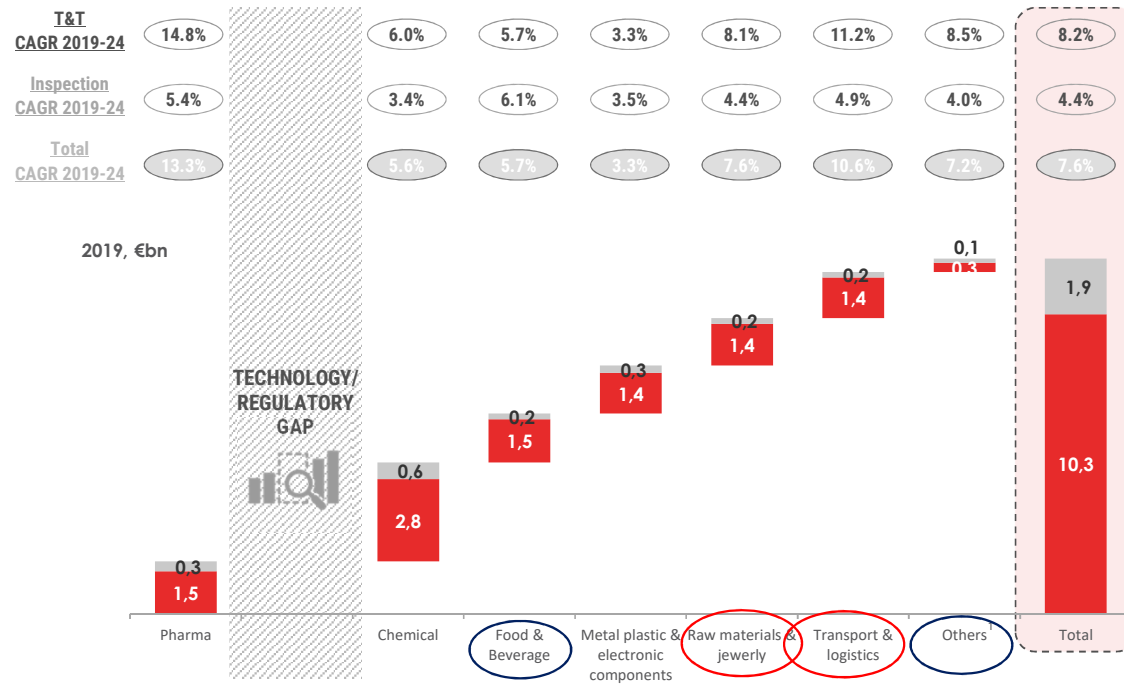


SERIAL NR:
1359134



MARKET SIZE AND TRENDS

Track & trace and inspection solutions market size (2019) and growth trends (2019-24)



- T&T
- Inspection²
- Existing business
- New segments being entered

• The chart highlights that **Pharma represents only c. 15% of the total T&T and VI market currently served**

• The **differentiating factor** (with respect to the industrial market) lies in the **highly advanced technology** implemented to be aligned with the stringent regulation

• The **industrial market is relevant in size but technologically backward** and it will be **disrupted by regulatory and technological waves**

Key growth drivers

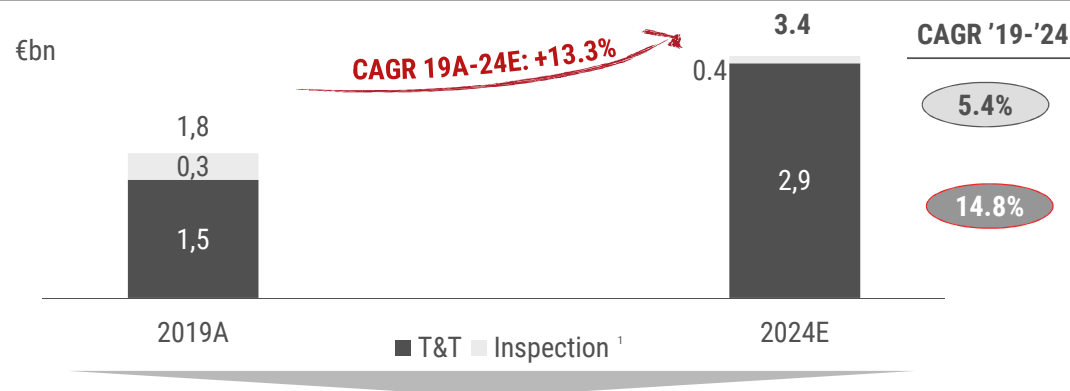
- Track & Trace**
- **Pharma**
 - Regulatory evolution
 - Enlargement to OTC products
 - Increasing penetration
 - **Other industries**
 - Technological alignment to pharma standards
 - Replacement cycle
 - Transparency with consumers
 - Marketing communication
 - Smart supply chain management
- Inspection solutions**
- **Pharma**
 - Regulatory evolution
 - Technological shift
 - Increase productivity and cost savings
 - Safety/quality
 - **Other industries**
 - Increasing penetration
 - Products quality assurance
 - Waste reduction
 - Safety

Sources: Company information, Markets and Markets, Efficacy Associates
 Notes: (1) Testing labs & health institutes, utilities & municipalities and biotechnology; (2) Including visual inspection systems, leak detection systems, x-ray inspection systems and others (e.g. checkweighers, metal detectors)

MARKET SIZE AND TRENDS – FOCUS ON PHARMA MARKET



Track & trace and inspection solutions market size (2019) and growth trends (2019-24)



AV reference market was worth around €1.8bn in 2019 and it is expected to **grow double digits** in the future (+13.3% CAGR 2019-24) mainly driven by **T&T solutions (+14.8% CAGR 2019-24) in combination with hardware and software evolution**

T&T

1. **Growing underlying pharma market** (+4.6% CAGR 2017-22) with untapped OTC potential
2. **Increasing T&T penetration** (from 3% in 2017 to 55% in 2025) due to regulatory push
3. **Expansion of the hardware portfolio**, with new systems and single machines introduced in the market
4. **Empowerment of the software suite** leveraging on digital tools for line, plant and warehouse management

Visual Inspection

1. **Growing underlying pharma market** (+4.6% CAGR 2017-22) with untapped OTC potential
2. **Fundamental shift towards technological solutions** in the VI business
3. **Hardware technology innovation**
4. **Development of smart data management tools** to provide full value chain control and visibility

AV is best positioned to further consolidate its leading technological positioning in its reference market

Sources: Company information, Markets and Markets, Efficacy Associates

Notes: (1) Including visual inspection systems, Leak detection systems, x-ray inspection systems and others (checkweighers, metal detectors, etc.)

APPROACHING COVID-19

CURRENT SITUATION

- ✓ **we are all impacted**, the year will not be 12 months but as if it were 9months.
- ✓ in the short it was definitely a **slowdown** that for us resulted in postponement of orders and installations **but not cancellations**.
- ✓ We expect a **substantial acceleration** (as seems to be happening in China) once we begin to return to normality.

GOALS

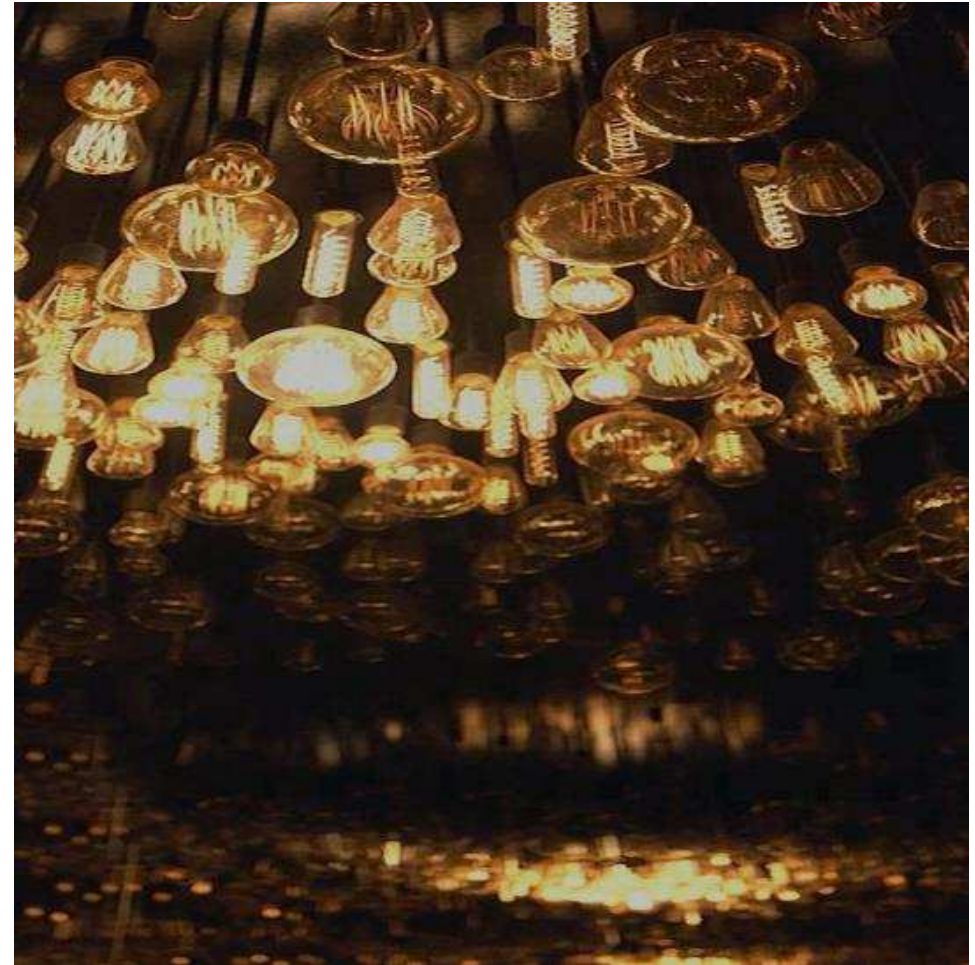
- ✓ Ensuring the **safety** of our team and our customers
- ✓ Keeping on the **business continuity**
- ✓ Continuing with care to keep a **constant, active and transparent communication**

ACTIONS IN PLACE

- **Smart working**
- **Production is working according to safety provisions**
- **#BeSafe**: full package about remote assistance and support for installation, maintenance, alarms.
- **Managing FAT and SAT by live streaming**
- **Digital Healthcare project**
 - Access control system to guarantee safety and compliance with the regulations introduced following the Covid19 emergency
 - Thermal camera for temperature detection
 - Cameras with neural algorithms for verifying the use of the protection mask
 - Counting people and checking compliance with safety distances

COVID-19: EVOLVING OPPORTUNITIES

- ✓ **HEALTH** and **SAFETY** are in priority
- ✓ More **awareness and care** about what we consume to keep a healthy and safe lifestyle
- ✓ **Quality, Integrity, Authentication, Transparency** become part of the ongoing cultural approach
- ✓ **Technology mind-set** will be a strategic driver for shaping the future
- ✓ ***Our business could be accelerated from the new approach to life***



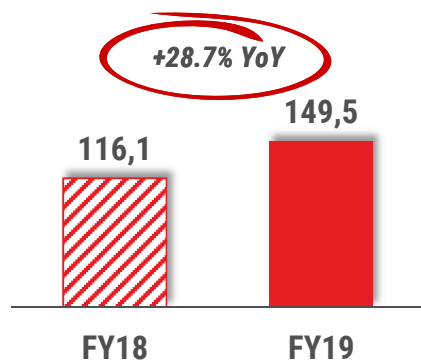
FINANCIAL RESULTS

Alioscia Berto

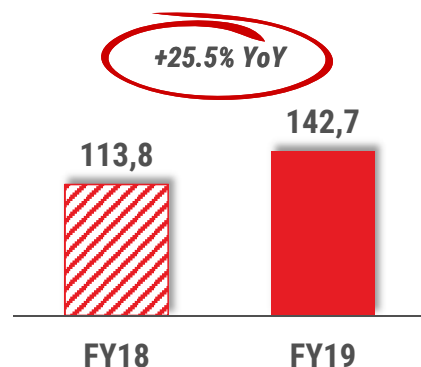
CFO

SNAPSHOT OF RESULTS WITH FTS 12 MONTHS IMPACT

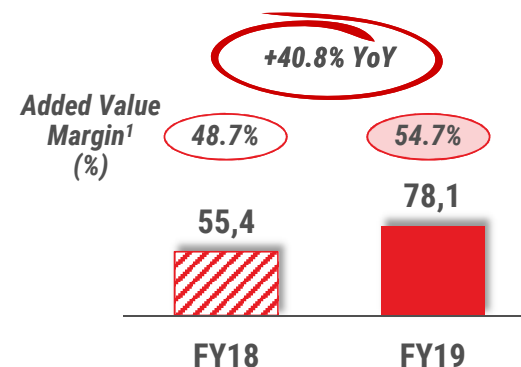
Value of Production (€m)



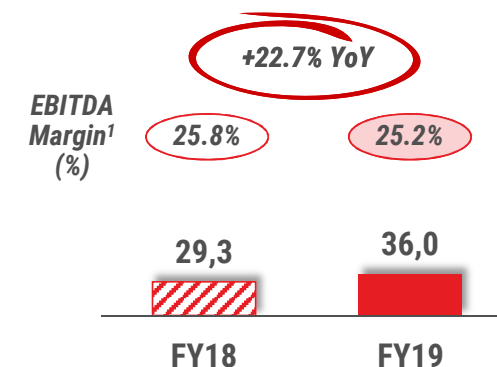
Revenues (€m)



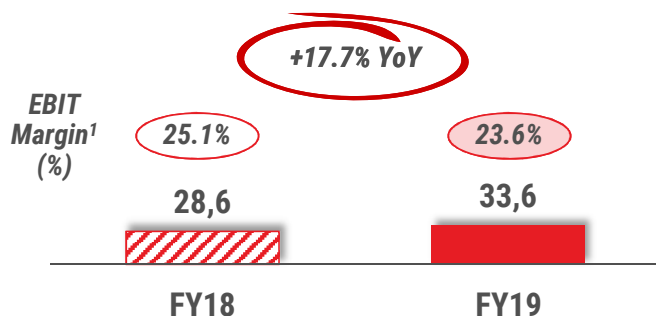
Added Value (€m)



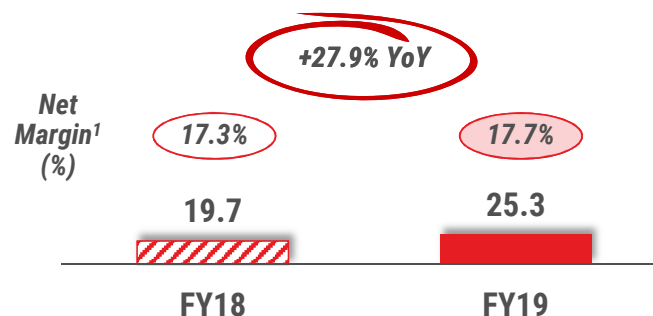
EBITDA (€m)



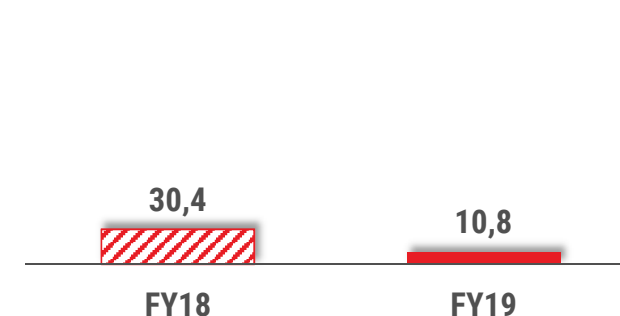
EBIT (€m)



Net Profit (€m)



Net Cash (€m)



Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

(1) Margin calculated on Revenues

HIGHLIGHTS

PERFORMANCE IMPROVEMENT

- **Value of Production is up 28.7%**, backed by a sound increase in Revenues (up 25.5% YoY) also delivered by the FTS acquisition
- **Added Value up 40.8% YoY** thanks to both higher top-line and higher revenues from after-sales services, connected with the larger installed base. In fact, **First Margin** has grown from 63,7% to 72,2%.
- This performance improvement allowed AV to more than compensate the higher **labor cost** (+60%), deriving from (in addition to staff base included in the FTS perimeter) new recruitments necessary to sustain the growth of coming years.
- Consequently **Significant improvement in EBITDA (+22.7%)**.
- **Net profit** registering a 27.9% increase thanks to both performance improvement and positive effect from mark-to-market of warrants, partially compensated by extraordinary IPO and acquisitions costs and by Alp.I asset fair value.

RECENT KEY STRATEGIC INITIATIVES

- AV has completed 2 strategic acquisitions:
 - FTS to **expand the product offer** in the beverage industry, further **extend the geographical presence** and to **develop the cross selling** of Track&Trace and intelligent data management solutions
 - Orobix to **enter the A.I. sector**, through a specialized A.I. service company.
- This will **facilitate the transfer of AV solutions** into extra-Pharma sector, accelerating the diversification process.
- Thanks to the integration of FTS and the transfer of AV technology, we envisage a **significant improvement of FTS profitability**, in line with AV (+500/600 bps).
- The **geographical expansion has continued** with the opening of subsidiaries in Honk-Kong, Russia and India.

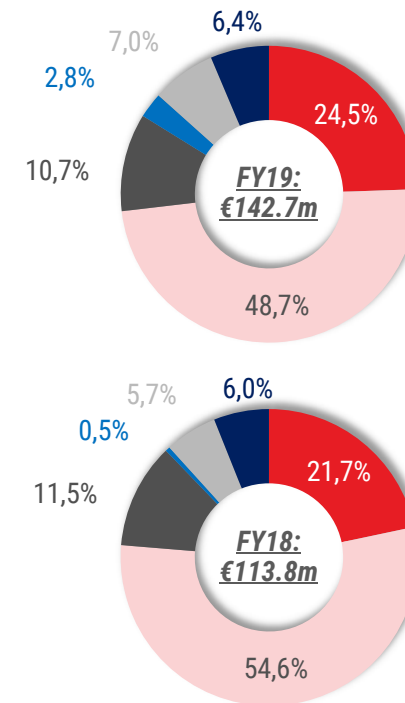
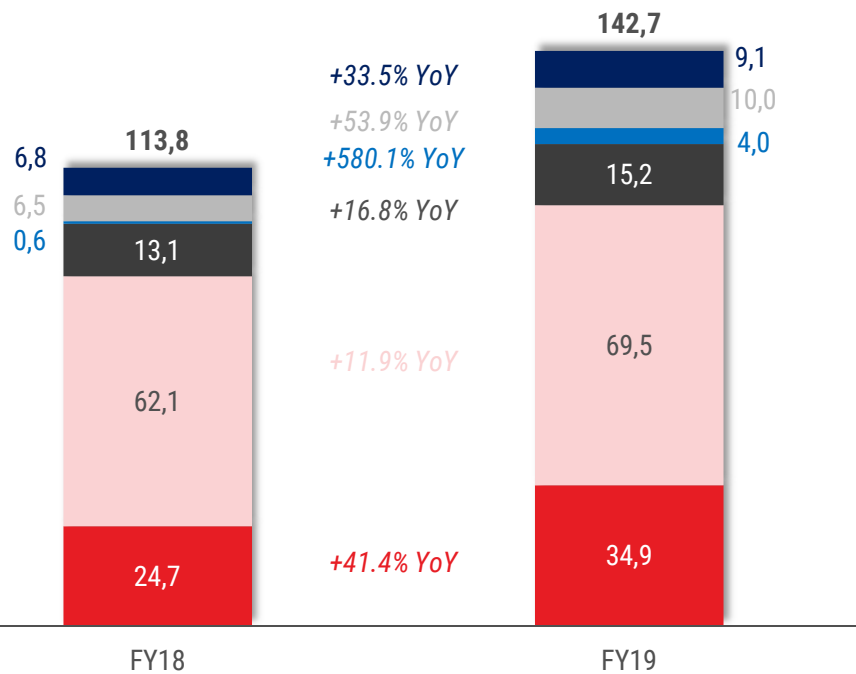
REVENUES BY GEOGRAPHY

Revenues by Geography (€m)

Revenues by Geography (%)

+25.5% YoY

■ Italy ■ RoE ■ North America ■ South America ■ Asia ■ Middle East and Africa



Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

(1) Includes sales of components made to our suppliers which will then be included in the price of the assembled machines

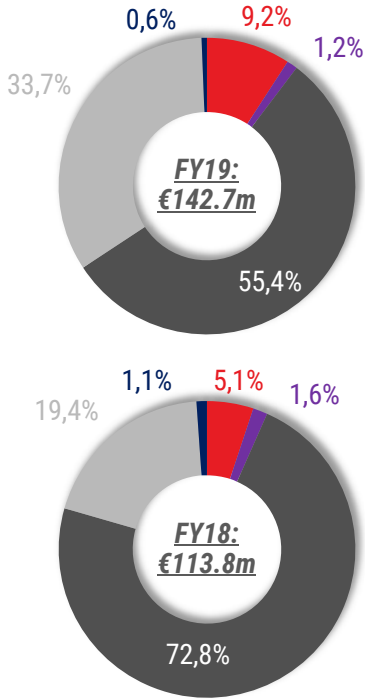
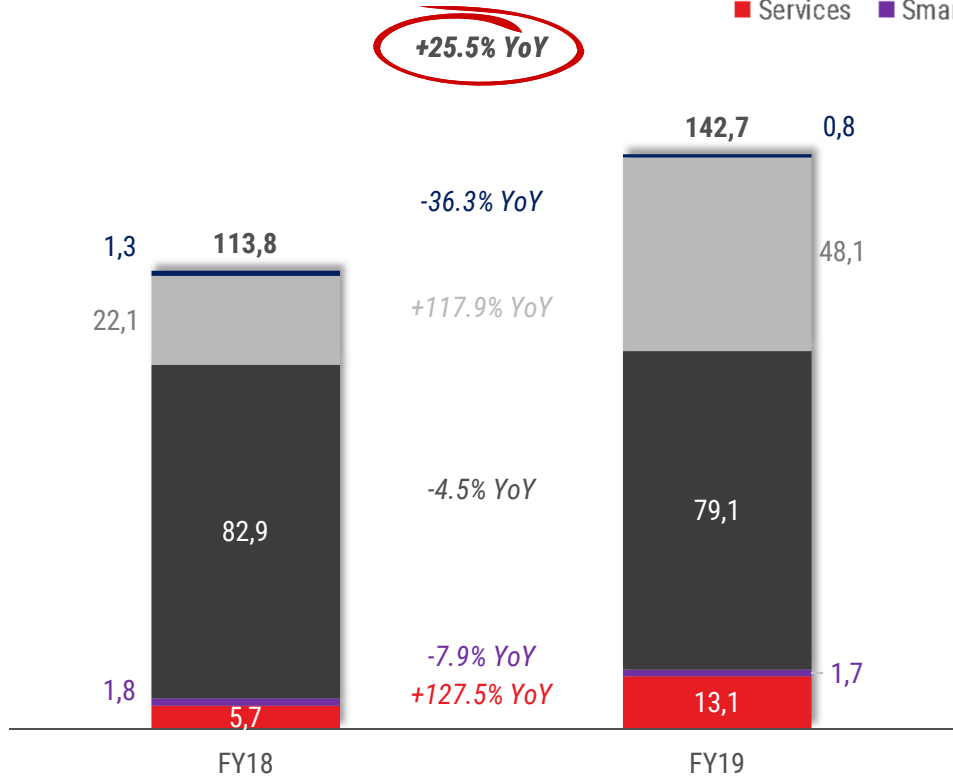
REVENUES BY BUSINESS LINES



Revenues by Business Line (€m)

Revenues by Business Line (%)

■ Services ■ Smart Data ■ T&T ■ Inspection ■ Other

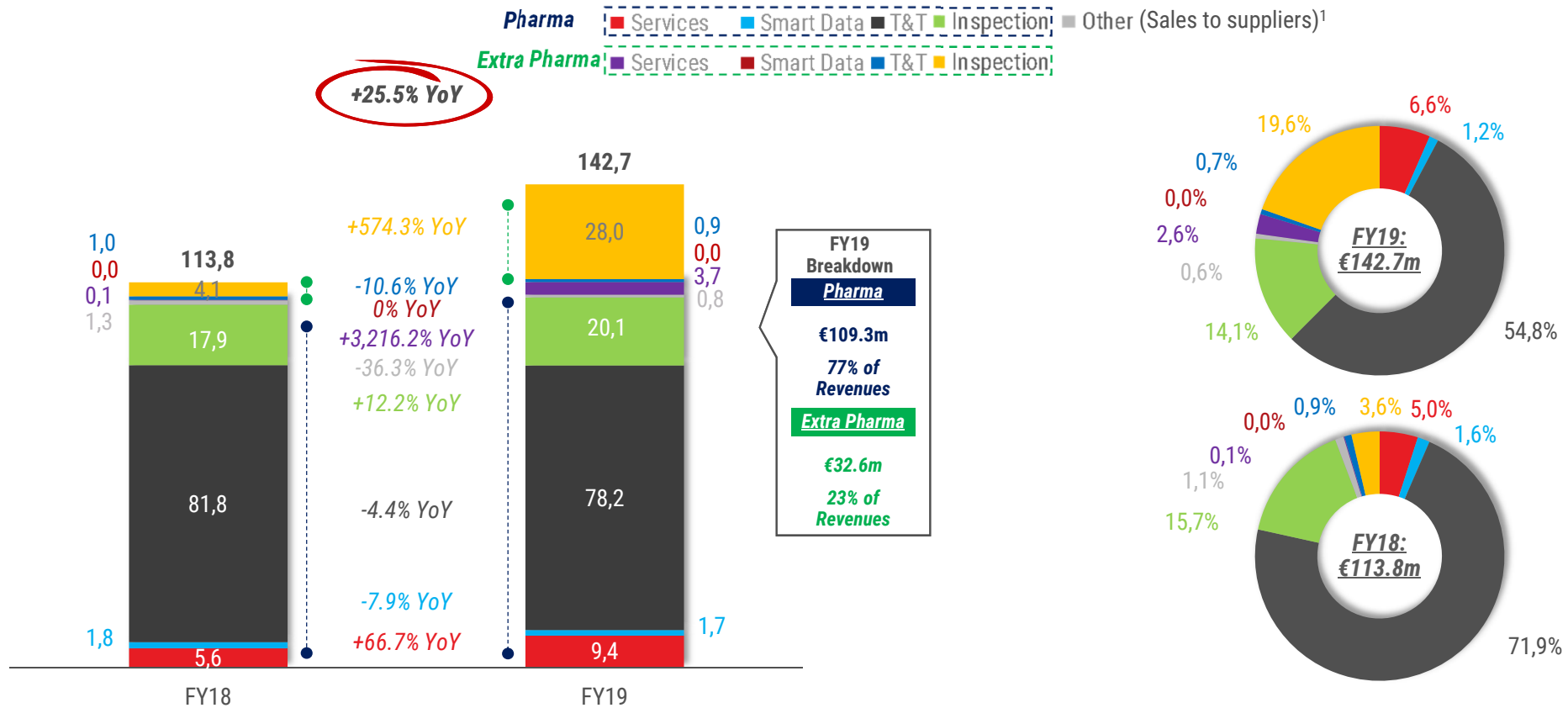


Source: Antares Vision
 Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution
 (1) Includes sales of components made to our suppliers which will then be included in the price of the assembled machines

REVENUES BY INDUSTRY

Revenues by Industry (€m)

Revenues by Industry (%)



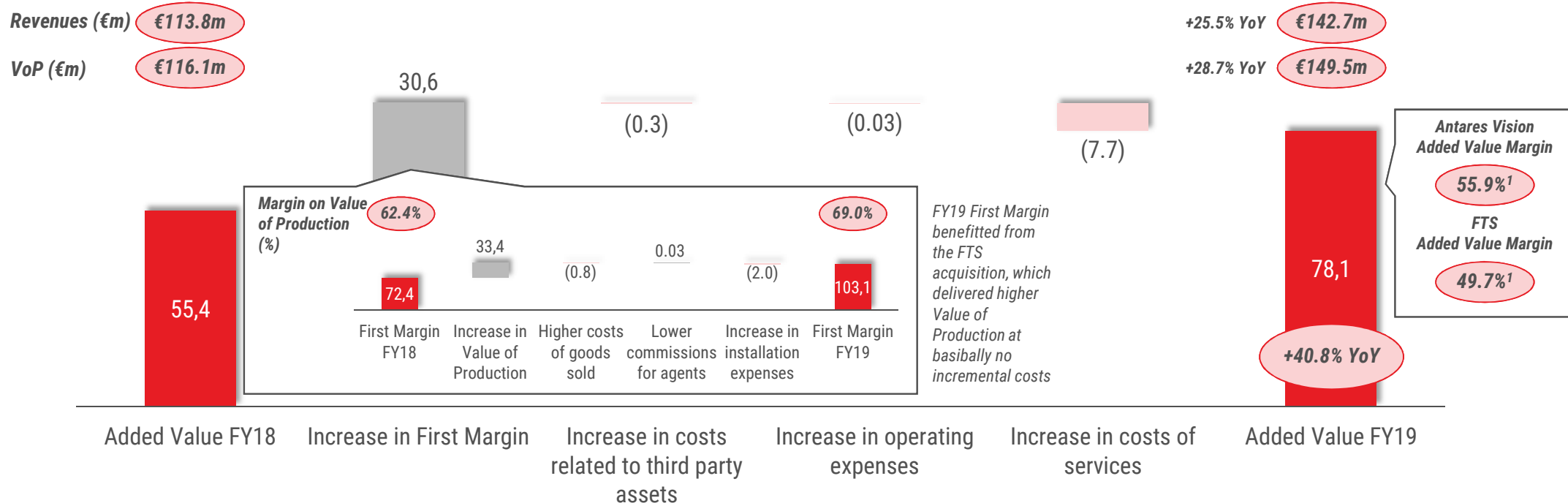
Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

(1) Includes sales of components made to our suppliers which will then be included in the price of the assembled machines

ADDED VALUE WITH FTS 12 MONTHS IMPACT

Evolution of the business model: introduction of recurrent maintenance service on the installed base



Higher revenues from Services and lower contribution from Machinery led to a solid First Margin increase, which turned into greater Added Value and margins. FTS also positively contributed to the top line expansion and expected to increase marginality to AV level

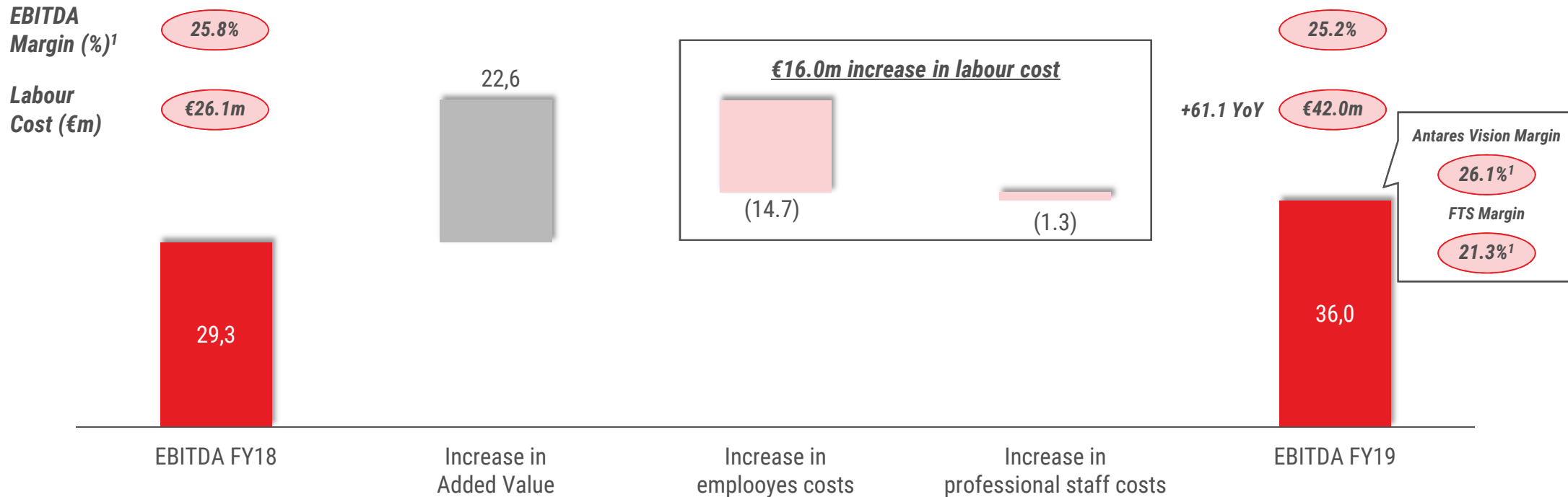
Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

(1) Margin calculated on Revenues

EBITDA WITH FTS 12 MONTHS IMPACT

Despite a significant increase in labour cost, EBITDA grows



**Sustainable increase in labour cost also considering the impact of the FTS acquisition.
Profitability expected to increase to AV level**

Source: Antares Vision

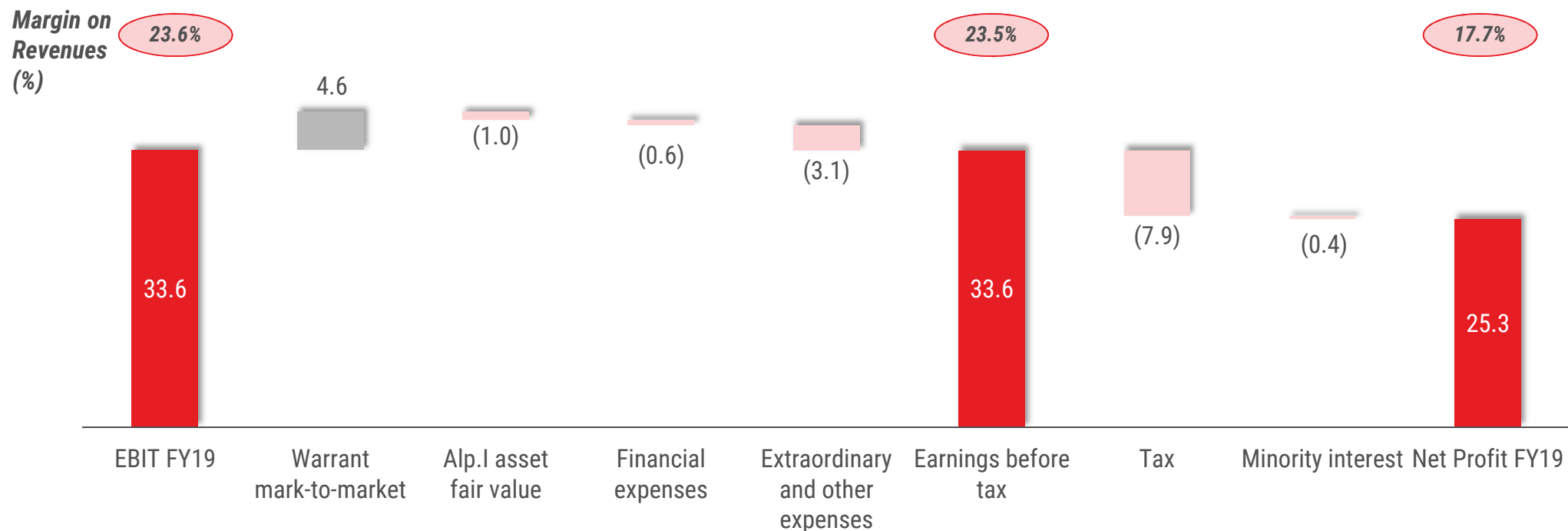
Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

(1) Margin calculated on Revenues

FROM EBIT TO NET PROFIT WITH FTS 12 MONTHS IMPACT



Higher top line and marginality translated into greater operating profitability, which led to higher income



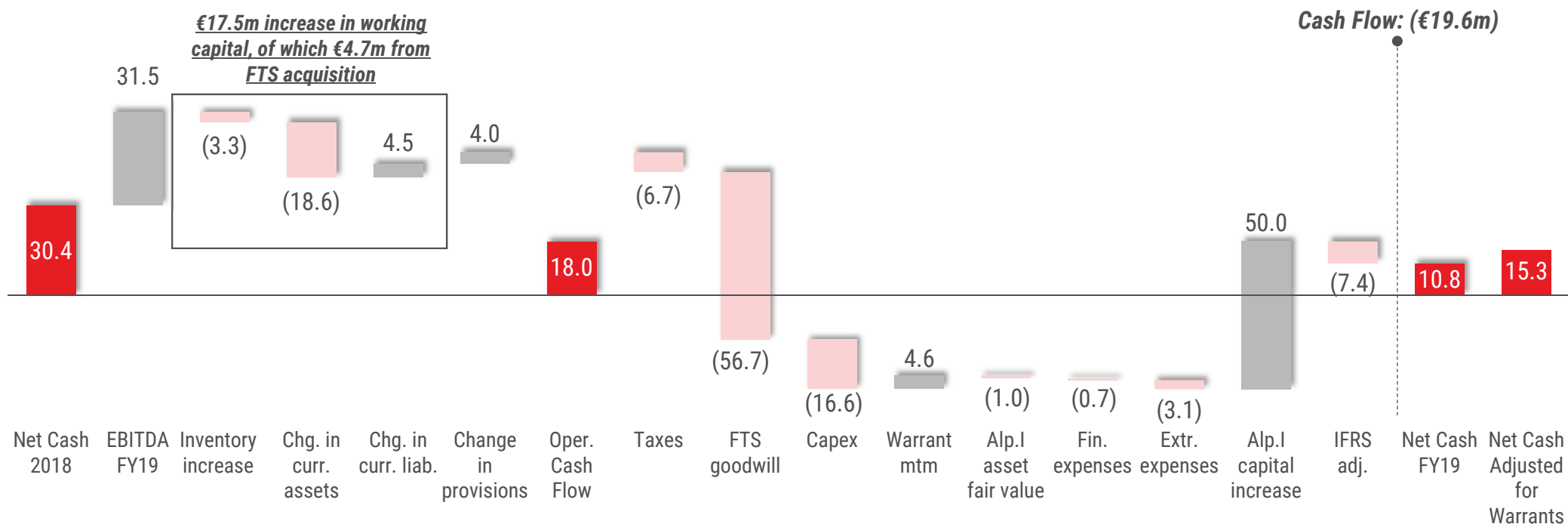
Net profit was positively affected by the FTS contribution

Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including full-year FTS contribution

CASH FLOW AND NET DEBT EVOLUTION

Solid cash generation without considering the impact of FTS acquisition



Positive cash generation at operating level, which more than offset the increased working capital absorption

Source: Antares Vision

Notes: IFRS accounting principles. FY19 cash flow considering actual FTS contribution (i.e. 4Q19 only)

Q&A

APPENDIX

APPENDIX.I

FT SYSTEM ACQUISITION

FT SYSTEM ACQUISITION (100%): TRANSACTION AT A GLANCE



Our Target objective...

FT System, which operates in Italy and abroad, was established in 1998 and specializes in **technologies for control and inspection in bottling**, mainly in the beverage industry, employing ca. 140 resources



With a clear rationale...

Successfully completing **another step towards sound business diversification**, acquiring the **leader in the control and inspection of bottling**, mainly in the beverage industry, **covering all stages of processing**: container control, filling, capping, leakage and pressure verification, labeling, coding, weight and palletizing



Transaction highlights...

The agreement was signed between Antares Vision and the shareholders of FT System, Arol S.p.A. ("Arol"), Fabio Forestelli and Ferdinando Tuberti, holders of, respectively 80%, 10% and 10% of the share capital of FT System.
Equity Value (100%) equal to €67.7m

...achieving

With the acquisition, Antares Vision has taken **control** of FT System as well as, indirectly, of the companies controlled by the latter in **France** and the **United States** and the related business carried out by the divisions operating in **Mexico, Brazil, UK, Spain, China** and **India**

...showed by what we got

Customer portfolio with **over two thousand companies** in **60 countries** with **ca. 5,200 machines installed**, includes large multinational companies producing water, soft drinks, liquor, beer and wines and OEMs (producers and integrators of bottling lines)

...translated in real sound numbers

Revenues FY19E: >€26.0m (of which ca. €18.0m originated abroad)
EBITDA FY19E: ca. €6.0m
EBIT FY19E: ca. €5.7m
Net Cash @ closing date¹: ca. €8.0m

FT SYSTEM ACQUISITION (100%): SYNERGIES AT A GLANCE



FT System will allow Antares Vision to...

- I ...**expand the product offer** in the beverage industry, thanks to the wealth of **know-how** and **expertise** held by the company
- II ...**further extend the geographical presence**, acquiring activities in new countries (Mexico, China, UK and Spain, as well as the USA, France, Brazil and India where Antares Vision is already present)
- III ...increase **market penetration**, benefiting from the company's consolidated customer base and sales force
- IV ...develop the **cross selling**, integrating tracking solutions and intelligent data management

Industrial partnership agreement

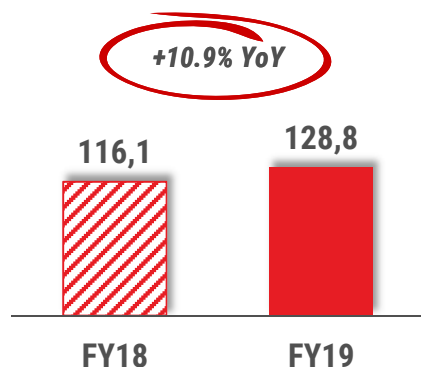
In the context of the acquisition **Antares Vision, FT System** and **Arol** have also signed an agreement aimed at establishing an **industrial partnership**, with the primary objective of building a **competitive advantage on the market thanks to a complete offer**: control and inspection for meet quality standards; product traceability along the supply chain to ensure transparency; intelligent management of production data to maximize efficiency.

APPENDIX.II

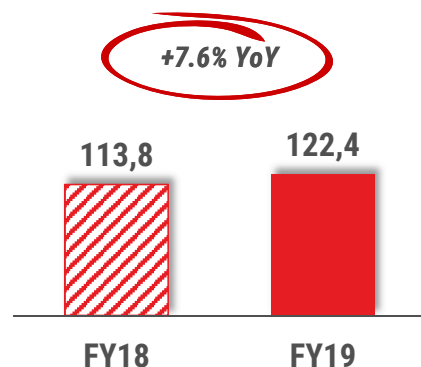
FY19 RESULTS WITH FTS 3 MONTHS IMPACT

SNAPSHOT OF RESULTS WITH FTS 3 MONTHS IMPACT

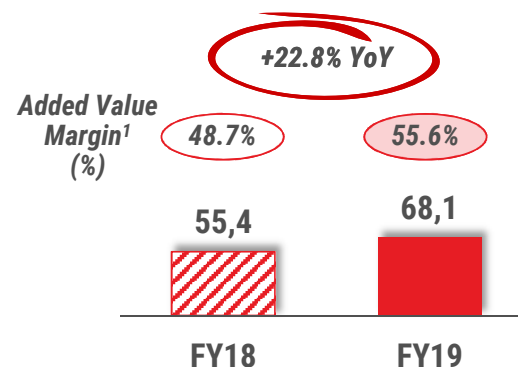
Value of Production (€m)



Revenues (€m)



Added Value (€m)

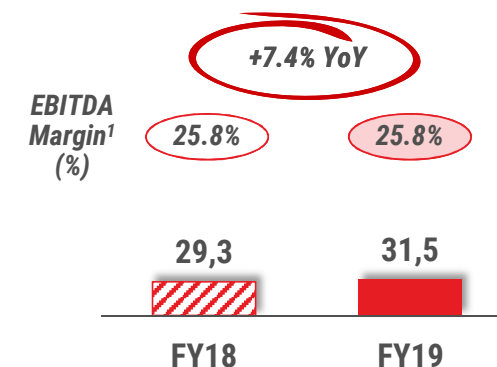


Added Value Margin¹ (%)

48.7%

55.6%

EBITDA (€m)

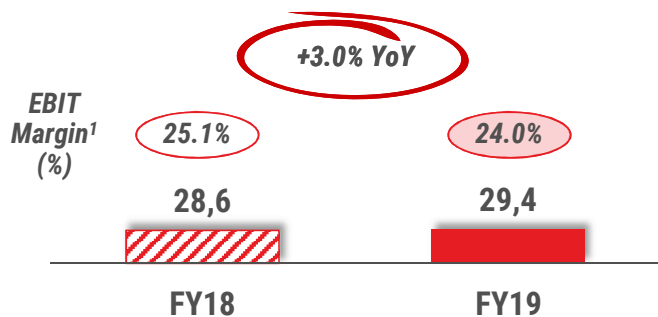


EBITDA Margin¹ (%)

25.8%

25.8%

EBIT (€m)

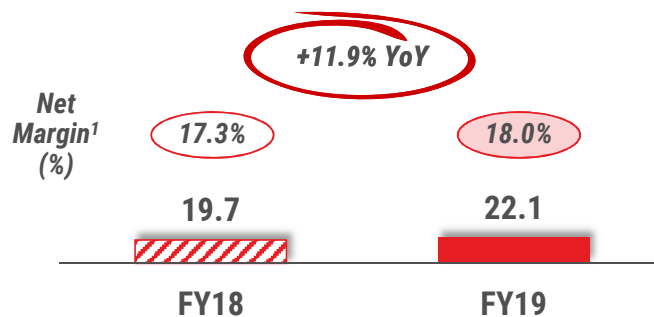


EBIT Margin¹ (%)

25.1%

24.0%

Net Profit (€m)

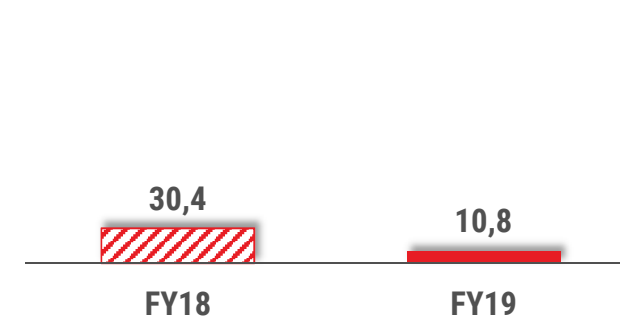


Net Profit Margin¹ (%)

17.3%

18.0%

Net Cash (€m)



Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including actual FTS contribution (i.e. 4Q19 only)

(1) Margin calculated on Revenues

ADDED VALUE WITH FTS 3 MONTHS IMPACT



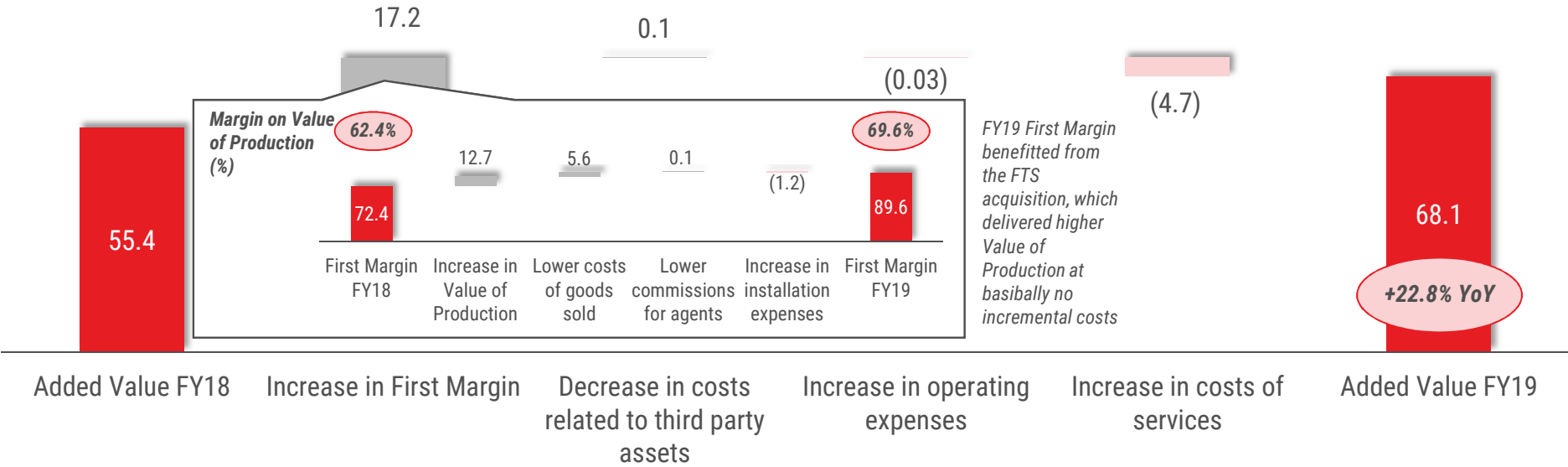
Evolution of the business model: introduction of recurrent maintenance service on the installed base

Revenues (€m) €113.8m

+7.6% YoY €122.4m

VoP (€m) €116.1m

+10.9% YoY €128.8m



Higher revenues from Services and lower contribution from Machinery led to a solid First Margin increase, which turned into greater Added Value and margins. FTS also positively contributed to the top line expansion and expected to increase marginality to AV level

Source: Antares Vision
 Notes: IFRS accounting principles. FY19 figures including actual FTS contribution (i.e. 4Q19 only)

EBITDA WITH FTS 3 MONTHS IMPACT

Despite a significant increase in labour cost, EBITDA grows



***Sustainable increase in labour cost also considering the impact of the FTS acquisition.
Profitability expected to increase to AV level***

Source: Antares Vision

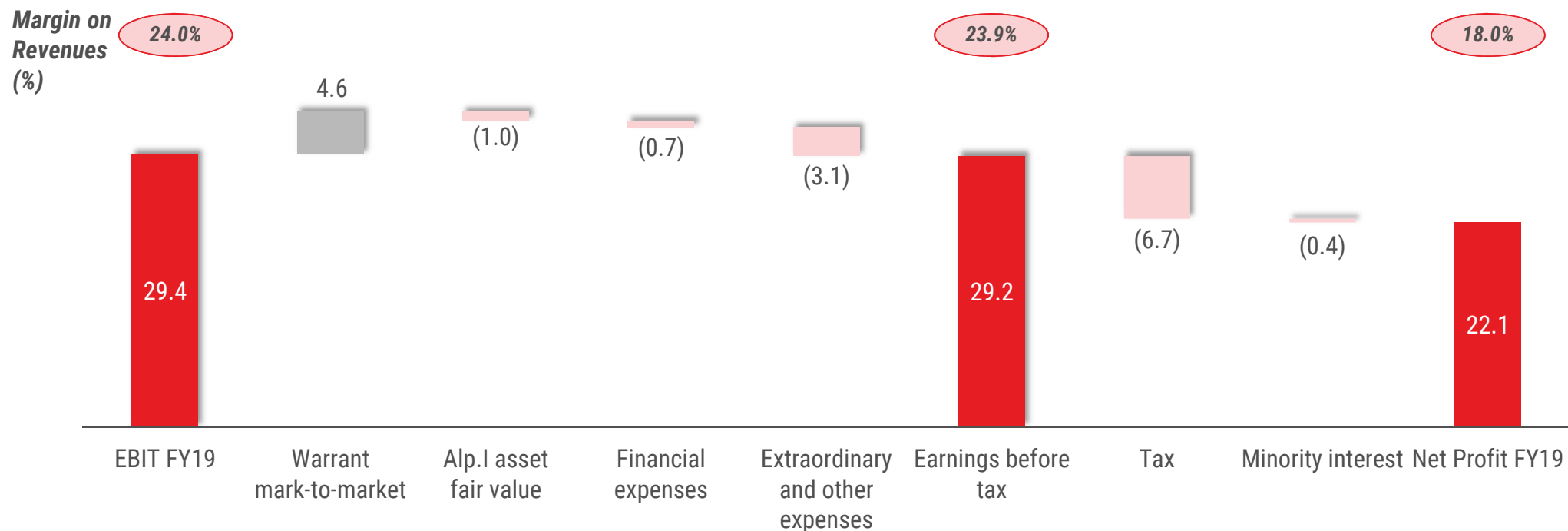
Notes: IFRS accounting principles. FY19 figures including actual FTS contribution (i.e. 4Q19 only)

(1) Margin calculated on Revenues

FROM EBIT TO NET PROFIT WITH FTS 3 MONTHS IMPACT



Higher top line and marginality translated into greater operating profitability, which led to higher income



Net profit was positively affected by the FTS contribution

Source: Antares Vision

Notes: IFRS accounting principles. FY19 figures including actual FTS contribution (i.e. 4Q19 only)

APPENDIX.III

RECLASSIFIED FINANCIAL STATEMENTS AND IFRS RECONCILIATION DETAILS

INCOME STATEMENT

INCOME STATEMENT

€'000	FY19 FTS 3M	FY19 FTS 12M	FY18	Δ% VS FTS 12M	Δ% VS FTS 3M
Revenues	122,405	142,747	113,786	25.5%	7.6%
Value of Production (VoP)	128,791	149,469	116,102	28.7%	10.9%
COGS	(30,817)	(37,218)	(36,422)	2.2%	(15.4%)
Commercial costs	(3,089)	(3,188)	(3,219)	(1.0%)	(4.0%)
Installation expenses	(5,241)	(5,992)	(4,025)	48.9%	30.2%
First Margin	89,644	103,071	72,436	42.3%	23.8%
First Margin % on Revenues	73.2%	72.2%	63.7%		
Third party assets	(1,394)	(1,844)	(1,533)	20.3%	(9.1%)
Operating expenses	(133)	(134)	(101)	33.1%	31.9%
Services	(20,045)	(23,042)	(15,363)	50.0%	30.5%
Added Value	68,071	78,050	55,438	40.8%	22.8%
Added Value % on Revenues	55.6%	54.7%	48.7%		
Labour cost	(36,544)	(42,045)	(26,092)	61.1%	40.1%
EBITDA	31,528	36,006	29,346	22.7%	7.4%
EBITDA % on Revenues	25.8%	25.2%	25.8%		
D&A and provisions	(2,108)	(2,380)	(777)	n.m.	n.m.
EBIT	29,420	33,626	28,569	17.7%	3.0%
EBIT % on Revenues	24.0%	23.6%	25.1%		
Financial items	2,882	3,018	(922)	n.m.	n.m.
Extraordinary and other items	(3,075)	(3,075)	(427)	n.m.	n.m.
Earnings before tax (EBT)	29,227	33,568	27,220	27.0%	11.0%
EBT % on Revenues	23.9%	23.5%	23.9%		
Taxes	(6,734)	(7,907)	(7,454)	6.1%	(9.7%)
Net Profit	22,493	25,661	19,766	29.8%	13.8%
Minority interest	(410)	(410)	(29)	n.m.	n.m.
Net profit of the group	22,083	25,251	19,737	27.9%	11.9%
Net profit % on Revenues	18.0%	17.7%	17.3%		

Source: Antares Vision

Notes: IFRS accounting principles. FTS FY19 3M figures include FTS contribution for 4Q19 only, while FTS FY19 12M figures include FTS full-year contribution

KEY COMMENTS

- ① **Value of Production** was strongly up by 28.7% YoY, backed by a solid increase in **Revenues**, which augmented by 25.5% with respect to the previous year figure
- ② **First Margin** and **Added Value** up **42.3%** and **40.8%** YoY thanks to both higher top-line and higher portion of revenues from after-sales services. This translated into higher marginality: +850bps for First Margin and +600bps for Value added
- ③ Higher **labor cost** deriving from staff base included in the FTS perimeter (+30%), and AV recruitments (+31%), necessary to sustain the growth of coming years. Consequently **Significant improvement in EBITDA (+22.7%)**
- ④ **Net Profit** is up by 27.9% YoY thanks to both performance improvement and positive effect from mark-to-market of warrants, partially compensated by extraordinary IPO and acquisitions costs and by Alp.I asset fair value

BALANCE SHEET

BALANCE SHEET

€'000	FY18	FY18 % on NIC	FY19	FY19 % on NIC
Tangible assets	6,556	29.4%	13,959	13.1%
Intangible assets	2,287	10.3%	62,641	58.6%
Financial assets	-	0.0%	3,813	3.6%
Fixed assets	8,843	39.7%	80,414 ^①	75.2%
Inventory	22,241	99.8%	25,574	23.9%
Trade receivables	41,451	186.1%	56,505	52.8%
Trade payables	(26,287)	118.0%	(29,731)	27.8%
TWC	37,405	167.9%	52,349	48.9%
Other assets	13,460	60.4%	17,014	15.9%
Other liabilities	(34,303)	154.0%	(35,309)	33.0%
NWC	16,563	74.4%	34,054 ^②	31.8%
Employees' leaving indemnity	(2,601)	11.7%	(5,687)	5.3%
Bad debt and other provisions	(529)	2.4%	(1,817)	1.7%
Net Invested Capital (NIC)	22,276	100.0%	106,964	100.0%
Cash and cash equivalents	62,619	281.1%	118,380	110.7%
Financial debt	(25,529)	114.6%	(99,844)	93.3%
Leasing debt	(6,707)	30.1%	(7,760)	7.3%
Net Cash	30,383	136.4%	10,776 ^③	10.1%
Warrant mark-to-market			4,514	4.2%
Net Cash Adjusted			15,291	14.3%
Equity	52,659	236.4%	117,740 ^④	110.1%

Source: Antares Vision
Notes: IFRS accounting principles

KEY COMMENTS

- ① **Fixed assets** increase is mainly related to the FTS acquisition, which generated a €56.7m goodwill, to real estate investment to enlarge offices and production spaces and development investments
- ② **Net Working Capital** increased substantially due to change in perimeter for FTS acquisition. Days on sales of TWC slightly increased due to different seasonality: higher sales in H2 2019 compared to 2018
- ③ **Still Positive Net Financial Position (Net Cash)** despite significant acquisitions and capex in real estate and development costs. Cash and cash equivalent increased significantly thanks to new long term bi-lateral financings (with no guarantee and minimal covenants) to be used for potential acquisition. Average cost post taxes of 0.8% with 5 to 6 year duration. Net Cash has been adjusted for warrants effects (which will never translate into a cash-out)
- ④ **Equity** was significantly higher, reaching roughly €120m, thanks to the capital increase from the business combination with Alp.I and the significant net profit, although reduced by €44m from IFRS adjustments

CASH FLOW STATEMENT

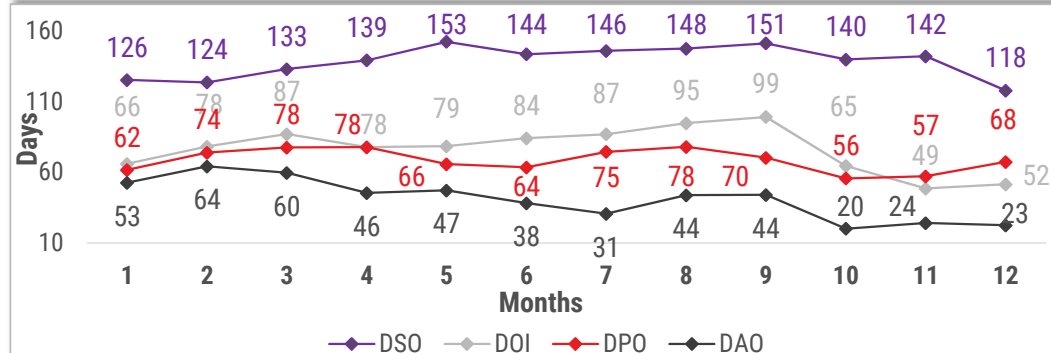
CASH FLOW STATEMENT

€'000	FY18	FY19 FTS 3M
EBITDA	29,346	31,528
Inventory	2,342	(3,333)
Trade Receivables	(9,702)	(15,054)
Other Current Assets	(7,383)	(3,554)
Advances From Clients	(5,217)	(3,744)
Trade Payables	1,757	7,188
Other Current Liabilities	28,030	1,006
Total Change in Working Capital	9,827 ^①	(17,491)
Employees' leaving indemnity	1,027	3,086
Other Funds	45	389
Bad Debt	221	535
Operating Cash Flow	40,466	18,047
Taxation	(7,454)	(6,734)
Capex	(2,688)	(73,315)
Operating Cash Flow post Taxation and Capex	30,324	(62,002)
Financial expenses	(922)	2,882
Extraordinary expenses	(431)	(3,076)
Change in Net Equity	(7,663)	42,588
Net Cash Flow	21,308	(19,608)
Net Cash BoP	9,071	30,383
Net Cash EoP	30,383	10,776
Net Cash EoP Adjusted for Warrants		15,291

KEY COMMENTS

- Total Change in Net Working Capital** trend was mainly attributable to:
 - Change in perimeter for FTS acquisition
 - Higher sales in H2 2019 than in H2 2018, which translated in higher DSO, DPO and lower DOI and Advances
 - IFRS 15 adjustments which has generate other liabilities form more than €25m
- Monthly trend of **Trading working capital** shows significant improvement since the introduction of a credit specialist, dedicated to receivables collection. Also inventory and Payables highlight a substantial progress
- Capex** increase mainly due FTS and Orobix acquisition, Tangible and Intangible investments and Investments for new subsidiary openings

TRADING WORKING CAPITAL DETAILS – MONTHLY EVOLUTION¹



Source: Antares Vision

Notes: IFRS accounting principles. FY19 cash flow considering actual FTS contribution (i.e. 4Q19 only)

(1) Excluding FTS

INCOME STATEMENT – IFRS RECONCILIATION

Detailed overview of main income statement IFRS items reconciliation to Italian GAAP

€'000	FY18 GAAP	Adjustments	FY18 IFRS		FY19 GAAP	Adjustments	FY19 IFRS
Revenues	119,165	(5,380)	113,786		142,664	83	142,747
Value of Production (VoP)	121,482	(5,380)	116,102		149,386	83	149,469
COGS	(37,577)	1,155	(36,422)		(37,154)	(64)	(37,218)
Commercial costs	(3,219)	-	(3,219)		(3,190)	2	(3,188)
Installation expenses	(4,025)	-	(4,025)		(5,992)	-	(5,992)
First Margin	76,661	(4,225)	72,436	①	103,050	21	103,071
First Margin % on Revenues	64.3%		63.7%		72.2%		72.2%
Third party assets	(1,533)	-	(1,533)	②	(2,668)	824	(1,844)
Operating expenses	(101)	-	(101)		(134)	-	(134)
Services	(15,363)	0	(15,363)		(23,075)	33	(23,042)
Added Value	59,663	(4,225)	55,438		77,173	877	78,050
Added Value % on Revenues	50.1%		48.7%		54.1%		54.7%
Labour cost	(26,107)	14	(26,092)	③	(42,099)	54	(42,045)
EBITDA	33,556	(4,211)	29,346		35,075	931	36,006
EBITDA % on Revenues	28.2%		25.8%		24.6%		25.2%
D&A and provisions	(871)	94	(777)	④	(1,921)	(459)	(2,380)
EBIT	32,686	(4,117)	28,569		33,154	472	33,626
EBIT % on Revenues	27.4%		25.1%		23.2%		23.6%
Financial items	(897)	(26)	(922)	⑤ ⑥	(455)	3,473	3,018
Extraordinary and other items	(259)	(169)	(427)	④	(1,611)	(1,464)	(3,075)
Earnings before tax (EBT)	31,531	(4,311)	27,220		31,087	2,481	33,568
EBT % on Revenues	26.5%		23.9%		21.8%		23.5%
Taxes	(8,656)	1,202	(7,454)		(8,261)	353	(7,907)
Net Profit	22,874	(3,109)	19,766		22,826	3,835	26,661
Minority interest	(306)	277	(29)		(372)	(38)	(410)
Net profit of the group	22,568	(2,832)	19,737		22,455	2,797	25,251
Net profit % on Revenues	18.9%		17.3%		15.7%		17.7%

IFRS Adjustments

- ① IFRS 15: revenues recognition
- ② IFRS 16: Leasing
- ③ IAS 19: Severance Indemnity Fund
- ④ IAS 38: Intangible Assets
- ⑤ IAS 32: Warrant
- ⑥ IFRS 2: Share based payment
- ⑦ Other minor adjustment: India consolidation with equity method

Source: Antares Vision

Notes: FY19 figures including full-year FTS contribution

BALANCE SHEET – IFRS RECONCILIATION

Detailed overview of main balance sheet IFRS items reconciliation to Italian GAAP

€'000	FY18 GAAP	Adjustments	FY18 IFRS		FY19 GAAP	Adjustments	FY19 IFRS
Tangible assets	6,556	-	6,556	②	11,198	2,762	13,959
Intangible assets	2,362	(75)	2,287	④	64,310	(1,669)	62,641
Financial assets	-	-	-		3,813	-	3,813
Fixed assets	8,917	(75)	8,843		79,321	1,093	80,414
Inventory	22,241	-	22,241		25,574	-	25,574
Trade receivables	41,451	-	41,451		56,505	-	56,505
Trade payables	(26,287)	-	(26,287)		(29,731)	-	(29,731)
TWC	37,405	-	37,405		52,349	-	52,349
Other assets	6,700	6,760	13,460		9,222	7,792	17,014
Other liabilities	(8,926)	(25,377)	(34,303)	①	(9,999)	(25,309)	(35,309)
NWC	35,180	(18,617)	16,563		51,571	(17,518)	34,054
Employees' leaving indemnity	(2,102)	(499)	(2,601)	③	(4,221)	(1,466)	(5,687)
Bad debt and other provisions	(529)	-	(529)		(1,817)	-	(1,817)
Net Invested Capital	41,467	(19,191)	22,276		124,855	(17,891)	106,964
Cash and cash equivalents	62,619	-	62,619		118,380	-	118,380
Financial debt	(25,529)	-	(25,529)	⑤	(95,330)	(4,514)	(99,844)
Leasing debt	(6,707)	-	(6,707)	②	(5,446)	(2,314)	(7,760)
Net Cash	30,383	-	30,383		17,604	(6,828)	10,776
Equity	71,850	(19,191)	52,659	① ② ③ ④ ⑤ ⑥	142,459	(24,719)	117,740

IFRS Adjustments

- ① IFRS 15: revenues recognition
- ② IFRS 16: Leasing
- ③ IAS 19: Severance Indemnity Fund
- ④ IAS 38: Intangible Assets
- ⑤ IAS 32: Warrant

Source: Antares Vision