



Investor Presentation

Feb 2024

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Management Team



Gianmarco Lanza Chairman and CEO

38 years old, graduated from the Istituto Tecnico ISS Valle Seriana he entered the family business where he took over management and control at the age of 23. In FAE Technology he directly contributed to each phase of company' growth, starting from a structure that generated about € 2.5 million of revenues with 20 employees. In particular, he managed the dimensional growth up to the current structure, the increase in company know-how, the expansion of services to the market and the positioning in terms of brand and perceived value.

Marco Ferrari CFO

39 years old, he obtained a degree in Business Administration and a Master of Science in Accounting Finance and Control from Università Commerciale "Luigi Bocconi". Prior to joining FAE Technology Marco was Chief Corporate Officer of Talent Garden S.p.A. in charge of Finance & Accounting, Financial control, Legal and M&A and Investors Relation. In previous experience he was for seven years Group Chief Financial Officer in Directa Plus, an AIM listed company. Other experiences include EY and Deutsche Bank.



Management Team



Dario Ne Operation Manager

42 years old, graduated from I.T.I.S. P. Paleocapa and he brings with him 20 years of experience in Electronic Manufacturing. He focused his expertise in quality management system certification and process analysis. Over the past 5 years at FAE Technology, he added significant contributions towards IATF automotive certification process. In the last 2 years as the COO, he actively managed the implementation of FAE Technology's new production layout and assets, fostering its continuous growth.

Gabriele Braga Sales & Mkt Manager

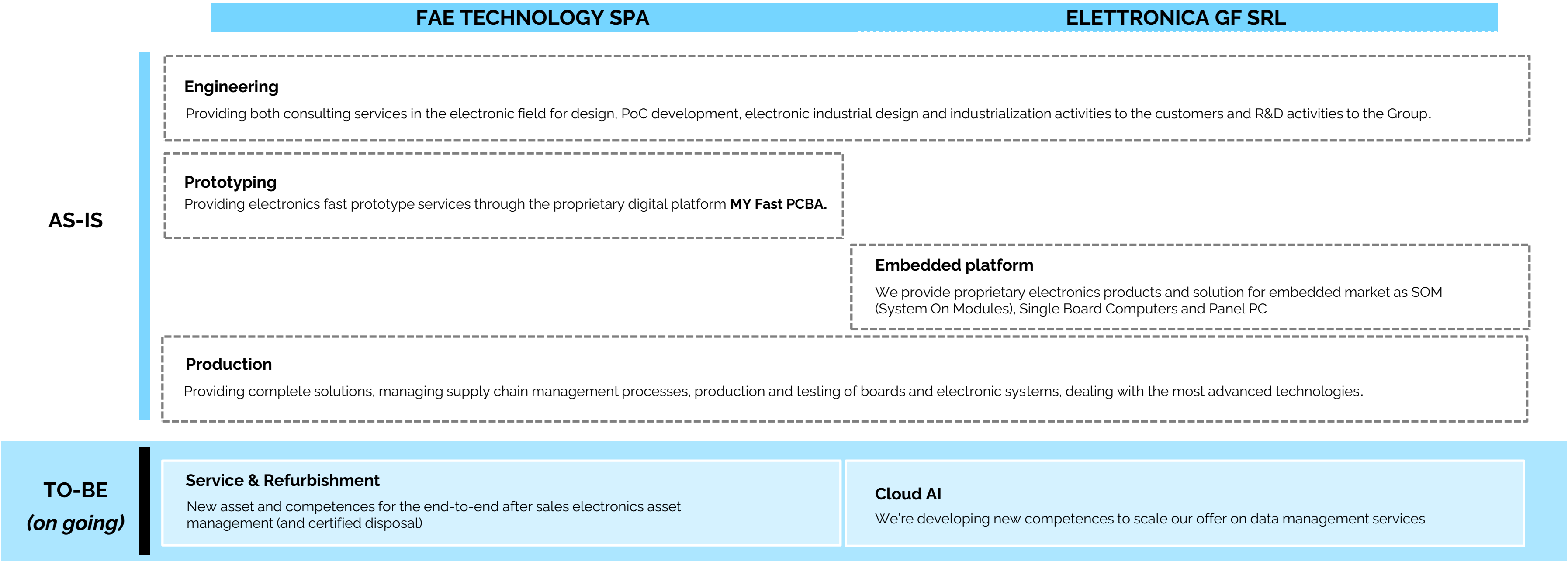
52 years old, he holds a degree in electronic engineering from the University of Bologna. His career began as a design engineer in the telecom, and he later dedicated most of his professional life to semiconductor technology and applications, while working at Arrow Electronics Inc, where he held various roles spanning engineering, marketing, and sales across different markets and regions. Currently, he serves as a board member at the Italian Electronic Industrial Association (ANIE). In 2022, he joined FAE Technology with the responsibility of expanding the company's mkt presence and evolving its business model.



What we do

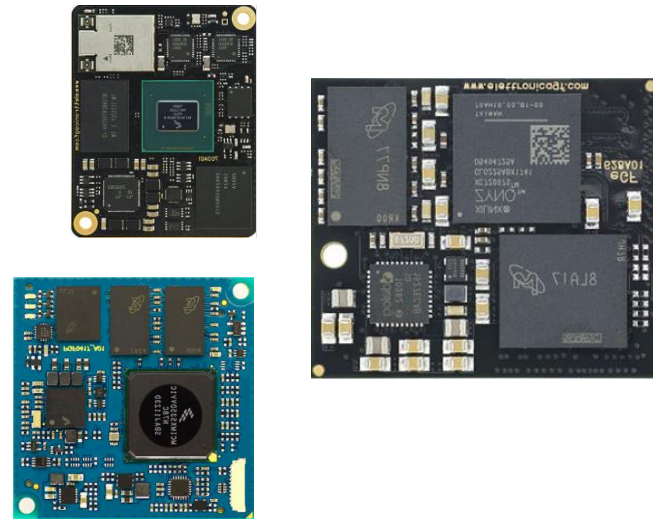
The Group operates in the electronics market as a solution provider, in particular FAE Technology Spa operates in the **engineering - from PoC to industrial - , prototyping and manufacturing services for custom electronic products** and Elettronica GF srl operates as a provider of **own products, platform and solutions for electronics embedded market**.

Thanks to our integrated services, knowhow and product line, **we're able to manage the complete lifecycle** of different solutions in the field of embedded electronics, from sensors to edge computing.

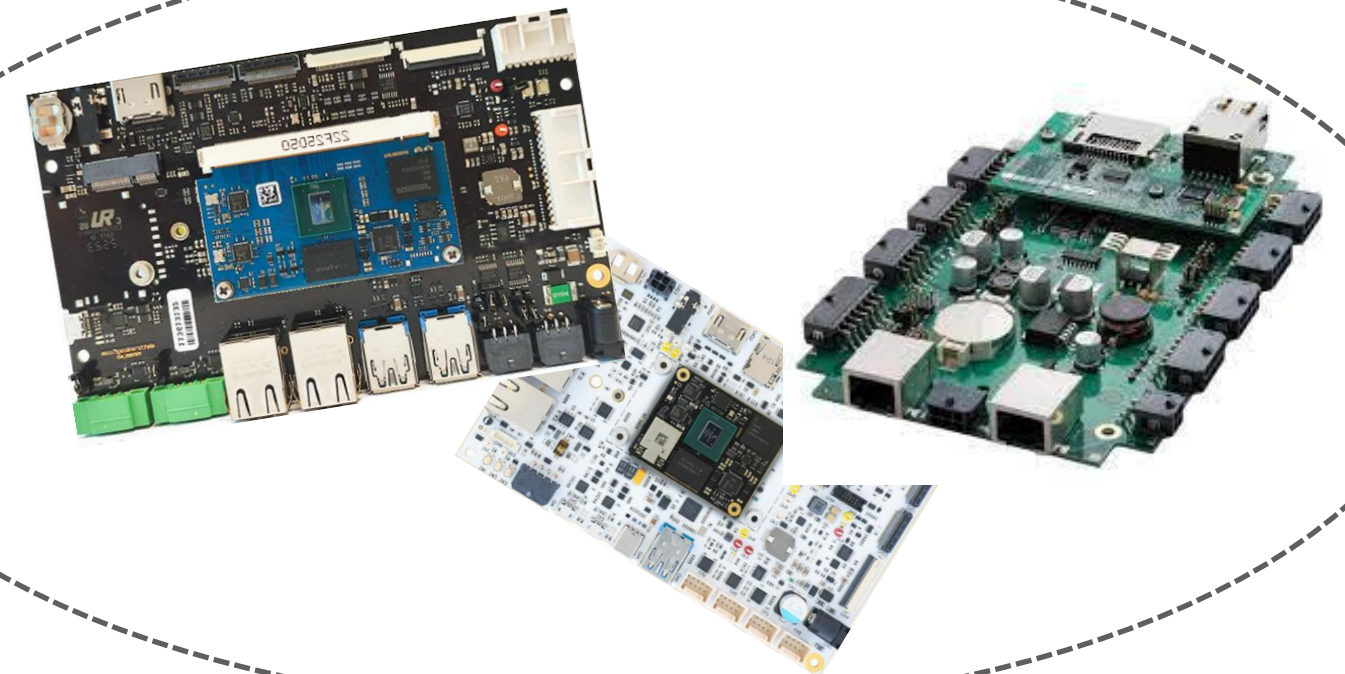


What we do – Products at a glance

SOM



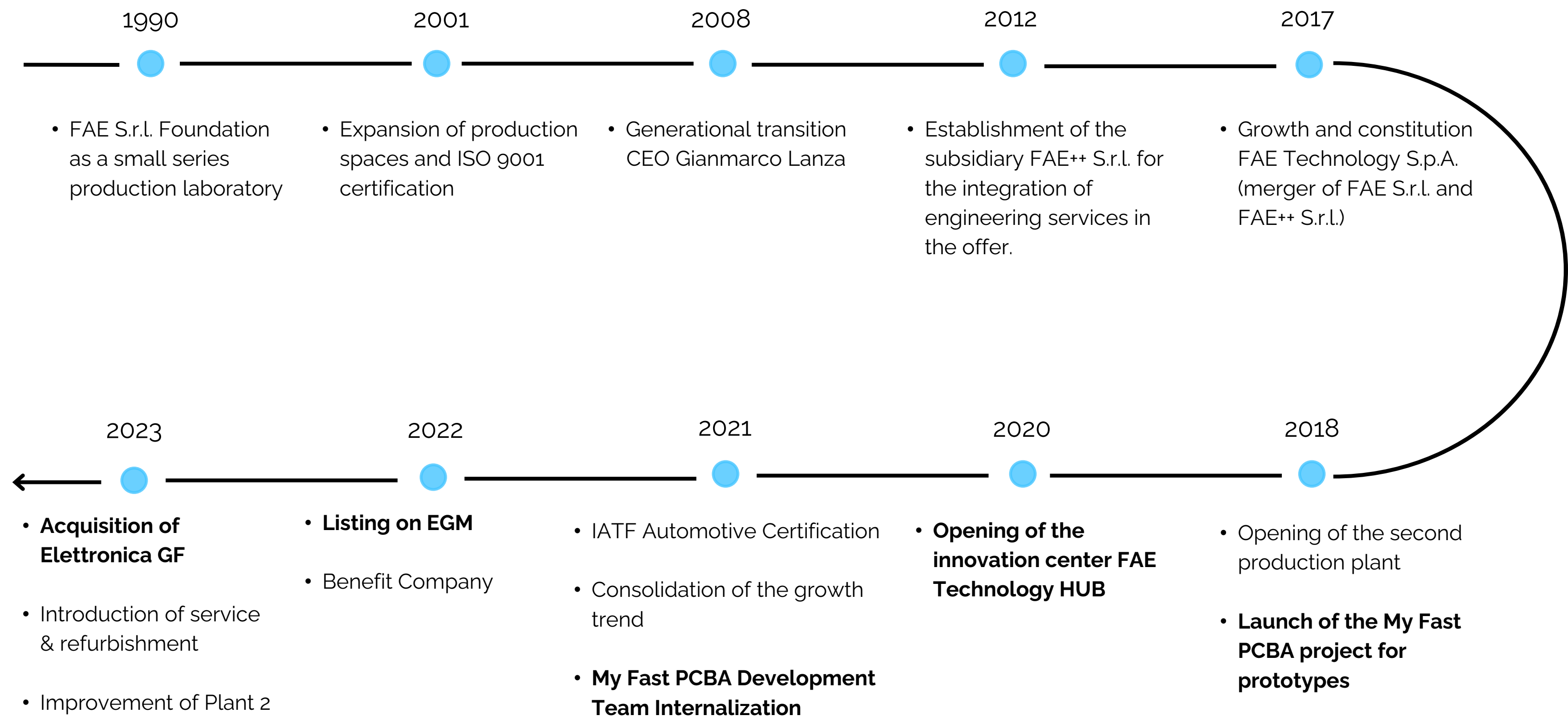
CUSTOM PCBA & SINGLE BOARD COMPUTER



PANEL PC



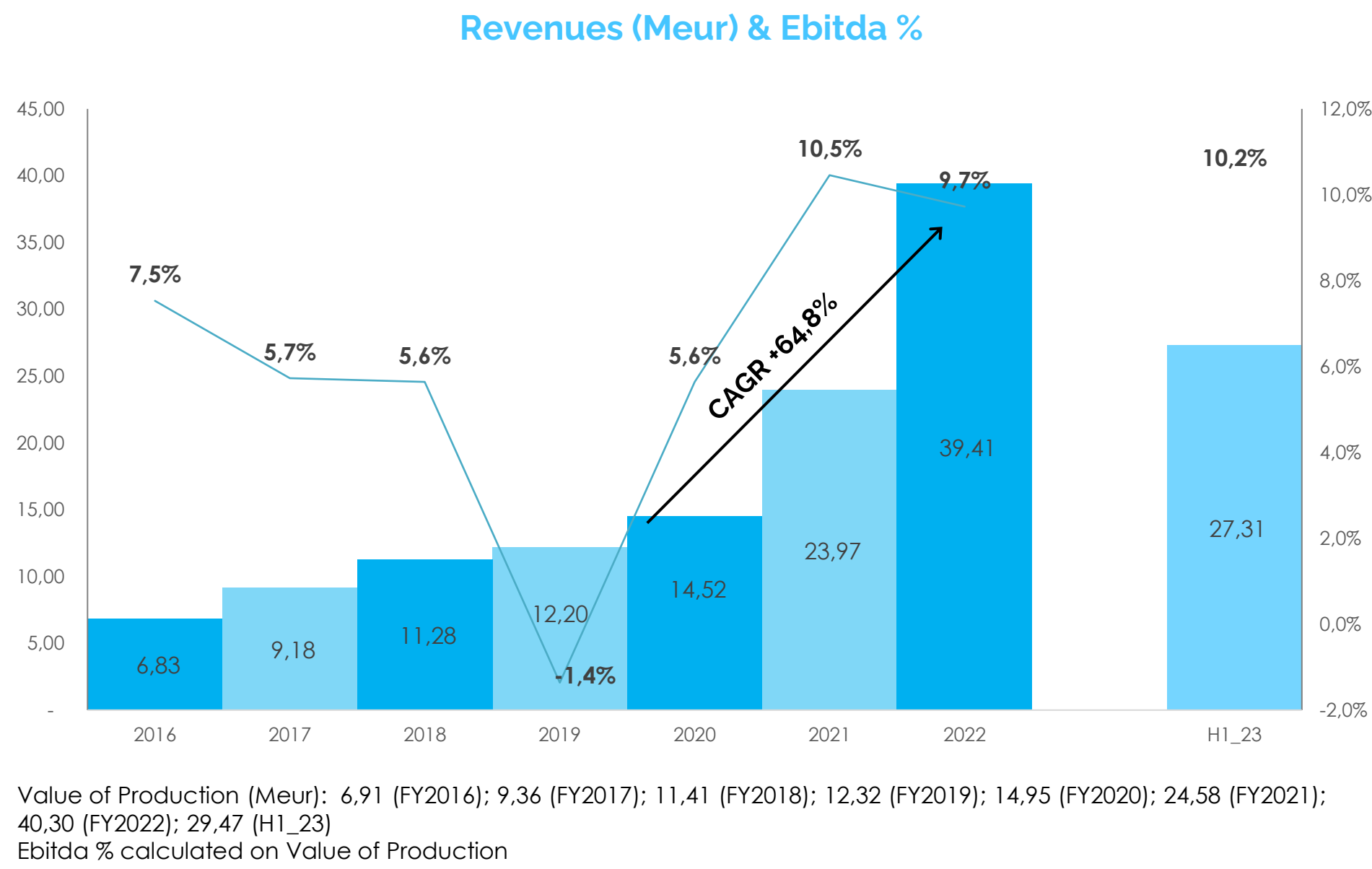
A story of continuous development



Solid growth trend

F&E Technology has significantly increased its growth trend over the years, in particular thanks to the integration of value-added services (design, engineering and fast prototyping) which, together with historical activity, have **improved the offering enabling the fast development of highly innovative solutions.**

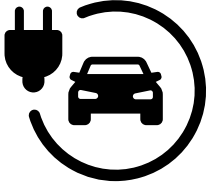
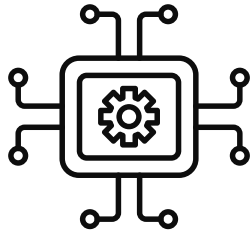



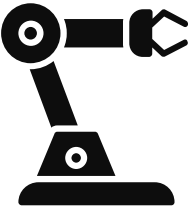
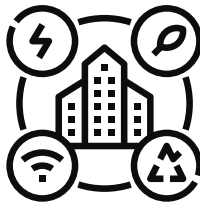

In the last three years the Ebitda margin improved along with the sharp increase in revenue, demonstrating the ability to manage a fast growing trend and the effectiveness of the economy of scale.



Source: management processing. Reference date 31.12.2022

Market sectors and standards

Our business model, combined with the pervasiveness of electronics, enables us to explore opportunities across a wide range of **market sectors**.

 Electrification	 Embedded	 Healthcare	 Avionic & Aerospace
 Fintech	 Industrial application	 Smart cities	 Automotive

Our system and our processes are certified according to different quality standard



ISO 9001:2015



ISO 14001:2016



IATF 16949:2016



ENg100
*Iter in process of certification
by Q4 2023*

Business through innovation

Innovative Air Quality Monitoring System



FAE Technology has forged a close collaboration with the Massachusetts Institute of Technology - Sensible City Lab, resulting in the development of Flatburn.

Flatburn is an innovative self-powered system fueled by solar energy, designed for installation on road vehicles such as buses and cars. Its primary purpose is to monitor various properties, including air quality, building energy efficiency, acoustic impact, and humidity levels.

Looking ahead, FAE Technology is excited to announce our partnership with INIT, a global leader in integrated IT solutions for public transport. This partnership marks the initiation of an industrial trial, where we will produce commercial-grade devices with the ultimate aim of scaling up future production.



Electronic Boards for Innovative Environmental Monitoring



FAE Technology in partnership with Finapp.

FAE Technology has developed, engineered, prototyped, and manufactured the electronic boards for an innovative environmental monitoring probe. This cutting-edge device is designed to collect data for various crucial purposes, including optimizing agricultural irrigation to reduce water wastage, mitigating hydrogeological risks with innovative landslide warning systems, and mapping water distribution network leaks to enhance water resource management. In a short term, FAE Technology is actively engaged in the development of new technology models with enhanced performance, leveraging advanced communication protocols within a 5g framework. This will support the operation of on-board probes in mobile vehicles, opening up new horizons for environmental monitoring. Furthermore, FAE Technology anticipates a significant increase in the production of electronic boards catering to this specific range of applications as we continue to advance our commitment to innovation and environmental sustainability.



Business through innovation



Air Quality Monitoring in Industries



FAE Technology, in partnership with Losma, is providing an integrated environmental sanitization system.

This system, equipped with a series of air quality detectors strategically distributed throughout the facility, enables continuous monitoring of pollution parameters across the entire production site. The comprehensive air purification system, inclusive of detection sensors, has been successfully installed at a company specializing in the manufacturing of molds and equipment for cold metal forming. Looking ahead, the combined air purification and air pollution parameter detection system offers the capability of remote management and real-time data analysis. This is facilitated through a dedicated management panel and an analytical dashboard, providing valuable insights for efficient plant operation and environmental monitoring.

For the next three years, FAE Technology remains committed to its partnership with Losma and envisions further advancements in this collaborative effort to enhance environmental quality and industrial efficiency.

Smart Beverage Dispensing System

Non-Disclosure Customer

Due to non-disclosure agreements, we cannot disclose the identity of our client.

FAE Technology is designing a HMI and control device for a global leading company in dispensing technologies: the product will be integrated in a smart beverage dispensing system, to manage liquid valves and enable a modular configuration of the UI interface through different accessories (touch display, keypad controller).

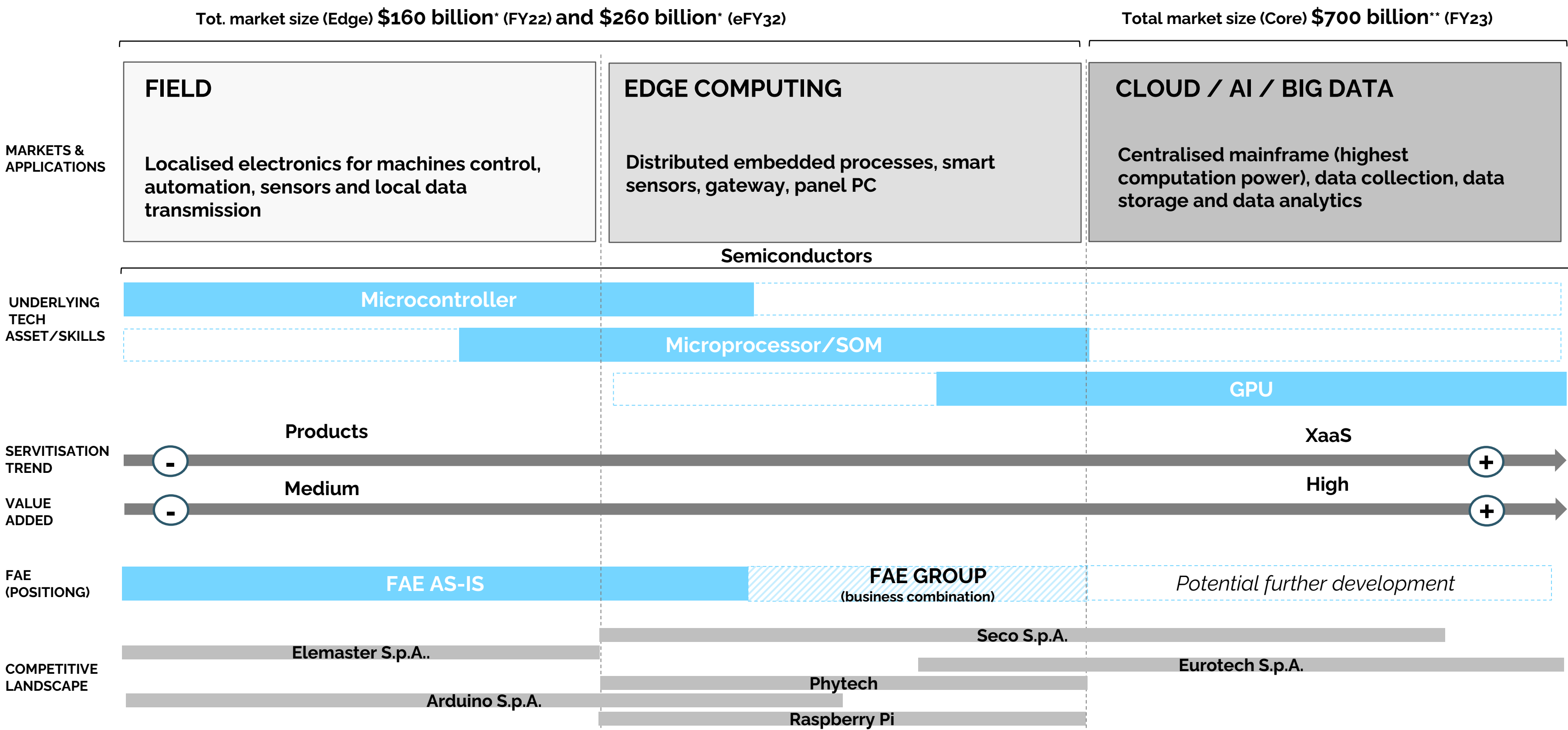
We are proud to announce that FAE Technology will serve as the supplier for these devices for the next three years, supporting our client's innovation in the field of beverage dispensing technology



This business cases are just examples, but the company has many other business opportunities.

Business Combination – The acquisition of EGF

Positioning, addressable markets and opportunities



*Global Market Insight
**Fortune business inside

Business Combination – The acquisition of EGF

Deal structure



DEAL STRUCTURE	
VALUATION & MULTIPLES	PAYMENTS STRUCTURE
<ul style="list-style-type: none">Enterprise Value (inc earn out): € 11,7 M<ul style="list-style-type: none">EV/Ebitda: 7x,EV/Ebitda adj: 8x (EBITDA <i>adjusted</i> € 1,45 M)As reference FAE is traded at approximately EV/Ebitda 9x (Pre acquisition - FY22)PFN <i>post carve-out (proxy)</i>: € 5,9 MEarn-out: € 0,9 MEquity Value:<ul style="list-style-type: none">€ 5,8M (including earn-out) → Post DD € 5,625 M€ 4,9 M excluding earn-out) → Post DD €4,725 M	<p><u>At signing:</u></p> <ul style="list-style-type: none">€ 0,3 M a titolo di anticipo <p><u>At closing:</u></p> <ul style="list-style-type: none">€ 2,125 M share-for-share with lock-up:<ul style="list-style-type: none">10% no lock-up30% 24 mesi60% 36 mesi€ 1,1 M cash <p><u>18 months from closing:</u></p> <ul style="list-style-type: none">€ 1,2 M cash <p><u>24 months from closing</u></p> <ul style="list-style-type: none">€ 0,45 M earn-out subject to the retention of the engineering team€ 0,45 M earn-out subject to the retention of the key client at a revenues level equal to FY22

Business Combination – The acquisition of EGF

Synergies and key activities

Commercial

- Set up of the EGF's sales team (currently not in place), lead by FAE sales executive, to push custom solutions.
- Fostering the indirect sales market in order to exploit the EGF's proprietary standardize products (SOM) to reach new customers and markets, generating a brand new high-potential revenues stream.

Industrial & technological

- Mutual contamination and synergies thanks to:
 - The industrial, technological assets of FAE able to enhance the industrial capabilities and the commercial footprint of EGF and;
 - the technological and industrial assets of EGF are able to improve the market positioning, the offering and the market penetration of FAE

Production capacity

- No capex needed since the current EGF's industrial layout is at the state-of-art
- Headroom in EGF's production capacity able to sustain the FAE's growing path.

Overhead & Personnel

- Medium term saving and economy of scale on EGF's overhead cost structure
- With EGF within the perimeter the Group improved the ability to attract and retain technical resources (employer branding)

Pro-forma Ebitda margin impact (FY22)

- The business combination allows a pro-forma Ebitda margin improvement, at a Group level, of approximately 1% on FY22 figures.
- We expect to improve the positive impact on the Ebitda margin in the near future

Long term growth and value creation: strategies and opportunities (1/2)

DIGITAL IMPROVEMENT & TECHNOLOGY AUTOMATION

- **Investments** in technology to become **CyberFactory Champion** in terms of production and simulation software as well as equipment and plants
- **Digitalization of processes**, a necessary boost to compete in an increasingly technology-driven context and to face the phenomenon of digital divides
- Investments for the continuous development and implementation of **MY Fast PCBA**, the proprietary platform that **digitally revolutionizes the B2B approach** in the electronic technology sector, in order **to expand the service globally**.

M&A

- **Increase** the market share, improving the **offering** and speed up the production, **consolidating** a fragmented market and improving revenues **diversification** becoming a leading player with a clear **European footprint and a global approach**.

Long term growth and value creation: strategies and opportunities (2/2)

PROPRIETARY SOLUTIONS

- Thanks to decades of internal R&D and a deeply skilled engineering team **the Group is among the few companies in Europe able to manage the design and the production of SOMs**. (System of Modules – Proprietary solutions)
- Investing to **further develop the proprietary solutions enhancing the existing products and** targeting **new markets and applications**
- **Fostering the indirect sales market** in order to exploit the Group's proprietary standardize products (SOM) **to reach new customers and new markets** generating a brand new high-potential revenues stream.
- Developing new services to scale our offer on **data management services** and **cloud AI**

ADDED VALUE SERVICES

- Addition of high value-added services to the Company's offer and consolidation of those already proposed (e.g., data analysis regarding components and predictive analysis of the quality and life cycle of products)
- Creation of an internal team within the Company with the skills and tools necessary for the development of highly complex electronic projects
- Membership in MIT for the acquisition of know-how in highly innovative technologies, areas and applications that can be used in projects for its customers

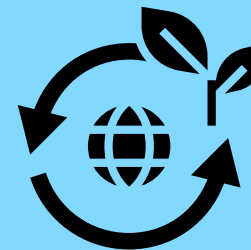
Benefit Company

F AE Technology, in 2022 became a Benefit Company, therefore integrating into its corporate purpose, in addition to profit objectives, the scope of having a positive impact on society and the biosphere.



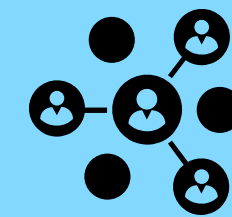
WELFARE

- Promotion of the psychological health of employees
- Corporate Welfare
- Socio-cultural and educational events of various kinds



ENVIRONMENT

- ISO 14001 certification
- Plant Energy Efficiency
- Industrial re-use



SOCIAL

- Promotion of the interaction between the school system and the company in the Bergamo area
- Future developments with widening of the scope of action

Shareholders and corporate governance

Corporate Structure

F&E Technology has a share capital equal to € 563.076,25 of which 66.75% is attributable to the Lanza Family. Two capital raises in December 2023 allowed to enlarge the capitalization table welcoming NextStage AM and Gian Franco Argnani, the previous owner of Elettronica GF S.r.l.

Shareholder	Number of shares	%
GML Ventures S.r.l. ^{(1) (3)}	11.640.000	66,75%
Gian Franco Argnani ⁽⁴⁾	1.062.500	6,09%
NextStage AM	1.000.000	5,74%
Sehme S.a.g.l. ^{(2) (3)}	240.000	1,38%
Market	3.493.375	20,04%
Total	17.435.875	100,00%

Updated January 11, 2024

(1) Company belonging to Gianmarco Lanza and Luciana Giudici

(2) Company belonging to Angelo Facchinetti

(3) Shares subject to a lock-up restriction for a period of 36 months starting from November 11, 2022

(4) Including 318,750 shares subject to a lock-up restriction for a period of 24 months and 637,500 shares for a period of 36 months starting December 21, 2023

Corporate Governance

The Company is managed by a board of directors composed of 5 members in office for the three-year period 2022 – 2024

Gianmarco **Lanza Chairman and CEO**

Angelo Facchinetti **Director**

Cristina Mollis **Independent Director**

Thomas Avolio **Director**

Massimo Bondioni **Director**

The Board of Statutory Auditors will be in office for the three-year period 2022 - 2024 and is composed of 5 members

Davide Felappi **Chairman**

Stefano Zucchelli **Auditor**

Roberto Negretti **Auditor**

Andrea Lampugnani **Auditor**

Andrea Scainelli **Auditor**

Supervisory Board

Gloria Spagnoli (Monocratic)

The statutory audit is entrusted to the company RSM Società di Revisione e Organizzazione Contabile S.p.A. for the three-year period 2022 - 2024

EGM and Warrant

Share Performance



On June 14 2023, **3,833,250 warrants** (with an ex-dividend date of June 12, 2023) were assigned free of charge in execution of the resolution of the Extraordinary Shareholders' Meeting of June 28, 2022 and the "FAE TECHNOLOGY SB 2022-2025 Warrants" Regulations and in the proportion of 1(one) warrant for every 4 (four) shares held by each shareholder. The newly issued warrants are identified with the same ISIN code IT0005500639 as the 3,333,000 warrants previously outstanding and fully fungible. **A total of 7,166,250** warrants were issued by the Company.

During the first suitable period (November 2023) a total of 80.750 warrants were exercised. At the date of this document the total outstanding warrants are 7.085.500.

Interim report - overview

€ 29.5 Mln

Value of production

30.06.2023

+62,8%

VS €18.1 Mln 30.06.2022

€ 3.0 Mln

EBITDA

30.06.2023

+63,8%

VS €1.8Mln 30.06.2022

10,2%

EBITDA MARGIN

30.06.2023

= 30.06.2022

€ 1.7 Mln

Net income

30.06.2023

+58%

VS €1.1 Mln 30.06.2022



Fast Growing Company



Partnerships Strategics



+130 Clients



Competence center



+30 years



3 locations



151 collaborators



ESG Sensitivity

Investment highlights (1/2)

Digital & technology driven

FAE Technology Group has a **strong innovation attitude** and a **clear strategy** in order to be at the **technological cutting-edge** of the industry. The Group will constantly increase the digitization of all processes and the integration of **value-added services, including cloud AI**, in its solutions.

Favourable market environment

The **pervasiveness of electronic technology in the modern world supports a constant growth of the sector**, especially with regard to new market segments such as electric mobility and the smart city, in which the Company is involved and whose development is necessary and in line with the main global macro trends

Dynamic and young management with consolidated experience

The management, as well as all the human capital of FAE Technology, is highly specialized and composed of young and dynamic resources on which the Company invests in continuous training projects

Deeply skilled Engineering team

The Group will be targeting a team of approximately **50 engineers by the end of FY24**, which allow FAE Technology Group to **be one of the leading player** in terms of resources and skills in providing **custom engineering services** to the clients in the **European electronic market**. The engineering competences, on the other side, which allow a **continuous innovation of the proprietary products** and solutions ensuring the **long term growth and value generation**

Investment highlights (2/2)

Ability to generate value in favor of successful customers

Thanks to its streamlined and fast organization, FAE Technology is able to promptly support customers to scale in dynamic markets, meeting their demands faster than the competition and guaranteeing a strong competitive advantage. As result the Group has a very high retention rate.

Sustainable approach based on real projects

FAE pays great attention to sustainability and in particular to the social value of the company for its employees and for the territory. This approach is reflected starting from the internal organizational model, up to the numerous education projects developed in synergy with all the players of the school system and the territory

Path of growth and creation of clear and identified value

FAE Technology has started for years an investment path in support of the long-term strategic vision, which is paying off, generating superior returns to the market, confirming the solidity of its assets and strategy.

Appendix

Financial statements

Reclassified income statement (Data in thousands of euros)	30/06/2023	% (*)	30/06/2022	% (*)	Var %
Sales revenue	27.311	92,7%	17.398	96,1%	57,0%
Change in inventories	1.820	6,2%	676	3,7%	169,2%
Other revenues and income	335	1,1%	26	0,1%	n.m.
Value of production	29.466	100,0%	18.100	100,0%	62,8%
Cost of raw materials, supplies and good net of var. inventories	(19.912)	-67,6%	(11.872)	-65,6%	67,7%
Costs for services	(3.169)	-10,8%	(2.171)	-12,0%	46,0%
Cost for use of third parts assets	(271)	-0,9%	(176)	-1,0%	54,0%
Staff costs	(2.996)	-10,2%	(2.000)	-11,0%	49,8%
Other operating expenses	(101)	-0,3%	(39)	-0,2%	158,6%
EBITDA	3.017	10,2%	1.842	10,2%	63,8%
Depreciation and amortization	(533)	-1,8%	(242)	-1,3%	120,4%
EBIT	2.484	8,4%	1.600	8,8%	55,2%
Financial income and expenses	(139)	-0,5%	(100)	-0,6%	38,4%
EBT	2.346	8,0%	1.500	8,3%	56,4%
Income taxes	(665)	-2,3%	(437)	-2,4%	52,3%
Income	1.681	5,7%	1.064	5,9%	58,0%

(*) inside with respect to Value of production

Financial statements

Reclassified Balance Sheet (Data in thousands of euros)	30/06/2023	31/12/2022	Var %
Net intangible assets	1.933	1.718	13%
Net tangible assets	4.943	3.613	37%
Equity investments and other non - current financial assets	160	117	36%
Fixed capital	7.037	5.448	29%
Inventories	18.477	10.866	70%
Trade receivables	7.970	8.096	-2%
Trade payables	(17.960)	(11.019)	63%
Trade working capital	8.487	7.943	7%
Other current assets	283	508	-44%
Other current liabilities	(1.141)	(821)	39%
Tax receivables and payables	4.690	2.243	109%
Net accruals and deferrals	(376)	(266)	42%
Net working capital	11.943	9.607	24%
Provisions for liabilities and charges	(75)	(72)	5%
Employee severance indemnity	(702)	(726)	-3%
Net invested capital (Loans)	18.202	14.258	28%
Net financial debt - Current financial debt	1.179	1.508	-22%
Net financial debt - Current part of non-current financial debt	1.325	819	62%
Net financial debt - Non-current financial debt	4.813	4.507	7%
Total financial debt	7.318	6.833	7%
Cash on hand	(1.547)	(3.335)	-54%
Net financial debt	5.771	3.498	65%
Share capital	500	500	0%
Reserves	10.250	8.146	26%
Net income	1.681	2.114	-20%
Net Equity	12.431	10.760	16%
Total sources	18.202	14.258	28%

Financial Position

Net financial position (Data in thousands of euros)	30/06/2023	31/12/2022	Var %
A. Cash on hand	1.547	3.335	-54%
B. Cash equivalents	-	-	0%
C. Other current financial assets	-	-	0%
D. Liquidity (A) + (B) + (C)	1.547	3.335	-54%
E. Current financial debt	(1.179)	(1.508)	-22%
F. Current part of non-current financial debt	(1.325)	(819)	62%
G. Current Financial debt (E)+(F)	(2.504)	(2.326)	8%
H. Net current financial debt (G)-(D)	(957)	1.009	-195%
I. Non – current financial debt	(4.813)	(4.507)	7%
J. Debt instruments	-	-	0%
K. Trade and other non-current payables	-	-	0%
L. Non-current financial debt (I) + (J) + (K)	(4.813)	(4.507)	7%
M. Net financial debt (H) + (L)	(5.771)	(3.498)	65%

Contact

Gianmarco Lanza

Investor Relations Manager
ir@fae.technology



FAE Technology S.p.A – Società Benefit

Via Cesare Battisti, 136 – 24025 Gazzaniga (BG)

Tel. +39 035 73 81 30

<https://fae.technology/>

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TECHNOLOGY