



**Investor Presentation**

Apr 2024

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04	Management Team	15	Group current positioning and new opportunities
06	FAE Technology Group - At a glance	16	Long term growth and value creation: strategies and opportunities
07	Benefit Company	18	Shareholders and corporate governance
08	What we do	19	EGM and Warrant
09	FAE Technology Group - highlights	20	FAE Technology - Preliminary full year stand alone
10	Where we are	21	FAE Technology - Consolidated full year pro-forma
11	What we do - Products at a glance	22	Investment highlights
12	A story of continuous development	24	Appendix
13	Solid growth trend	25	Business through innovation
14	Marketsectors and standards	27	Business Combination - The acquisition of EGF

# 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.



# F&E Technology Group – At a glance

**F&E**  
TECHNOLOGY

100%

ELETRONICA  
**GF**  
A F&E TECHNOLOGY COMPANY

- \_ 240 employees
- \_ 74,8 mln\* Value of Production
- \_ > 80 mln mkt cap
- \_ Fast growing company
- \_ Benefit Corp ESG oriented
- \_ BPI Certification

\* Pro Forma non audited

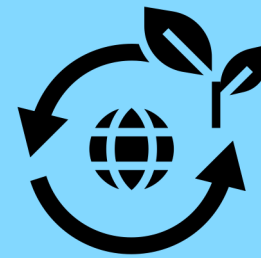
# Benefit Company

F&E 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.



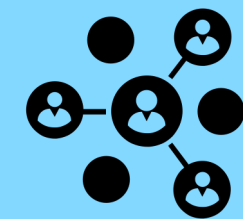
## WELFARE

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



## ENVIRONMENT

- ISO 14001 certification
- Plant Energy Efficiency
- Service & refurbishment to promote circularity and reduce electronic waste



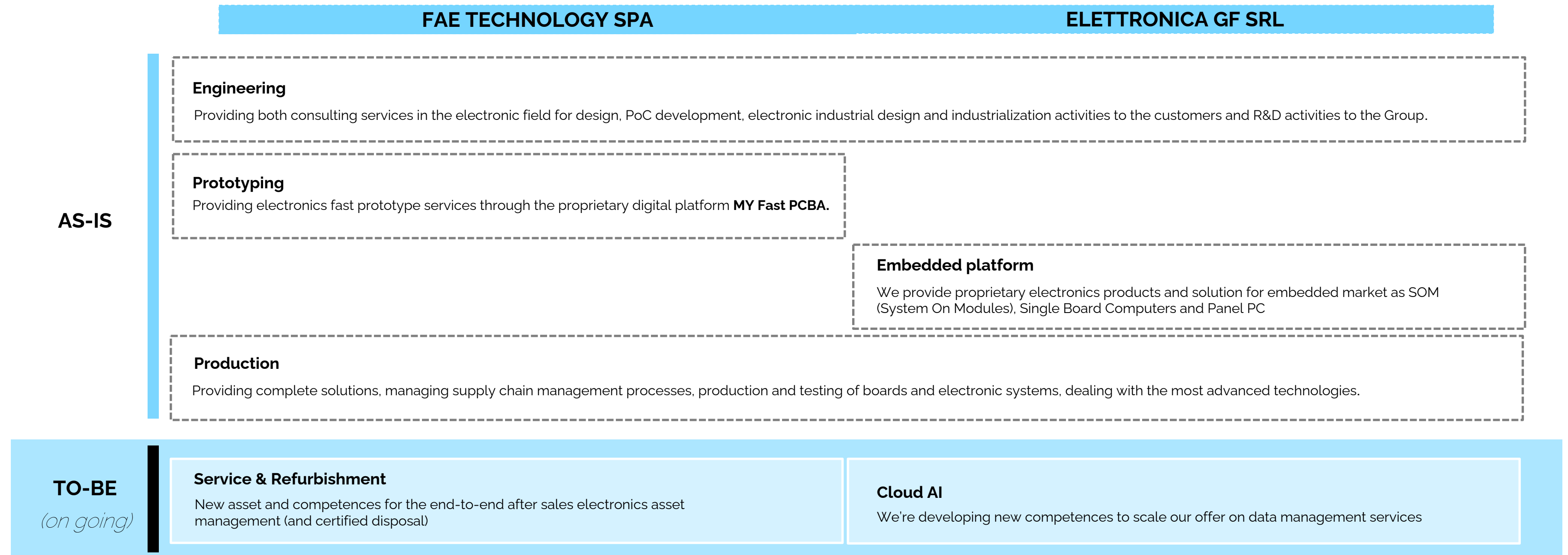
## SOCIAL

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

# 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**.

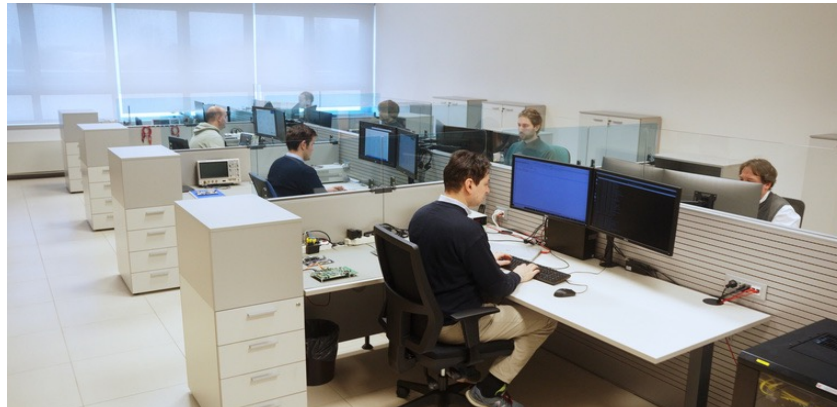
Thanks to our integrated services, knowhow and product line, **we're able to manage the complete lifecycle** of different solutions in the field of embedded electronics, from sensors to edge computing.



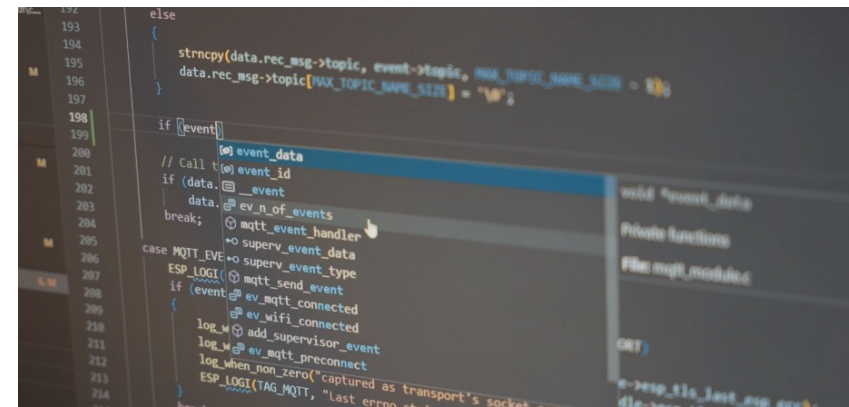


# F&E Technology Group – highlights

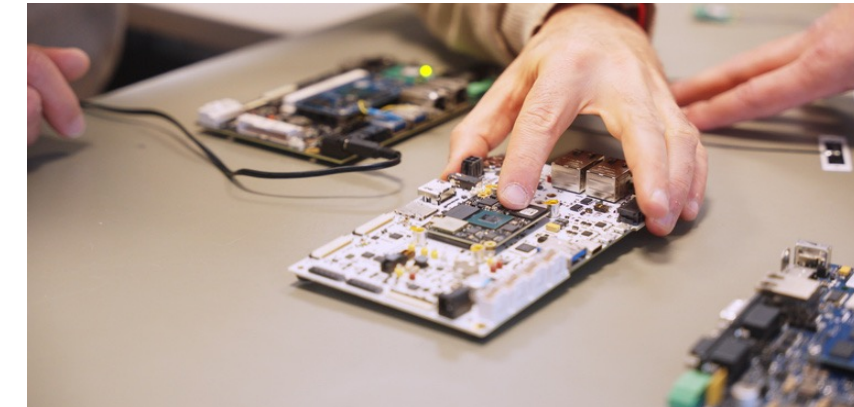
Engineering departments



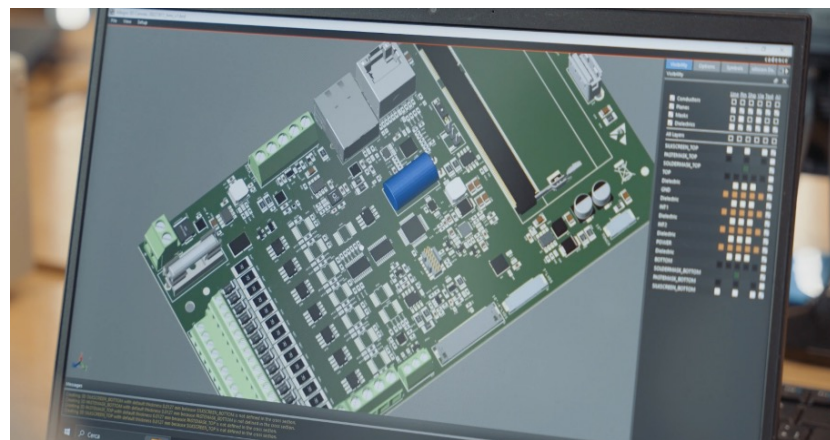
FW & SW development



PoC development



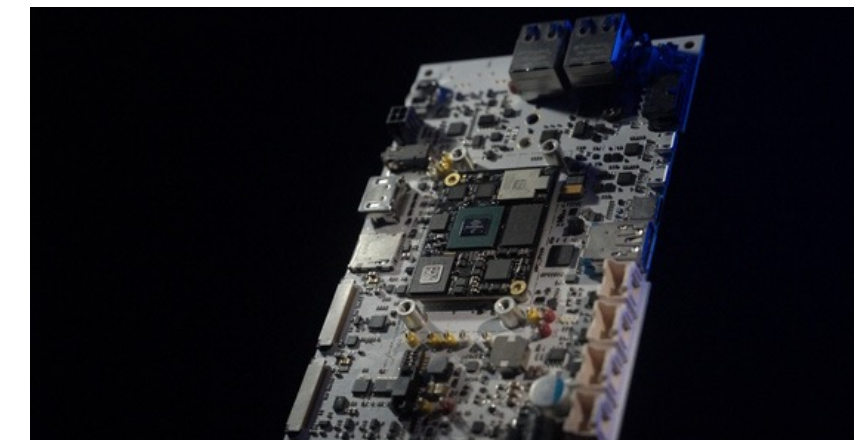
Electronic industrial design



FAST Prototyping Department



Embedded platform



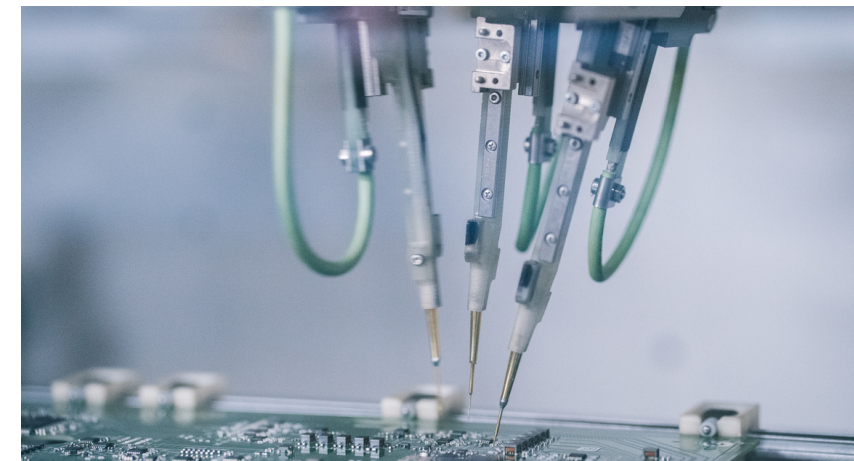
Manufacturing plants



High Level Assembly



Service & Refurbishment



# Where we are

## PRODUCTION PLANT 1

Gazzaniga / BG  
2000 mq  
Prototype | SMT  
40 FTE



## KM ROSSO (FAE HUB & BIG TECH)

Bergamo / BG  
600 mq  
Engineering Center  
15 FTE



## HEADQUARTER & BUSINESS CENTER

Albino / BG  
1200 mq  
35 FTE



## PRODUCTION PLANT 2

Vertova / BG  
5500 mq  
Electronics Assembly |  
Logistics  
85 FTE



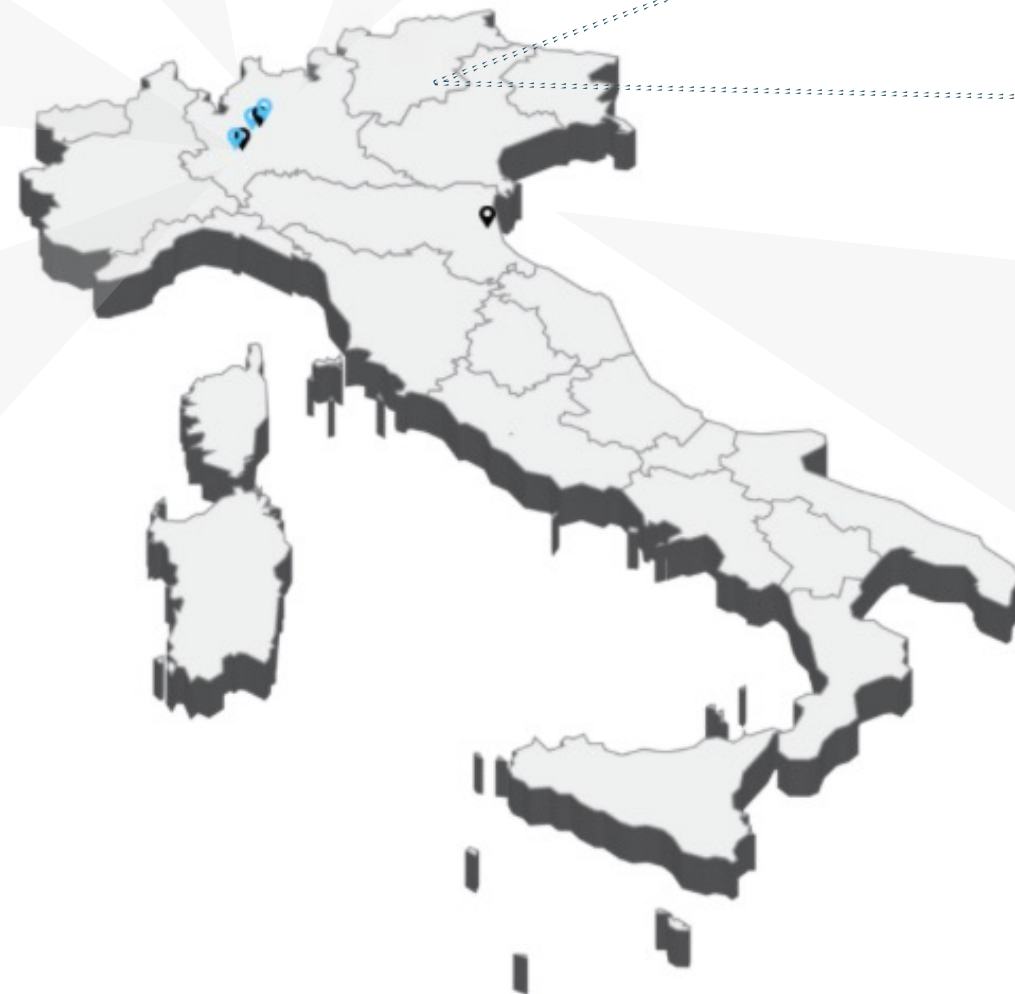
## FUTURE EXPANSION (HIGH LEVEL ASSEMBLY) TBD

About 3000mq  
High Level Assembly |  
Logistics  
up to 30FTE



## ELETTRONICA GF

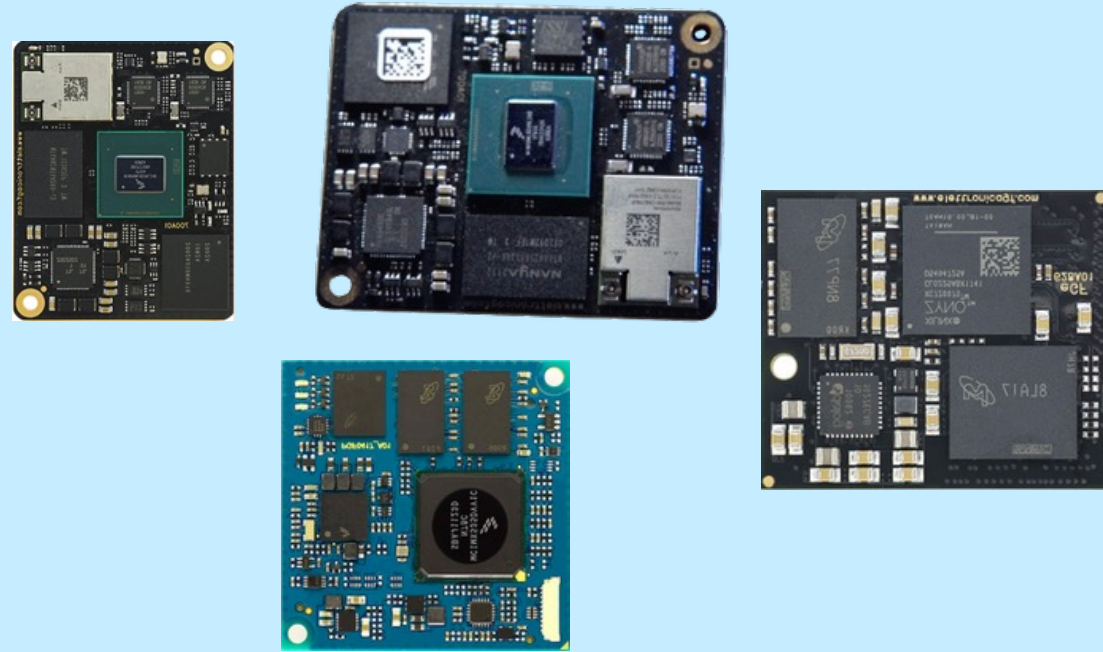
Faenza / RA  
5500 mq  
Engineering Center |  
Electronics Assembly |  
Logistics  
65 FTE



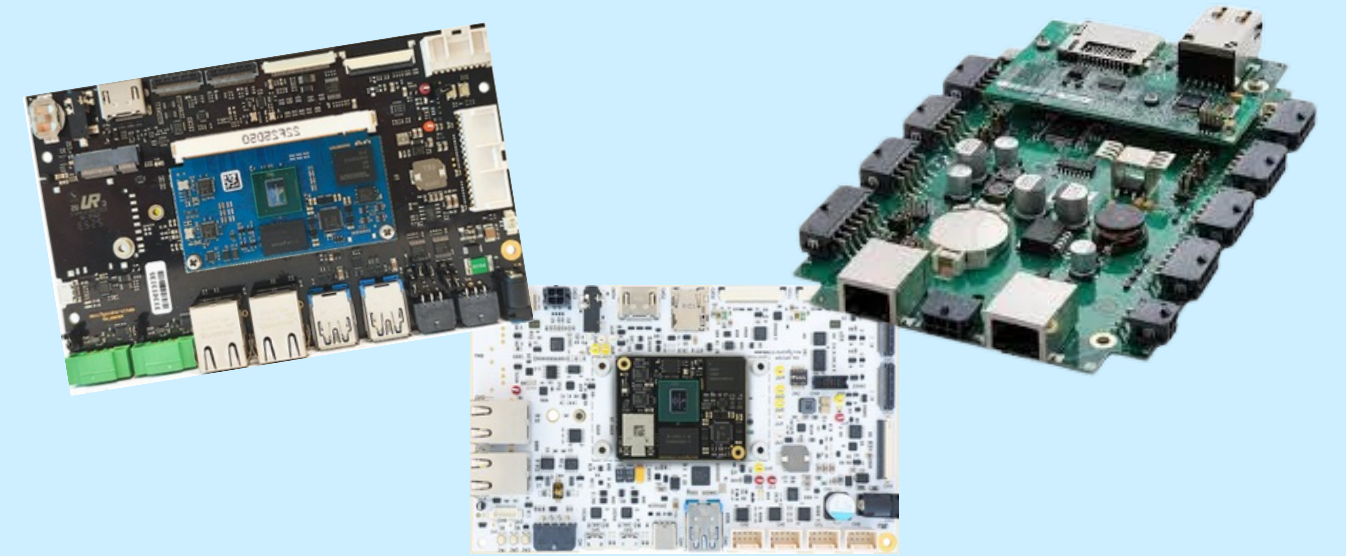
AS-IS: 14.800mq

# What we do – Products at a glance

## SOM



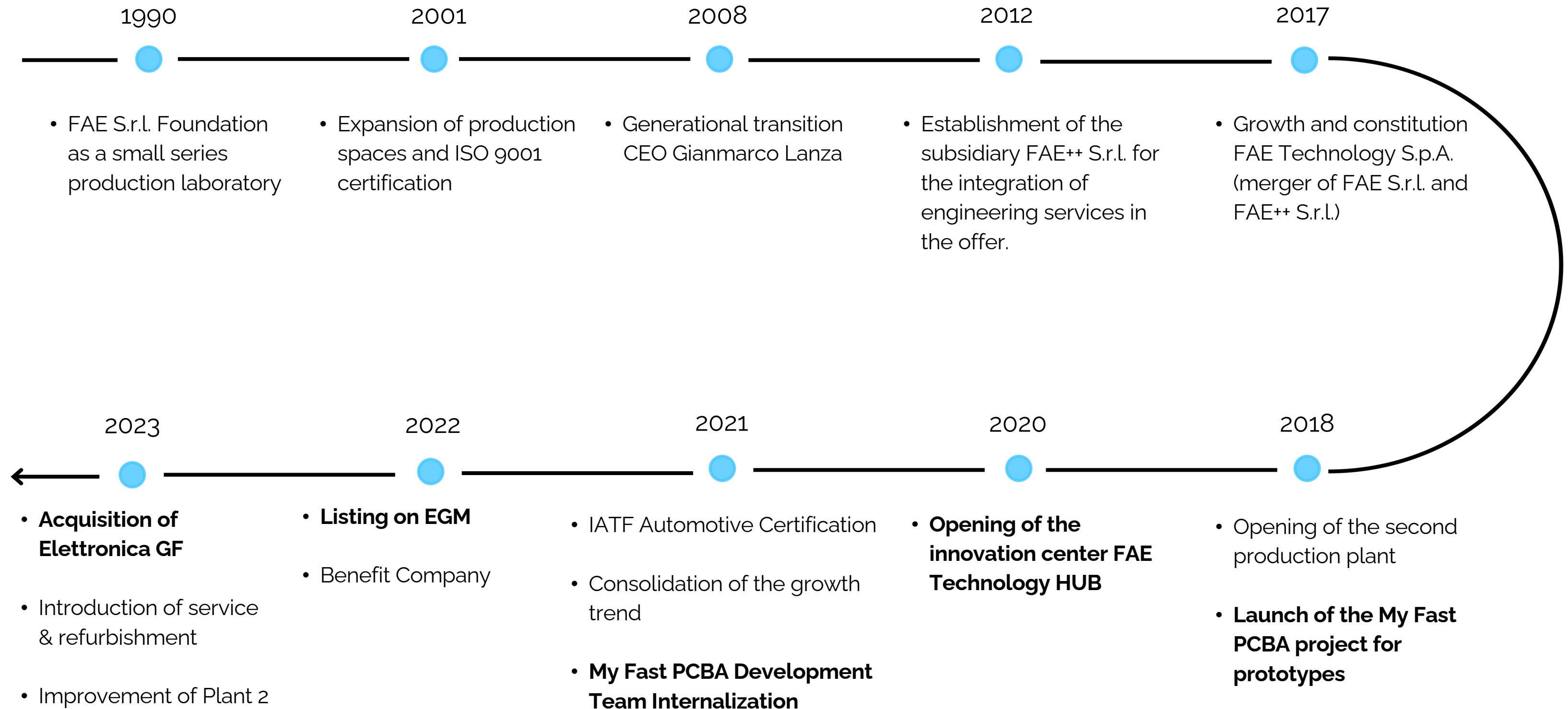
## CUSTOM PCBA & SINGLE BOARD COMPUTER



## PANEL PC



# A story of continuous development

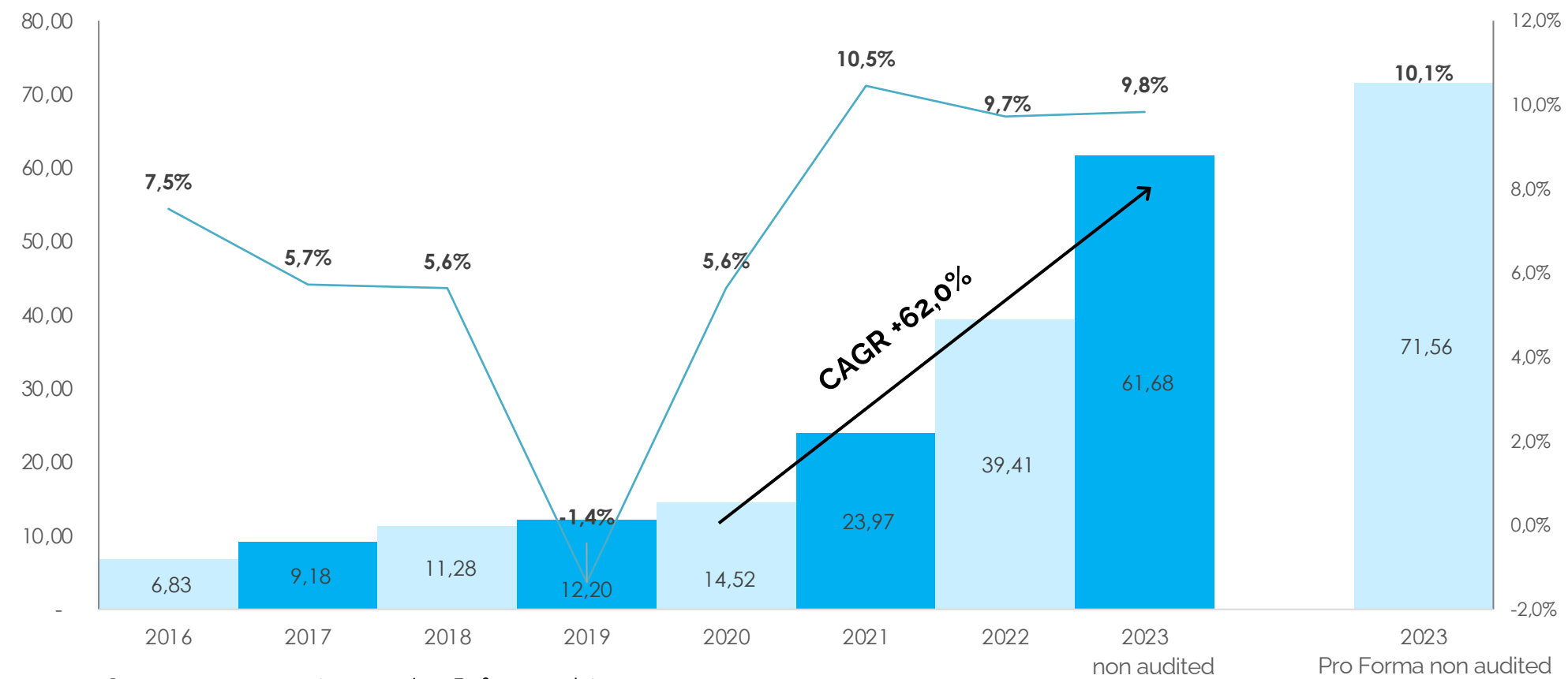


# Solid growth trend

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.**

Over the last four years the Ebitda margin improved materially along with the sharp increase in revenues, demonstrating the ability to manage a fast growing trend and to exploit the economy of scale.

Revenues (Meur) & Ebitda %

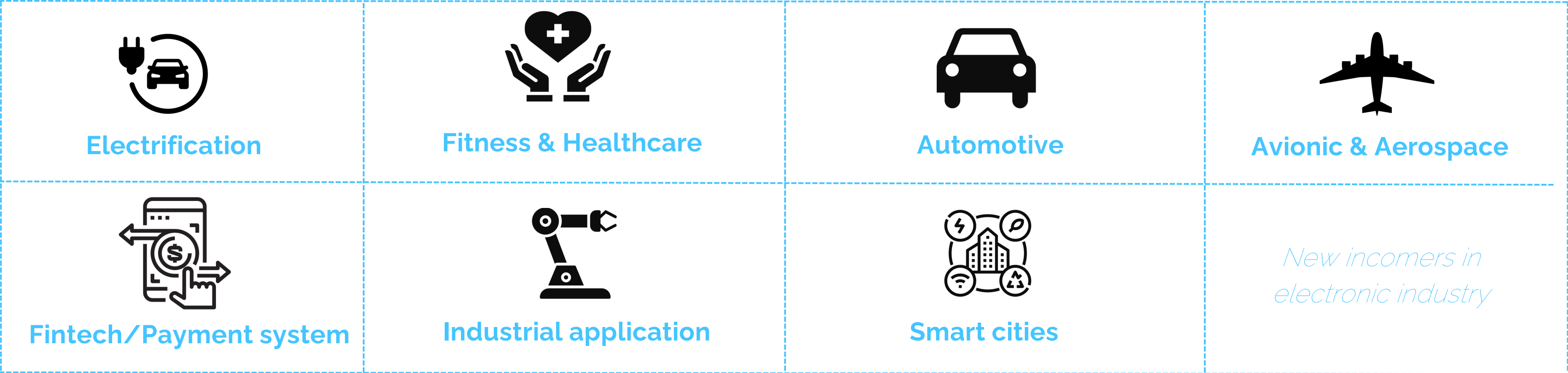


Source: management processing. Reference date 31.12.2023

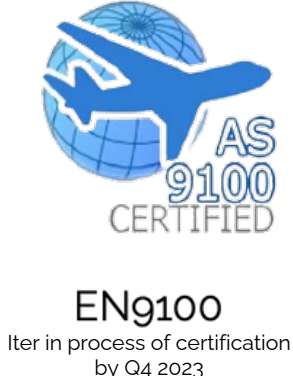
Value of Production (Meur): 6,91 (FY2016); 9,36 (FY2017); 11,41 (FY2018); 12,32 (FY2019); 14,95 (FY2020); 24,58 (FY2021); 40,30 (FY2022); 64,82 (FY2023); 74,82 (FY2023\_ProForma)  
 Ebitda % calculated on Value of Production

# 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**.



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

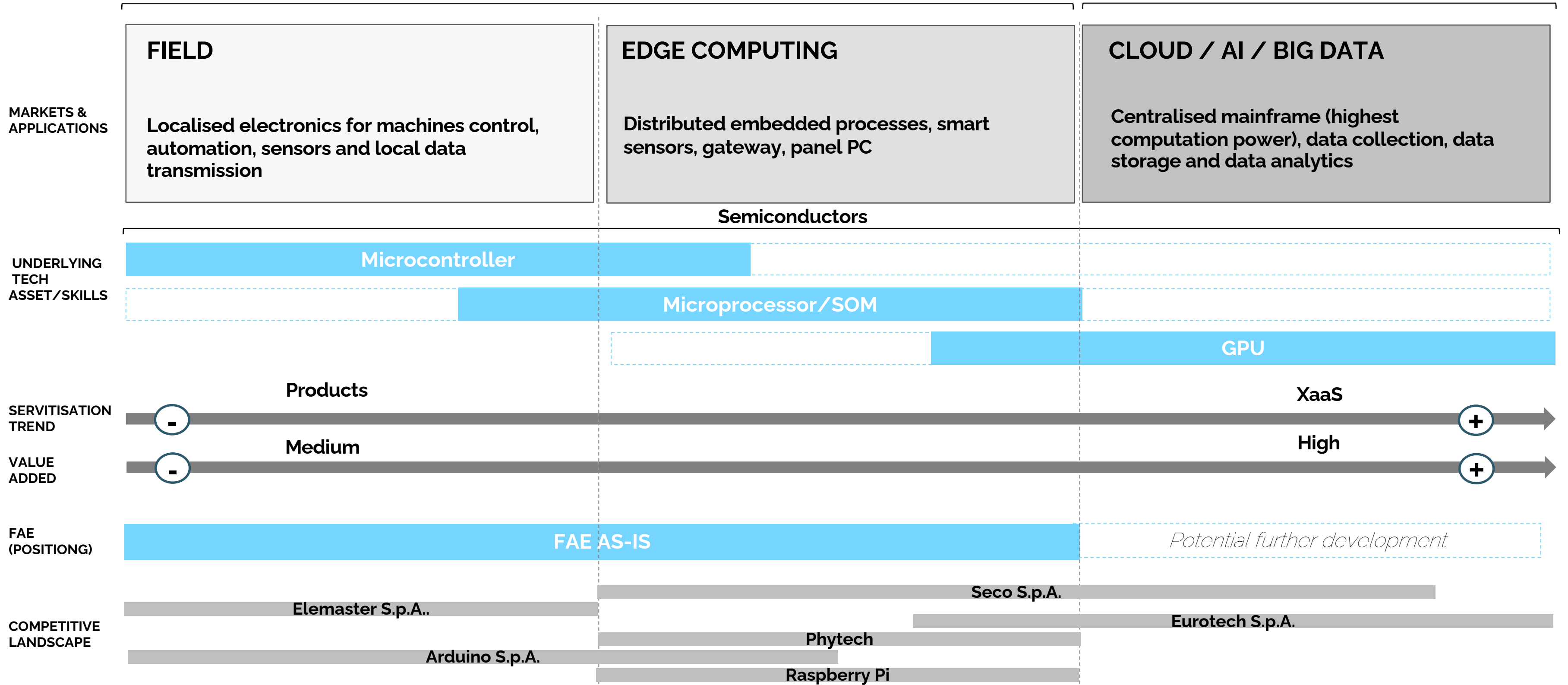


# Group current positioning and new opportunities

## Positioning, addressable markets and opportunities

Tot. market size (Edge) **\$160 billion\*** (FY22) and **\$260 billion\*** (eFY32)

Total market size (Core) **\$700 billion\*\*** (FY23)



\*Global Market Insight  
\*\*Fortune business inside

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

## DIGITAL IMPROVEMENT & TECHNOLOGY AUTOMATION

- **Investments** as key driver to sustain growth and value creation with the goal to remain at the cutting edge of technology.
- **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 ramp up it commercially expanding the service globally**.
- **Digitalization of processes**, a necessary boost to compete in an increasingly technology-driven context.

## 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

# Shareholders and corporate governance

## Corporate Structure

FAE Technology has a share capital equal to € 563.076,25 of which 66.76% 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	%
<b>GML Ventures S.r.l.</b> <sup>(1) (3)</sup>	11.640.000	66,76%
<b>Gian Franco Argnani</b> <sup>(4)</sup>	1.062.500	6,09%
<b>Sehme S.a.g.l.</b> <sup>(2) (3)</sup>	240.000	1,38%
<b>Market</b>	4.493.375	25,77%
<b>Total</b>	<b>17.435.875</b>	<b>100,00%</b>

*(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**

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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**

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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.

# FAE Technology – Preliminary full year stand alone (non audited)

€ 64.8 Mln

Value of production

31.12.2023

**+60,9%**

VS €40.3 Mln 31.12.2022

€ 6.4 Mln

EBITDA

31.12..2023

**+62,7%**

VS €3.9 Mln 31.12.2022

9,8%

EBITDA MARGIN

31.12.2023

VS 9,7% at 31.12.2022

€ 1.8 Mln

Net financial debt

31.12.2023

VS €3.5 Mln 31.12.2022



Strategics Partnerships



5 locations



Competence center



+30 years



175 collaborators



ESG Sensitivity

# F&E Group – Consolidated full year pro-forma (non audited)

€ 74.8 Mln

Value of production  
31.12.2023

€ 7,6 Mln

EBITDA  
31.12..2023

10,1%

EBITDA MARGIN  
31.12.2023

€ 7,1 Mln

Net financial debt  
31.12.2023



Strategics Partnerships



6 locations



Competence center



+70 years



240 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



# Business through innovation

## Innovative Air Quality Monitoring System



F AE 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, F AE 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



F AE Technology in partnership with Finapp.

F AE 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, F AE 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, F AE 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

## Deal structure



## DEAL STRUCTURE

### VALUATION & MULTIPLES

- **Enterprise Value (inc earn out): € 11,7 M**
  - EV/Ebitda: **7x**,
  - EV/Ebitda adj: **8x** (EBITDA *adjusted* € 1,45 M)
  - As reference FAE is traded at approximately EV/Ebitda **9x** (Pre acquisition - FY22)
- **PFN *post carve-out (proxy)*: € 5,9 M**
- **Earn-out: € 0,9 M**
- **Equity Value:**
  - € 5,8M (including earn-out) → **Post DD € 5,625 M**
  - € 4,9 M excluding earn-out) → **Post DD €4,725 M**

### PAYMENTS STRUCTURE

#### At signing:

- **€ 0,3 M a titolo di anticipo**

#### At closing:

- **€ 2,125 M share-for-share** with lock-up:
  - 10% no lock-up
  - 30% 24 mesi
  - 60% 36 mesi
- **€ 1,1 M cash**

#### 18 months from closing:

- **€ 1,2 M cash**

#### 24 months from closing

- **€ 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

# Contact

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