

PRESS KIT

Promotica S.p.A. is one of the leading players in the loyalty market in Italy. Long experience in Retail, Food, Pharmaceutical and Services sectors.



OVERVIEW

Promotica is one of the **leading companies in Italy** in the loyalty sector, and has been listed **since November 27, 2020** on the AIM Italia market of the **Italian Stock Exchange**. Founded in 2003 by Diego Toscani, the company has gained great experience over the years that qualifies it today as an ideal partner to plan, organize and manage any kind of marketing operation aimed at building customer loyalty. Promotica offers a complete consulting service for promotional planning and development, managing every phase: design of promotional operations, implementation of the communication campaign, supply of rewards, logistics services, data monitoring and finally measurement of results. The ultimate goal of all marketing operations is to increase sales, customer loyalty and brand advocacy. **Promotica** creates "**tailor made loyalty programs**", aimed at obtaining concrete and measurable results in terms of turnover and market share.

The Company boasts **101 active customers in 2020**, with the implementation of **317 promotional campaigns**, for an average campaign value of 180,000 euros. In 2020, **19.4 million prizes** were distributed, with an average value of prizes distributed of €2.90. In addition, Promotica made use of **230 suppliers**, of which **8 had exclusive agreements** (including a partial one only for the foreign market). In the course of its activities it has worked with over **1800 customers**.

HISTORY

Promotica's entrepreneurial history began in 2003, the year in which it was founded by Diego Toscani, in **Desenzano del Garda (Brescia)**. The quality of its services were immediately praised and in a short time important collaborations began both with industrial clients and large-scale retail trade (**Galbani and VeGè Group**), who entrusted Promotica with the management of their loyalty programs.

A year later, in **2004**, Promotica was structured to become a **full service Loyalty Program Provider**, no longer just a representative agency in the promotional sector. The upgrade was possible thanks to targeted investments in personnel and technological support.

Thereafter, Promotica began offering campaign promotion services and In-Store communication tools. The company's development continued over the following years, increasing the services offered and expanding the range of products. Then in **2011**, it acquired national level customers by activating campaigns with Coop and Crai (supermarket chains). In **2012** a new office was established in **Sarezzo, Brescia**, dedicated to the company's graphic design of the advertising material for the campaigns.

In **2015**, a **corporate reorganization** process was implemented, including the establishment of a more structured management team, the construction of catalogues for customers, the search for brand exclusives to supply and the development of new complementary products.

In **2017**, the license to develop the "**Royalty One Experience**" platform to create, manage and monitor online loyalty programs was acquired.

2018 was a breakthrough year, with the start of the **internationalization process**, which took place through the acquisition of an External Agent for the management of the **Eastern European market** based in Belgrade and a dedicated Agent for the development of the Asia-Pacific market, based in Hong Kong.

In August **2019**, 11.4% of **Ceramica Phoenix Srl**, a company active in the production of 100% Made in Italy tableware ceramics, was purchased. The objective of the purchase was to vertically integrate for the supply of products for Loyalty campaigns.

The same year, Promotica won the **Best Catalogue 2019 Award** at the Promotion Awards for **BeAppy**, the first fully online catalogue created for Coop Centro Italia. This award is a symbol of the Company's effort to be at the forefront, taking full advantage of new

technologies. On the same occasion of the Promotion Awards of 2019, Promotica wins a second prize for the promotional campaign "**La natura ti premia**" (Nature rewards you), a competition whose aim was to raise awareness of end customers and members about eco-sustainable consumption choices.

In **2020** Promotica purchased **Kiki Lab**, Research Institute specialized in Retail Innovation and retail of the future. Kiki Lab is the Italian member of the Ebeltoft Group, an international network that groups together 18 consulting companies for Retail. The acquisition has enabled Promotica to integrate Kiki Lab's competencies within its perimeter, to increase its own reference market and to facilitate the international nature of the company.

In June **2020** Promotica changed its legal structure from S.r.l. to **S.p.A.**. This transformation represents an important milestone for Promotica, and marks a natural evolution following the progressive growth of the company in recent years, as well as a starting point for further evolution of the business.

In **October 2020** Promotica also acquired the qualification of Innovative SME. Since November 27, **2020** Promotica has been listed on the **AIM Italia market of Borsa Italiana**, dedicated to small and medium-sized companies with high growth potential.

In **March 2021** Promotica won **4 awards** as part of the **Promotion Awards 2020**, a yearly initiative that rewards the best engagement and loyalty campaigns that have stood out in the Italian promotional market. In detail, the **4 Loyalty Awards** won by Promotica are as follows: **Best Rewards Catalogue** for the 2020 Points Collection "La collezione che guarda al futuro" by Coop Alleanza 3.0, **Best Short Collection** with "Collezione buone abitudini" by Conad, **Best Multichannel Campaign** with "BeAppy 2.0", created with Coop Centro Italia with the aim of designing a relationship tool between Members and the Cooperative, and finally a **Special Mention** by the Jury as **Best Catalogue** for the "Catalogo Premi per te 2020" created for C+C, the national brand of the Selex Group dedicated to Cash & Carry.

On 30 April 2021 Promotica bought the land owned by Propriis Immobiliare S.r.l., for the construction of the **new company headquarters** in the name of **environmental sustainability**.

The first **Shareholders' Meeting** of Promotica S.p.A. was held on 11 June 2021. On the occasion of the event, Promotica renewed its solidarity commitment by donating 22 thousand euros to the RSA of Sarezzo (BS), for the purchase of a minibus.

SERVICES

Promotica offers a **360 ° range of services for the implementation of marketing campaigns**, guaranteeing advice and professionalism in the management of all phases of the promotional process.

The ultimate goal is to increase customer sales through consumer loyalty, improve brand advocacy, increase the wallet share, increase visit frequency and spending volumes.

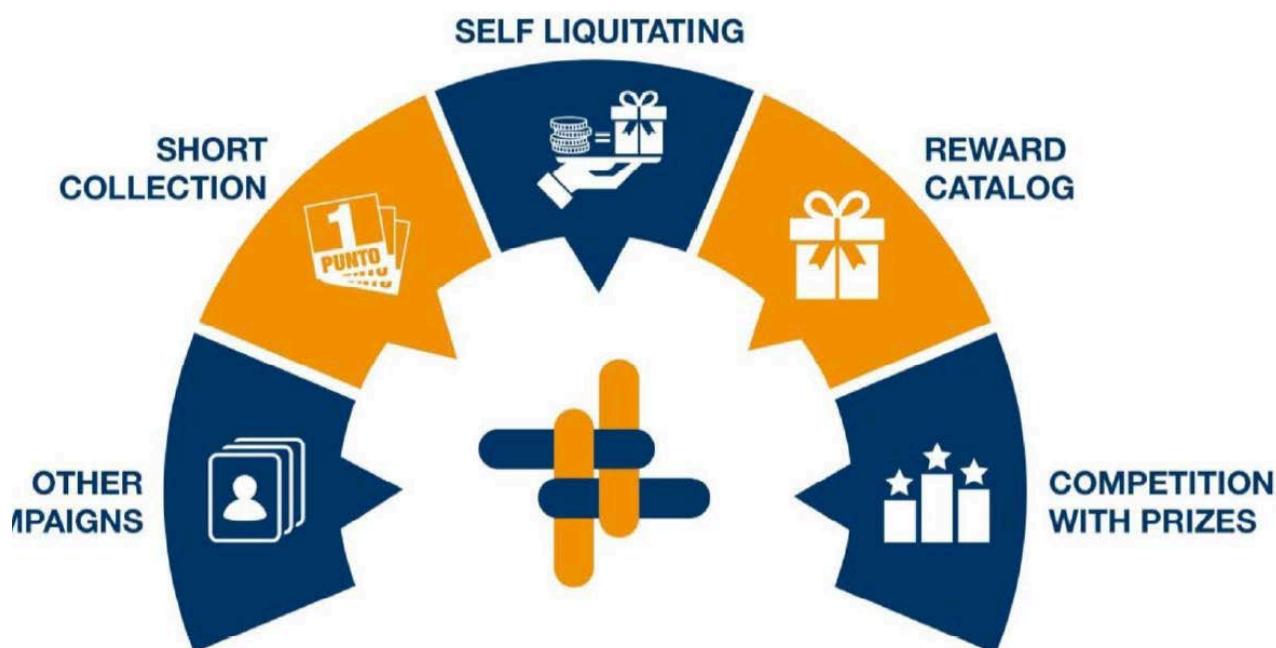
Various activities of communication, graphics, web design, media planning and public relations are integrated to create a unique ad-hoc campaign for the client and the client relationship is proactively managed. Each project is highly customized according to the needs of the individual client, identifying the most suitable product category and sales mix. Promotica also manages the logistics of storing and distributing rewards and, at the end of the campaign, takes care of unsold goods, which can be reused in new campaigns, thus minimizing the share of unsold goods.

Promotica's strong point is the fact that campaigns are developed and designed on the basis of a series of data that, in most cases, are already known to the company thanks to the history and continuity of the relationship with the client.

In addition, the Company has an internal Business Intelligence structure: consisting of the **Royalty One Experience platform, the Syneto IT system** and big data analysis, to

improve campaign design and performance as well as to profile users and personalize their experiences with the aim of supporting brand awareness and consumer engagement.

TYPES OF CAMPAIGNS



- **Short collection**: Mini rewards collection achievable following the collection of stamps and possible cash contribution by the consumer. Prize campaigns with a duration between 12 and 16 weeks.
- **Self liquidating**: Immediate reward campaigns also called "spend and get", with a duration between 4 and 8 weeks. Upon payment of the expense and achievement of a certain minimum spending threshold, the consumer immediately receives a reward in exchange for a minimum contribution.
- **Rewards catalog**: Mixed mechanism with redemption exclusively through digital points or with digital points and the addition of a contribution. Almost always multi-

category with a high number of gifts (on average 100 rewards). Average duration never less than a year but not more than 5 years.

- **Sweepstakes:** Similar to a lottery, i.e. a prize pool is guaranteed by the promoter and the winnings are linked to the luck or skill of the participant. Variable duration, usually from one week to one year.
- **Other:** Special Promotions with prizes of low commercial value, high emotional value, aimed primarily at children; B2B incentive activities dedicated to professionals.

CUSTOMERS

Promotica's customers are some of the largest brands in the **food retail sector** (97% of turnover) and leading companies in the **pharmaceutical, banking / insurance and oil** (3% of turnover), national and international. Here are some of the most important:



KEY FINANCIALS

In **2020**, consolidated revenues reached **€ 57.0 million**, an **increase of 52.3%** compared to 2019. The revenue performance benefited from the launch of major loyalty campaigns in the second half of the year, which enabled the 2020 financial year to close with improved revenue results compared to the planned € 55.3 million.

In terms of margins, **EBITDA amounted to € 6.8 million**, a double-digit growth of +79.1% compared to the previous year, with an EBITDA Margin of 12.0%.

The **Net Result** at December 31, 2020 showed a **triple-digit increase of +102.5%**, reaching **€ 4.3 million**.

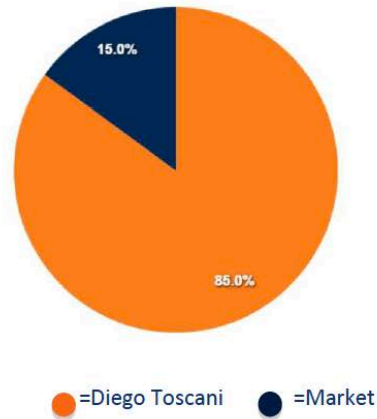
In terms of **CAGR**, the Company saw an **increase from 2015 to 2020 of +39%**.

CORPORATE STRUCTURE AND SHAREHOLDERS



Significant Shareholders

Dieci Sette S.r.l. (*): 13.600.000,00 Stock (85%)
Market: 2.400.000,00 Stock (15%)
Total: 16.000.000,00 Stock (100%)



(*)Company wholly owned by Mr. Diego Toscani

MANAGEMENT

Diego Toscani, Chief Executive Officer and Chairman of the Board of Directors



After graduating in Economics at the University of Brescia, Diego Toscani began working as an employee in the commercial field, gaining experience in Italian and foreign companies. In 1996 he was Junior Marketing Manager at **Groupe Couzon in Thiers** (France) until 1997, when he became **Sales Manager of Pintinox S.p.A. in Sarezzo (BS)** for the management of the large-scale retail trade and promotional channel. Later, from 2000 to 2002 he was **Commercial Director of Recom S.p.A.** in Trento. In 2003 he

founded Promotica, a company that thanks to his managerial strategy has been able to grow significantly over the years, employing 33 employees and 5 collaborators and turnover € 57.0 million in 2020.

At the same time, from 2008 to 2014 he was **President of ASVT S.p.A.** (multi-utility sector), since 2009 he has been a member of the Board of Directors of **Better Side S.r.l** (renewable sources sector).

Alongside his entrepreneurial activity, from 2014 to 2019 he was involved in politics as **Mayor of the Municipality of Sarezzo**, in the province of Brescia.

He is also **President of Easy Life S.r.l.** (production and trade of household items) and member of the Board of Directors of **Vedrai S.p.A.**, a company specialized in the design and implementation of solutions based on Artificial Intelligence.