



Promotica S.p.A.

Euronext Growth Conference

24 May 2022





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Key Investment Highlights



- 1 Leading player in the loyalty market, resilient and counter-cyclical
- 2 A unique growth history thanks to best-in-class management abilities
- 3 Strong AI skills for the development of innovative loyalty tools
- 4 Important positioning in the GDO market with stable and profitable relationships with leading brands
- 5 Revenue growth and marginality above market
- 6 An unexpressed potential for the development in Italy and abroad

Company Overview

Promotica as «Customer Engagement Provider»

- > **Leading player in the loyalty market in Italy**
- > **Established in Desenzano del Garda (Brescia) in 2003**
- > **Ideal partner** to design, organize and manage any operation and promotional campaign aimed at customer loyalty
- > **Proactive approach** acting as a Consultant for planning and promotional development
- > **Aggressive M&A activity** to wide the customer base and to increase internationalisation

Clients and Suppliers as partners of Promotica

- > **107 Clients Partners** for the 86% active in the GDO (14% is active in industrial, pharmaceutical, financial and oil sectors)
- > **Promotica controls the entire value chain, developing and designing the products with suppliers**(typically excellent manufacturing companies)

Broad portfolio of offered services



Mission



ACTIVITIES AND SERVICES OFFERED: PROMOTICA CAMPAIGNS



SHORT COLLECTION

- > **Stamps and possible cash contribution from the consumer**
- > Once achieved a threshold of expenses and its multiples a stamp is given
- > A reward is provided when a predetermined number of stamps is reached
- > About ten references
- > **Average duration of 12 or 16 weeks**



SELF LIQUIDATING

- > **Immediate reward campaigns or "spend and get"**
- > Once achieved a threshold of expenses and its multiples the consumer is entitled to a prize with a cash contribution
- > Higher availability of fast delivery goods is required.
- > This type of program **has an average duration of 4 or 8 weeks**



CATALOG OF AWARDS

- > **Mixed mechanics free/upon contribution, using the digital point**
- > Limited stock with purchases need's dedicated to the need
- > Almost always multi-category with high number of awards (100 average articles)
- > Include "burn-points" activities with now or never approach
- > **Average duration not less than one year but not more than 5 years** (legal limit)



COMPETITION FOR PRIZES

- > Similar to a **lottery, where a prize pool is guaranteed by the promoter, but the winnings are tied to the fate.**
- > Valued by **prize fund and winning frequency**
- > **Duration variable from 1 week to 1 year**



INCENTIVE

- > **Management of digital loyalty and engagement programs**
- > Enhancement of Promotica's expertise in the area of MarTech
- > **B2B incentive activities** dedicated to professionals and alongside normal business/commercial routines



KIDS PROMOTION

- > **Promotional market for products dedicated to the world of children**
- > Activity carried on with Grani & Partners, providing a **well-diversified offering** by target Industry and geographically, with attractive positions in Asia.
- > **Best marketing and manufacturing skills** currently available on the market in the child field.

A successful Business Model

MARKET RESEARCH

- >Collecting and analyzing data, including the study of big data, allows for **more effective measurement tools** to be provided to the customer and to strengthen the bond with the consumer

- > Offering digital and Social features capable of increasing customer sales and profiling users based on expressed interests

PUSH APPROACH

- >Promotional campaign based on loyalty market trends analysis (including **the study of brands, the client's budget and potential VoP, territorial coverage, competitors**).

- >Direct approach to potential clients to propose new promotional campaigns.

SPEED OF EXECUTION

- >**Internal structure to ensure rapid campaign design.**

- >Start the campaigns in **less time than the industry standards**

- >Excellent handling and reuse of returns.

- >At the end of the Campaign, they collect the unsold goods.

- >Credit note to the customer and uses the products again in new campaigns

OUTSOURCED LOGISTIC

AWARD DELIVERY

- >Purchase of products according to the campaign requirements.

- > Launch of the promotional campaign.

- > Supply of the promoter's warehouse and invoicing of the delivered quantity.

- >Guarantees the goods at any time directly to the customer.

At a glance: KPI (2021)

OPERATING KPI

107

CLIENTS

222

SUPPLIERS

249

CAMPAIGNS

32

32 EMPLOYEES

FINANCIAL KPI

39.6
€/M

REVENUES

11.2%

REVENUES CAGR
2017-2021

2
€/M

EBITDA

8.5%

EBITDA MARGIN AVERAGE
2017-2021

GROWTH STRATEGY



Expansions into
foreign markets



Expansion into new
industries



Kid
campaigns



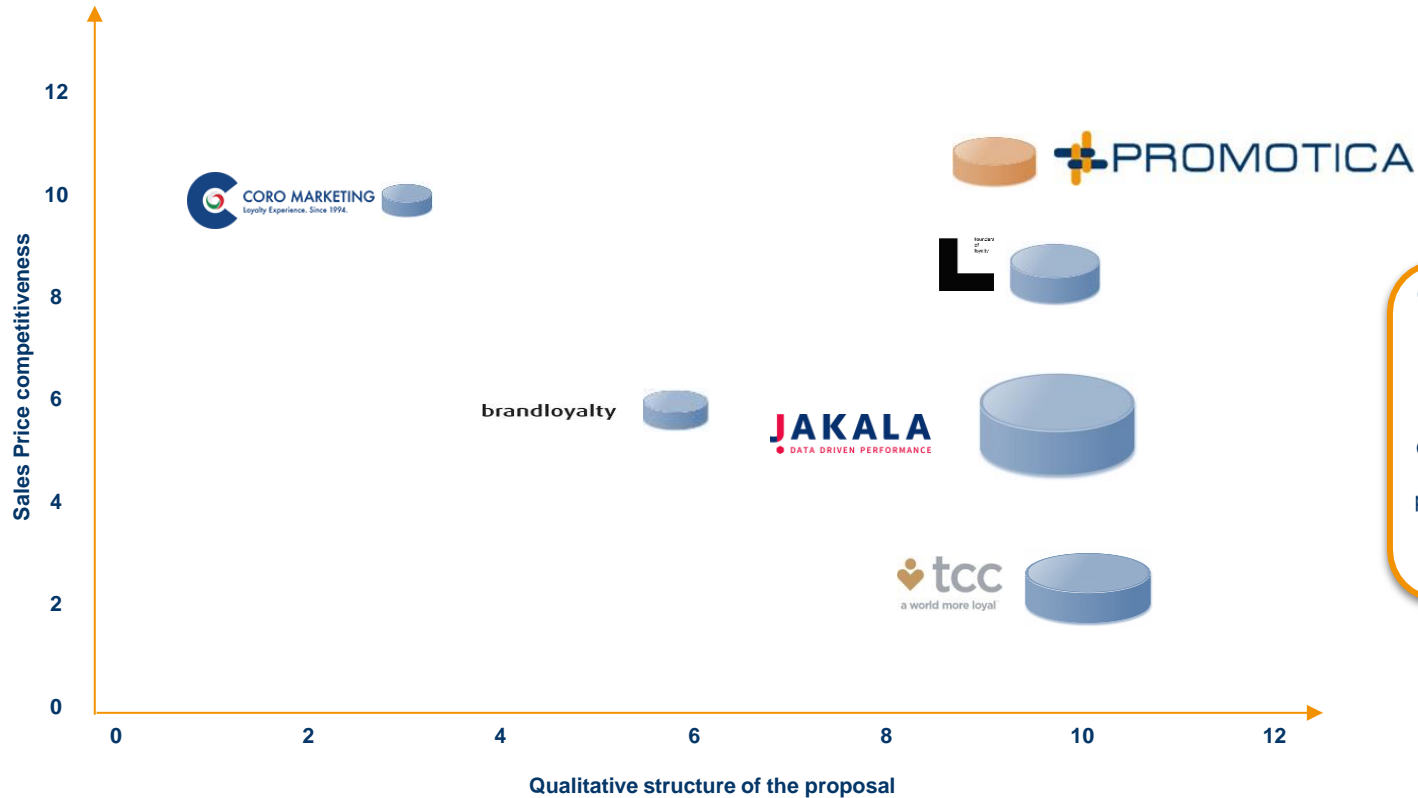
Strengthening BI
capabilities



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Reference Market: Competitive Context



Competitive positioning of Promotica assigning values to the variables Competitiveness of the sales price (y) turnkey campaign and the Qualitative structure of the Proposal (x) in terms of personalization, brand and breadth of the offer presented.

* Source: Elaboration by Management

Dimension proportional to VoP

Grani&Partners – Entering the kids' world



Grani&Partners, is one of the **main players at a global level** in the promotional market for products dedicated to the kids' world

It acts as a strategic consultant in the **conception and realization of every kind of promotional operation** conceived to increase sales and loyalty, offering a turnkey project based for specific customers' needs.



Grani&Partners develops 46% of its turnover abroad through **63 clients, in 19 countries** and about 800 new articles managed every year.

Purchase of **80%** of the equity investment held by Giochi Preziosi S.p.A. in Grani & Partners S.p.A. amounting to **400,000 shares** against payment of a consideration of **€2,000,000**.



Kids Promotion

Kids Promotions allow Promotica to integrate the offer currently addressed mainly to the Adult market.

Automotive Loyalty Campaigns

Leverage on direct relationships with all the **car manufacturers** for which Grani&Partners is licensee.

Customer portfolio Industry sector

Growth of the client base by leveraging on the historical relationships of Grani&Partners with **numerous international players belonging to different industrial sectors.**

Internationalization

Leverage the sales structure of Grani&Partners present in America and Asia to accelerate Promotica's ongoing internationalization process.

Integration of the sourcing structure

Leverage relationships with suppliers in multiple business areas **and established partnerships with the best factories** in Asia of Grani&Partners.

Grani&Partners – Main Successes



Expanding in the Incentive & Loyalty - Acquisition of Giglio Group Business Unit



A **Rewarding platform**, able to recognize complex behaviors, transforming them into credits to be spent, allowing to manage thousands of prizes at low costs and fast delivery times.

Data management and customer enhancement through the integration of Marketing Automation dynamics in Loyalty & Engagement projects with a proven method, ensuring the generation of constant and calculable new turnover.



Strong know-how recognized on the market, with skills in loyalty and engagement activities both on B2B and B2C channels and consultancy support in the correct legal and fiscal framework of promotional initiatives.

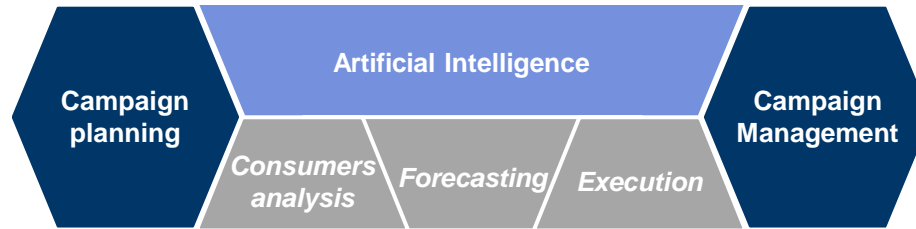
The consideration is **€ 1,200,000**, fully paid, from own resources subject to the agreed amount of **€ 150,000 as a guarantee** against any contingent liabilities.



Roialty Business Unit

Investments in technology functional to:

- > Gain customer insights to unlock clients data-driven business value
- > Reduce the loyalty campaign implementation effort with flexible delivery options
- > Integration with suppliers reducing the risk of out of stock and forecast warehousing needs.
- > Rich suite of loyalty SAAS solutions (B2B and B2C) such as Roialty social profile based gamification and engagement solutions help brands boost their loyalty programs and marketing campaigns by customizing the customer experience



PRIVACY BY DESIGN SOFTWARE SOLUTIONS AND COOKIE LESS APPROACH

Since 2021, the development team of the Roialty business unit has been refactoring loyalty services to improve and secure data processing. Our solutions make up for the cookieless world of 2023 by allowing our clients to know their customers by collecting only zero or first party data.

ROYALTY ONE EXPERIENCE

Roialty social profile based gamification and engagement solutions help brands boost their loyalty programs and marketing campaigns providing tools able to collect **data from all touchpoints** (traditional as point of sale or digital as apps, social pages, messaging platform) by means of which to define behavioral clusters useful to start **a personalized dialog** with each individual consumer and to enrich their database.

POWERFUL IT INFRASTRUCTURE

Promotica uses a highly reliable, hyper converged IT infrastructure. Compared to traditional IT infrastructures, hyperconverged infrastructure enables **the combination of server, storage, and networking into a single, integrated platform.** It also provides **always-on data protection** and geographical disaster recovery. **Syneto** allowed Promotica to virtualize all its physical servers.



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Strategic guidelines and growth drivers

STRATEGIC GUIDELINES



INTERNATIONALIZATION

1

GROWTH DRIVERS

Pursuing internationalization by:

- > Hiring a new internal sales representative for foreign markets;
- > Agreements with a new multi-tenant agent who is responsible for the **German market**;
- > Realization of the first agreement deriving from the marketing activity carried out on the **Balkan/Eastern Europe and Asia- Pacific markets**;
- > **M&A activities** : scouting for partnership with major actors in the loyalty market in North/Eastern Europe.

> Expanding & Strengthening

SERBIA: First kids' program with a big International client, Delhaize.

CROATIA: Alessi Dinnerware program with SPAR, one of the most important clients in the Country.

BALTICS: 3 programs in 2021 with clients as Circle K and Viada.



> Entering in new markets

HONG KONG & BULGARIA:

Programs with Italian brand and production items.



Strategic guidelines and growth drivers

STRATEGIC GUIDELINES



**DIVERSIFICATION BY
SERVICE
AND MARKET**

2

GROWTH DRIVERS

Pursuing diversification through:

- > **Widening the offer to customers** by extending value-added marketing services offered through kid campaigns, entertainment campaigns and marketing plans;
- > **Development of new propositions;**
- > **Entering in new markets** as FMCG, Finance, Pharmaceuticals.

> Diversification by service and market

KIDS PROGRAM with Italmark with plush toys, 100% recyclable materials (running right now).



> Development of new propositions

Development of additional kid programs with **new materials** and **new licenses**.



> Entering in new markets

Food delivery
Pharmaceutical
Petroleum



Strategic guidelines and growth drivers

STRATEGIC GUIDELINES



SPECIALIZATION IN
CAMPAIGNS OF
NATIONAL IMPORTANCE

3

GROWTH DRIVERS

Increase the offer and participation in tenders with higher importance for the loyalty market by **territorial coverage** and **type of promotion** (such as short collection), by:

- > **Pushing commercial strategy**, with a series of tactical activities that allow prospects to test the capabilities of Promotica;
- > Improving chances to win tenders increasing the offer through **exclusive agreements** with famous brands and suppliers.

> COOP Nationwide

The campaign is a **short-collection** featuring products from the "Ariaperta" collection: backpacks, fitness watches and hiking and trekking accessories made largely from recycled materials.



> SELEX Nationwide

General Contractor for the design and management of the 2022 National Awards Catalog.



Strategic guidelines and growth drivers

STRATEGIC GUIDELINES



**BUSINESS
INTELLIGENCE
ENHANCEMENT**

4

GROWTH DRIVERS

Strengthening of big data analytics processes, in order to improve knowledge of consumer purchasing decisions by:

- > **Acquisition of specific software platforms;**
- > **Hiring of new employees in the BI area;**
- > **Partnership with leading market research players**
- > **M&A activities:** Horizontal integration with active targets in the Artificial Intelligence, big data, analysis processing skills and market research.

- > Activation of the **DECIDERE** platform (by Vedrai)
- > **New tool:** system based on machine learning (AI) that will be trained to recognize the affinity of thousands of rewards with the interests of individual consumers, ranking each reward based on an approval rating.

> **New national campaigns managed with the innovative internal IT platform:**

2021:

- Fintyre - Catalogo a premi
- Axel group - Concorso Sottocasa
- Edison Energia - Concorso Natale
- Goodify - Concorso The Power of Giving
- Italiana Assicurazioni - Concorso Playnow
- Gruppo Végé - Unici 2021
- Coop Centro Italia - Catalogo BeAPPy 2021
- Cash&Carry - Vinci Italian Style
- Coop Editrice Consumatori - A tutta salute

2020:

- Coop Centro Italia - Catalogo BeAPPy 2020
- Trust - Crea il tuo ufficio ideale a casa

Strategic guidelines and growth drivers

STRATEGIC GUIDELINES



SUSTAINABILITY

5

GROWTH DRIVERS

- > First ESG Report approved in 2022 relating to the FY2021
- > Communicate to all Stakeholders in a transparent and consistent manner what are the **values, strategies and performance directly related to the related economic, social and environmental impacts**
- > Financial statements prepared in accordance with the **GRI Sustainability Reporting Standards** (GRI Standards)

> Stamp collecting under the banner of sustainability

Alessi Pots&Pan cookware line 100% recycled aluminum

> Collection & Competition with TUPPERWARE + sponsorship of LEGAMBIENTE





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2021 Key Highlights...



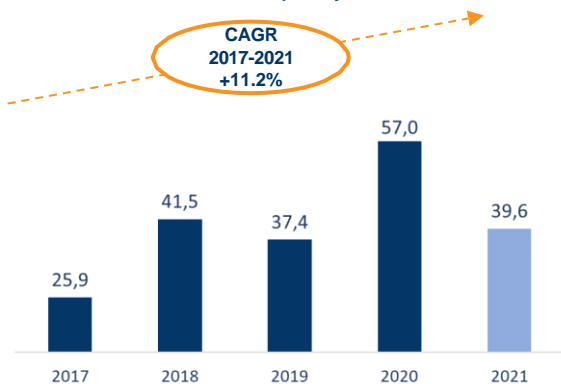
- > **2021 results affected by** the current macroeconomic environment and the cyclicity of the loyalty business.
- > **Increased transportation and raw material costs** have prevented the implementation of some campaigns planned for the second part of 2021, that have been postponed in 2022.
- > **Accelerated expansion internationally** thanks to orders from SPAR Croatia and Delhaize Serbia
- > **Diversification into new sectors** such as pharmaceuticals and food delivery
- > **Efficiency, technology and energy saving:** signed the deed of purchase of the land in Desenzano for the **Promotica's new hub of excellence**
- > **ESG process undertaken**, aimed at eliminating the **environmental impact of Promotica's activities in the first months of 2022**

Positive 2022 outlook

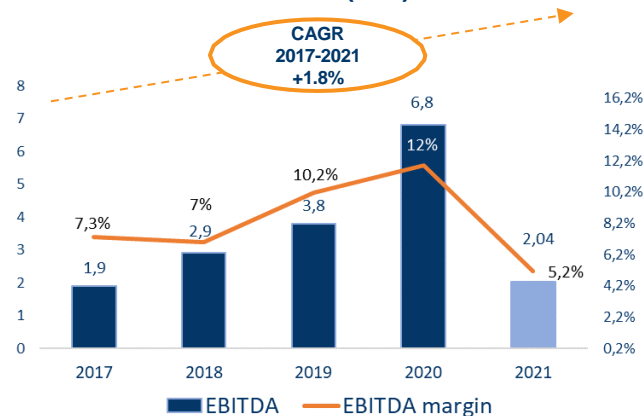
- > Group consolidated revenues accelerated in the **first four months of 2022: on a like for like basis** - without including Grani & Partners S.p.A – revenues are **higher** than H12021, with improved marginality
- > Collaboration with **Selex Commercial Group** to design and manage the 2022 national prize catalog worth more than **€7.5 million**
- > New loyalty campaign for **Coop Italy** worth between **€18 and 21 million**
- > Evaluation of **possible further acquisitions** to increase the **services offered and markets served**, to strengthen its position in the Italian market and to **develop foreign markets**
- > Expected **Group synergies to positively impact on** 2022 accounts
- > **First zero-impact company** in its industry, as through measuring its environmental impact it will proceed to offset its carbon footprint

Financial Results

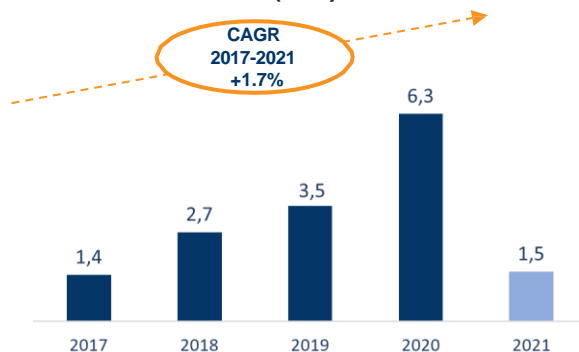
Revenues (€/m)



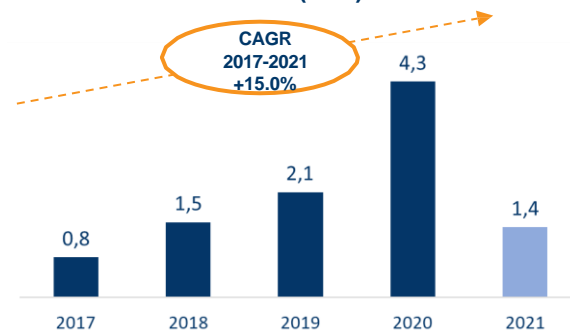
EBITDA (€/m)



EBIT (€/m)



Net Profit (€/m)



Income Statement

€/000	2021	2020
Sales Revenues	39.560	57.006
Cost of goods sold	(28.456)	(42.893)
Industrial Margin	11.104	14.113
Costs of services	(5.841)	(4.926)
Other operating costs	(482)	(159)
Total Operating Costs	(6.323)	(5.085)
Labour costs	(2.738)	(2.206)
EBITDA	2.043	6.822
Depreciation and amortisation	546	534
EBIT	1.497	6.288
Financial proceeds and charges	(191)	(231)
Value adjustments of financial assets and liabilities	302	(81)
EBT	1.609	5.976
Income taxes	(181)	(1.682)
Net Profit	1.428	4.295

Sales revenues at € 39.6 million compared to € 57.0 million achieved in 2020 reflecting the shift of some national significant campaigns to 2022.

The industrial margin is approximately € 11.1 million, as a percentage of sales improving to 28.1% from 24.8% in the previous year.

EBITDA Margin is 5.2% and is affected by the generalized increase in all major cost items, which could not be translated to the end customer for campaigns already formalized during 2021.

Net Profit at € 1.4 million compared to € 4.3 million as of December 31, 2021.

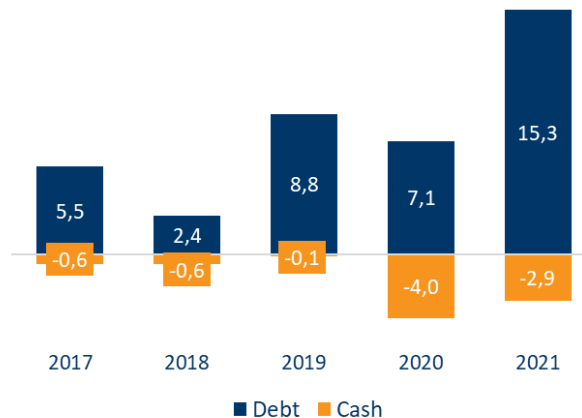
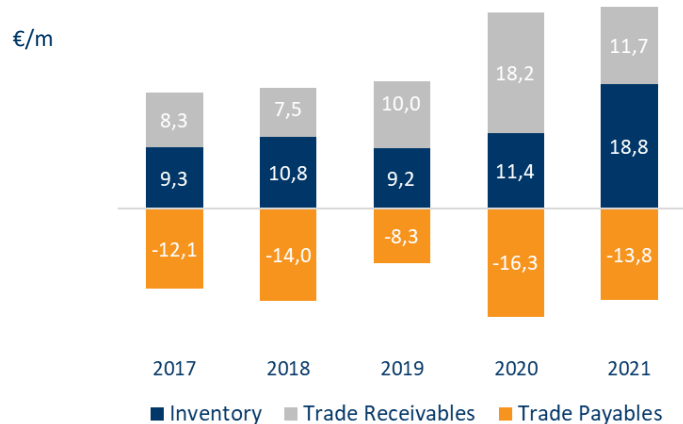
Grani&Partners consolidated for 2 months only.

Grani&Partners 2021 full year revenues at €11.1 million.

Balance Sheet

€/000	2021	2020
Fixed Assets	8,825	2,776
Net Working Capital	17,251	12,688
Net Financial Position	12,405	3,057
Shareholders' equity	12,443	11,764

- > In 2021, **Net Working Capital** was related to inventories for € 18.8 million, trade receivables at € 11.7 million, partly offset by trade payables to suppliers of € 13.8 million.
- > The **NFP** is negative (debt) for € 12.4 million. The increase in net financial debt is related to the acquisition of Grani & Partners S.p.a. which took place without the activation of dedicated credit lines and the financing of the warehouse in view of the campaigns acquired and to be carried out in 2022.





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Key people



Diego Toscani

President of the Board of Directors and Chief Executive Officer

He graduated in Economics and Commerce from the University of Brescia, and in 1996 he held the role of Junior Marketing Manager at Groupe Couzon in Thiers (France). In 1997 he became Commercial Manager of Pintinox S.p.A. for the management of the GDO and promotional channel. In 1998 he founded the "micro brewery" HOPS!. From 2000 to 2003 he was the Commercial Director of Recom S.p.A. in Trento. In 2003 he founded Promotica of which he is currently President and CEO. From 2008 to 2014 he was Chairman of ASVT S.p.A. (multi-utility sector). Since 2009 he is President of Propriis Immobiliare (real estate). He is also founder and President of Buongusto Italiano and President of Easy Life Srl.

Gabriele Maifredi

Vice President of the Board of Directors

He graduated in Literature and Philosophy in 2004 from the Catholic University of Brescia. He began his career in 2002 as Inventory Manager at Nike Retail Italy in Brescia. From 2004 to 2009 he was Category Manager at the company Stilnovo, and From 2009 to 2012 he was General Manager of the same company strengthening his duties and responsibilities in the group loyalty area. In 2013 he was Director of the Market Proposition Area in Promotica, dealing with the design of Loyalty campaigns and the definition of supply and product development agreements. Today he is General Manager of Promotica. Since 2020 he is also Managing Director of Easy Life Srl.



Michele Grazioli

Board Member

Michele Grazioli is a young entrepreneur in AI applications and is considered among the top experts in AI applied to Proactive Decision making. In 2019 he entered the Forbes under 30 ranking in the top 5 of the 100 most influential Italian young innovators in Italy. He holds a degree in Economics and Management from Bocconi University. He is today Chairman and Chief Executive Officer of Vedrai Spa, an innovative startup that deals with the development of platforms for the improvement of the decision-making process, the Director of the Divisible Group and Manager of the Mival Capital Fund, which invests in high-potential SMEs with a hybrid approach involving both the provision of technology and risk capital.

Alvise Gnutti

Board Member

He graduated in Economics and Commerce in 1991 from the University of Brescia. In 1992 he has obtained the accountant qualification. Since 1996 he became Member of the Register of Auditors and since 2012 he is member of the Register of Auditors of local authorities. During the practice of the profession he held positions as Technical Consultant of Brescia Court Office in accounting and fiscal matters. He was Chairman of the Board of Directors of companies controlled by companies listed on the Italian Stock Exchange, and member of the Board of Statutory Auditors of Italian companies. He has gained extensive experience in the field of corporate restructuring, assisting the company, as a global advisor, in the process of rehabilitation and restructuring.



Michele Andreaus

Independent Director

He graduated in Economics and Business in 1990 from the University of Trento and obtained a PhD in Business Administration in 1994. Since 2006 he has been Full Professor of Business Administration at the Faculty of Economics of the University of Trento, where he was also Director of the Department of Computer Science and Business Studies until 2012. In parallel to his academic activities, he has been a member of the Board of Directors and of the Executive Committee of Banca di Trento e Bolzano, as well as a director and vice-president of Cassa del Trentino and Casa Girelli S.p.A.. He is currently a director of La Finanziaria Trentina S.p.A., Fratelli Poli S.p.A., and Banca Fide, as well as a member of the board of statutory auditors of the San Patrignano Foundation.

Governance

BOARD OF DIRECTORS

Diego Toscani
Chairman & CEO

Gabriele Maifredi
Vice President

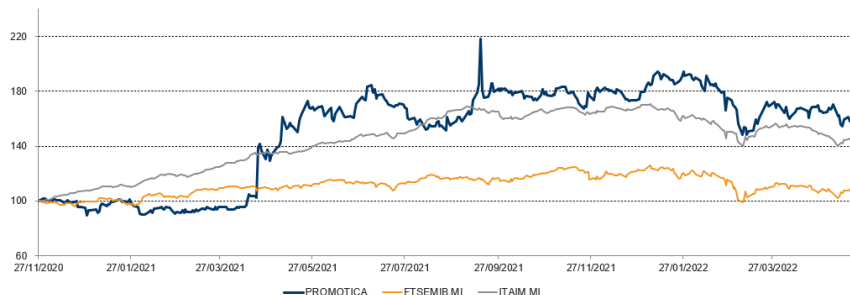
Alvise Gnutti
Director

Michele Grazioli
Director

Michele Andreus
Independent Director

STOCK FIGURES

Outstanding shares	16,069,989	Free Float	15.37%
Date IPO	November 27, 2020	Market Cap (20/05/2022)	€ 43.1m
Issue Price (€)	€ 1.75	Share Price (20/05/2022)	€ 2.68
Market	Euronext Growth Milan		



BOARD OF STATUTORY AUDITORS

Marco Giacomo Inverardi
Chairman

Pier Federico Carrozzo
Regular Statutory Auditor

Claudio Massaroli Perani
Regular Statutory Auditor

Silvano Mombelli
Alternate Statutory Auditor

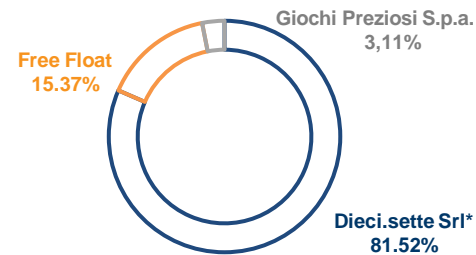
Angiolino Zanni
Alternate Statutory Auditor

AUDIT FIRM & EGA



SIM
INTEGRÆ

SHAREHOLDERS



* Company entirely owned by Dr. Diego Toscani

Successful partnership: Alessi case

1

The Designer Jasper Morrison produces, at the request of Alessi and Promotica, a line of tools for cooking in 100% recycled aluminum.

2

Promotica proceeds to the scouting of the industrial partner for the production and calls a tender among the main players in the sector. The first 3D resin prototypes are realized.

3

The coining molds are realized and all the equipment necessary for the production is defined.



2



3



4

The final production process begins with a double quality control, from Alessi and Promotica in order to respect also the management standards of the GDO.

5

The products are the object of photographic shooting for the realization of all the communication material necessary for the realization of the promotional campaign with the multichannel presence.

6

Products arrive at Coop. Final performance: 820,000 pieces have been supplied, with a redemption rate of 33% (medium value of 3.0+UnicoopFi).

20 years of sales volumes retailers =
3 months of sales volumes Promotica Campaign



FEBRUARY/JUNE 2020

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Thank you!