

# MATICA FINTEC

**Leader in technological systems for the e-ID and digital payment sectors**

**1H20 Results:** MATICA FINTEC, innovative SME and leader in technological systems for the e-ID and digital payment sectors, recently released 1H20 results. With the first six months of the year characterized by the spread of the Coronavirus, Matica Fintec managed to maintain a double-digit EBITDA margin in spite of an inevitable drop in sales. This was achieved thanks to actions taken by the Management to contain costs and respond to adverse market trends.

More in detail, sales reached Euro 5.4 m, -21% vs. 1H19. 97% of total sales were realized abroad, confirming the Company's international calling. EBITDA reached Euro 0.7 m, vs. 1H19 of Euro 1.6 m, with an EBITDA margin of 12.5% (22.3% in 1H19). Net result was positive for Euro 3 k and Net Debt stood at Euro 0.8 m.

**Innovation and new solutions:** throughout the lockdown period the Company continued its activities and to peruse the strategic guidelines announced in the IPO with a particular focus on R&D. This resulted in the launch of two new solution in 2020: C330 (e-ID solution) and S3600 (FII).

**Outlook and estimates:** Management stated that due to the uncertainties regarding the duration and geographical spread of the coronavirus it is still difficult to make any predictions for the next few months. However, the market seems to have shown signs of recovery in September, leaving Management hopeful for the near future.

Given the above, our outlook for Matica Fintech remains positive. We revised our forecast and we now assume a cut in FY20 top-line growth from +11% to a contraction of -18% to reach Euro 11.7 m. (vs Euro 15.9 previously) and an EBTDA margin of 15.2% (20.8% previously). As for FY21-22 we expect demand to experience a steady recovery.

**Valuation:** We set a target price of Euro 3.02 per share, (Euro 3.88 p.s. previously), providing for a +130% upside on current stock price and obtained by weighting equally the DCF and the multiple comparison analysis

## Sector: Technology

Target Price (Euro) 3.02 (3.88 pr)  
Market Price (Euro) 1.31  
Market Cap (Euro m) 14  
EV (Euro m) 18  
*(as of September 30<sup>th</sup>, 2020)*

### Share Data

Market	AIM ITALIA
Bloomberg/Reuters	MFT:IM / MFTC.MI
ISIN	IT0005388449
N. of Shares	10,508,200
Free Float	38.39%
CEO and Chairman	Sandro Camilleri

### AIM Positioning

FY2019	Company	AIM Sector	AIM Italia
Revenues	14.3	38.2	44.5
EBITDA %	22.2%	16.5%	15.4%
NFP/EBITDA	(0.2)	1.2	2.1

Market data Eu m	Company	AIM Sector	AIM Italia
Mkt Cap	15.1	64.8	44.7
Perf. YTD	-22.0%	-0.7%	-7.4%
Free Float	38.4%	31.1%	32.8%
ADTT YTD	45,550	90,966	71,392

### Credit Risk Profile

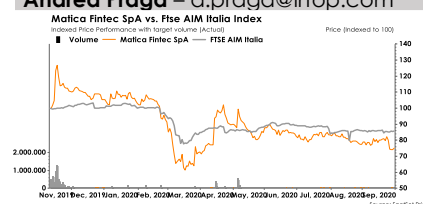
	Matica Finted	Italian PMI Av
Wiserfunding Bond Rating Equivalent	B	B+

### Performance

	1M	3M	6M
Absolute	-3.0%	-9.1%	-3.6%
Relative	-2.6%	-5.3%	+1.1%
52-week High/Low (Eu)	2.38 / 0.99		

### IR TOP RESEARCH

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Key Figures (Euro m)	Sales	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	14.3	+6%	3.2	22%	0.7	4%	0.3	(0.7)
2020E	11.7	-18%	1.8	15%	0.1	1%	0.1	0.3
2021E	14.7	+25%	2.9	20%	0.9	6%	0.5	(1.0)
2022E	16.4	+12%	3.5	21%	1.5	9%	0.9	(2.4)

**KEY FIGURES**

<b>Profit&amp;Loss Statement</b>	<b>2019A</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>
Revenues	15.0	12.0	15.1	16.9
EBITDA	3.2	1.8	2.9	3.5
EBIT	0.7	0.1	0.9	1.5
Financial Income (charges)	(0.3)	(0.2)	(0.2)	(0.2)
Extraordinary items	0.3	0.3	0.0	0.0
Pre-tax profit (loss)	0.7	0.1	0.7	1.3
Taxes	(0.4)	(0.0)	(0.2)	(0.4)
Net profit (loss)	0.3	0.1	0.5	0.9

<b>Balance Sheet</b>				
Net working capital (NWC)	2.6	3.7	3.5	3.6
Net fixed assets	4.7	4.6	4.0	3.4
M/L Funds	(0.5)	(0.5)	(0.6)	(0.6)
Net Capital Employed	6.8	7.8	7.0	6.5
Net Debt	(0.7)	0.3	(1.0)	(2.4)
Equity	7.5	7.6	8.0	8.9

<b>Cash Flow</b>				
EBIT	0.7	0.1	0.9	1.5
D&A	2.5	1.7	2.0	2.0
Tax	(0.4)	(0.0)	(0.2)	(0.4)
Change in M/L Funds	(0.1)	0.0	0.1	0.1
Gross Cash Flow	2.7	1.8	2.7	3.1
Change in NWC	(3.0)	(1.1)	0.1	(0.1)
Operating Cash Flow	(0.2)	0.6	2.9	3.0
Capex	(1.2)	(1.2)	(1.0)	(1.0)
Change in other non-current asset	1.5	(0.3)	(0.4)	(0.4)
Financial Income (charges)	(0.3)	(0.2)	(0.2)	(0.2)
Free Cash Flow	(0.2)	(1.0)	1.3	1.4
Dividend	0.0	0.0	0.0	0.0
Change in Equity	4.7	0.0	0.0	0.0
Change in Net debt	4.5	(1.0)	1.3	1.4

<b>Per Share Data</b>				
<b>Current Price</b>	<b>1.31</b>			
Total shares out fully diluted (mn)	10.5			
EPS	0.0	0.0	0.0	0.1
DPS	0.0	0.0	0.0	0.0
FCF	(0.0)	(0.1)	0.1	0.1
Pay out ratio	0%	0%	0%	0%

<b>Ratios</b>				
EBITDA margin (on revenues)	21.2%	14.8%	19.2%	20.5%
EBIT margin (on revenues)	4.3%	0.6%	6.1%	8.7%
Net Debt/Equity	-9.7%	3.5%	-12.6%	-27.5%
Net Debt/(Net Debt + Equity)	-10.8%	3.4%	-14.4%	-37.9%
Net Debt/EBITDA	-0.23	0.15	-0.35	-0.71
Interest cover EBIT	2.46	0.36	4.58	7.37
ROE	4.1%	1.0%	6.1%	9.7%
ROCE	15.2%	1.5%	16.3%	29.1%
Free Cash Flow Yield	n.m.	n.m.	9.3%	10.4%

<b>Growth Rates</b>				
Revenues	-5%	-20%	25%	12%
EBITDA	12%	-44%	62%	20%
EBIT	254%	-89%	1187%	61%
Net Profit	232%	-76%	570%	78%

**AIM POSITIONING**

We position Matica Fintec within the AIM Italia “**Technology**” sector which includes 26 companies with average capitalization of Euro 65 m, an average free float of 31% and an average performance from IPO of +22%.

When compared to the “**Technology**” sector Matica Fintec shows:

- Higher EBITDA margin (22% vs 16%);
- Lower revenues (Euro 14 m vs Euro 38 m);
- Lower Net debt/EBITDA ratio (-0.2x vs 1.2x);

Higher free float (38% vs. 31%) and higher trading volumes.

Market Data	Market Cap (Euro m)	Free Float (%)	Perf. from IPO (%)	ADTT YTD (Euro)	Revenues (Euro m)	Revenues YoY (%)	EBITDA margin (%)	EV/EBITDA (x)	NFP/EBITDA A (x)
AMM	12	19%	-47%	26,422	14	25%	17%	3.6	(1.2)
Antares Vision	622	12%	7%	87,425	149	29%	25%	18.0	(0.3)
Circle	10	24%	21%	14,917	6	27%	20%	7.9	(0.3)
Cy4Gate	38	26%	40%	52,928	7	36%	44%	22.0	0.3
Cyberoo	66	45%	40%	242,402	7	28%	37%	15.0	(1.3)
DHH	17	33%	14%	27,381	7	13%	7%	29.2	(4.5)
Digital Value	308	32%	212%	208,520	365	22%	9%	8.8	(0.9)
Doxee	23	23%	9%	21,565	21	25%	24%	5.1	0.5
Eles	29	45%	35%	168,618	18	-21%	19%	10.0	0.6
Esautomotion	22	22%	-37%	15,030	19	0%	18%	4.4	(2.1)
Expert System	116	74%	28%	332,093	32	10%	17%	23.3	0.5
Finlogic	15	36%	6%	49,006	35	17%	14%	8.4	(0.3)
FOS	40	25%	51%	27,379	12	25%	18%	6.9	(0.3)
MailUp	76	36%	164%	70,727	61	51%	8%	17.1	(0.5)
MAPS	20	31%	36%	60,837	19	6%	22%	7.0	1.2
<b>Matica Fintec</b>	<b>15</b>	<b>38%</b>	<b>-16%</b>	<b>45,550</b>	<b>14</b>	<b>6%</b>	<b>22%</b>	<b>4.3</b>	<b>(0.2)</b>
Neosperience	36	26%	46%	110,689	14	63%	26%	11.1	(0.3)
Neurosoft	21	14%	-89%	13,417	15	8%	-2%		
Powersoft	41	14%	3%	19,592	37	10%	17%	4.7	(1.7)
Prismi	20	91%	-93%	42,735	22	4%	5%	42.5	24.6
Relatech	64	19%	174%	174,311	18	36%	27%	11.7	(0.1)
Reti	11	20%	-15%	169,645	21	10%	10%	11.4	6.2
Sofftec	5	10%	-88%	8,082	7	-30%	5%	24.0	7.7
Sourcesense	22	33%	107%	305,904	15	20%	11%	14.0	0.8
Vetrya	21	34%	-48%	45,355	46	-22%	-7%		
Websolute	13	27%	-2%	24,589	14	10%	15%	6.1	0.4
<b>Technology</b>	<b>65</b>	<b>31%</b>	<b>22%</b>	<b>90,966</b>	<b>38</b>	<b>16%</b>	<b>16%</b>	<b>13.2</b>	<b>1.2</b>
<b>AIM Italia</b>	<b>45</b>	<b>33%</b>	<b>-11%</b>	<b>71,392</b>	<b>45</b>	<b>17%</b>	<b>15%</b>	<b>12.1</b>	<b>2.1</b>

Source: PMI Capital and FactSet data as of September 23<sup>th</sup>, 2020

**1H20 RESULTS**

With the first six months of the year characterized by the spread of the Coronavirus, Matica Fintech managed to maintain a double-digit EBITDA margin in spite an inevitable drop in sales. This was achieved thanks to actions taken by the Management to contain costs and respond to adverse market trends.

More in detail, 1H20 sales came in at Euro 5.4 m, -21% vs. Euro 6.9 m in 1H19. The Company continued to be extremely well diversified with over 97% of sales recorded in over 100 export countries: 23% in Europe (except Italy), 29% Asia, 29% America and 20% in the rest of the world.

EBITDA stood at Euro 0.7 m (Euro 1.6 m in 1H19) with an EBITDA margin of 12.5% (22.3% in 1H19). The drop in profitability caused by the lower sales volumes, was partially offset by containment policies implemented by Management.

After D&As of Euro 0.8 m (Euro 1.2 m in 1H19) EBIT was negative for Euro 67 k, compared to Euro 0.4 m of 1H19. Net Profit came in at Euro 3 k (Euro 16 k in 1H19) after non-recurring income of Euro 250 k.

At the end 1H20, Net Debt stood at Euro 0.8 m vs. Net Cash of Euro 0.7 m in FY19 after total investments the period of Euro 0.8 m mainly related to R&D activity (10% sales). Net Debt adjusted for IFRS 16 adoption (Euro 0.1 m) and the overdue tax payables (Euro 1.4 m) amounted to Euro 2.4 m, vs. an adjusted Net Debt of Euro 1.4 m in FY19.

**Income Statement – Euro m**

	1H 2020A	1H 2019A	Δ (%)
<b>Sales</b>	<b>5.4</b>	<b>6.9</b>	-21.1%
yoy	-21.1%	n.a.	
<b>Revenues (VoP)</b>	<b>5.8</b>	<b>7.1</b>	-18.9%
yoy	-18.9%	n.a.	
<b>EBITDA</b>	<b>0.7</b>	<b>1.6</b>	-54.8%
margin	12.5%	22.3%	
<b>EBIT</b>	<b>(0.1)</b>	<b>0.4</b>	-117.3%
margin	-1.2%	5.5%	
<b>Pre tax profit</b>	<b>0.1</b>	<b>0.2</b>	-62.8%
<b>Net Profit</b>	<b>0.0</b>	<b>0.0</b>	-78.7%

Source: Company Data

**Balance Sheet – Euro m**

	1H 2020A	1H 2019A	Δ (%)
Net Working Capital (NWC)	3.9	2.6	+54.3%
Fixed net assets	4.8	4.7	+3.6%
Funds	(0.5)	(0.5)	+0.3%
<b>Net Capital Employed</b>	<b>8.3</b>	<b>6.8</b>	<b>+23.0%</b>
Net Financial Position (Cash)	0.8	(0.7)	-214.2%
Equity	7.5	7.5	-0.1%
<b>Sources</b>	<b>8.3</b>	<b>6.8</b>	<b>+23.0%</b>

Source: Company Data

**BUSINESS UPDATE AND OUTLOOK**

Management stated that due to the uncertainties regarding the duration and geographical spread of the Coronavirus it is still difficult to make any predictions for the next few months. However, the market seems to have shown signs of recovery in September, leaving Management hopeful for the near future.

Management further highlighted how the Company has continued its activities and to peruse the strategic guidelines announced in the IPO with a particular focus on R&D throughout the lockdown period. This resulted in the launch of two new solutions YTD 2020:

- **C330**: a new desktop system for identification in the military and government sectors, for which Company has already received purchase orders for a value of Euro 0.2 m (e-ID solutions);
- **S3600**: a desktop system for the instant decentralized issuance of payment cards (FI).

Given the above, our outlook for Matica Fintech remains positive as we believe that the structural trend that support the Company's equity story does not change and that the contraction in 1H20 must be considered extraordinary and related exclusively to the ongoing health emergency.

**ESTIMATES REVISION**

Based on 1H20 results we revised our forecast and we now assume a cut in FY20 top-line growth from +11% to a contraction of -18% to reach Euro 11.7 m. (vs Euro 15.9 previously) and an EBITDA margin of 15.2% (20.8% previously). As for FY21-22 we expect demand to experience a steady recovery. We also adjusted our forecasts to factor in the IPO related tax credit of c. Euro 0.4 m. Overall we cut our revenue and Net Result forecast by -21% and -56% respectively. We stress that our forecast does not include any potential opportunities arising from further M&A activity, which however remains a key strategic pillar for the Company in the next years.

**Income Statement – Euro m**

	2019A	2020E Old	2020E New	2021E Old	2021E New	2022E Old	2022E New
<b>Sales</b>	<b>14.3</b>	<b>15.9</b>	<b>11.7</b>	<b>17.8</b>	<b>14.7</b>	<b>20.3</b>	<b>16.4</b>
yoy	+6.1%	+11%	-18.0%	+12%	+25.0%	+14%	+12.0%
<b>Revenues (VoP)</b>	<b>15.0</b>	<b>16.2</b>	<b>12.0</b>	<b>18.2</b>	<b>15.1</b>	<b>20.8</b>	<b>16.9</b>
yoy	+7.0%	+8%	-19.6%	+13%	+25.0%	+14%	+12.0%
<b>EBITDA</b>	<b>3.2</b>	<b>3.3</b>	<b>1.8</b>	<b>4.1</b>	<b>2.9</b>	<b>4.9</b>	<b>3.5</b>
margin	22.2%	20.8%	15.2%	23.0%	19.8%	23.9%	21.1%
<b>EBIT</b>	<b>0.7</b>	<b>0.5</b>	<b>0.1</b>	<b>1.2</b>	<b>0.9</b>	<b>3.6</b>	<b>1.5</b>
margin	4.5%	3.3%	0.6%	6.5%	6.1%	17.9%	8.7%
<b>Pre tax profit</b>	<b>0.7</b>	<b>0.4</b>	<b>0.1</b>	<b>1.1</b>	<b>0.7</b>	<b>3.5</b>	<b>1.3</b>
<b>Net Profit</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>	<b>2.4</b>	<b>0.9</b>

Source: Company data (IAS/IFRS) for FY 2019, IR Top Research estimates for FY 2020-2022

**Balance Sheet – Euro m**

	2019A	2020E Old	2020E New	2021E Old	2021E New	2022E Old	2022E New
Net Working Capital (NWC)	2.6	2.0	3.7	2.4	3.5	2.8	3.6
Fixed net assets	4.7	4.4	4.6	2.6	4.0	2.6	3.4
Funds	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)	(0.7)	(0.6)
<b>Net Capital Employed</b>	<b>6.8</b>	<b>5.8</b>	<b>7.8</b>	<b>4.3</b>	<b>7.0</b>	<b>4.6</b>	<b>6.5</b>
Net Financial Position (Cash)	(0.7)	(2.0)	0.3	(4.2)	(1.0)	(6.3)	(2.4)
Equity	7.5	7.7	7.6	8.5	8.1	10.9	8.9
<b>Sources</b>	<b>6.8</b>	<b>5.8</b>	<b>7.8</b>	<b>4.3</b>	<b>7.0</b>	<b>4.6</b>	<b>6.5</b>

Source: Company data (IAS/IFRS) for FY 2019, IR Top Research estimates for FY 2020-2022

**AIM DISCOUNT UPDATE**

When using market multiples to determine the target price of an AIM Italia listed company, we apply a discount on the average peer multiple based on an algorithm that, in partnership with Wisefunding Ltd<sup>1</sup> and “Osservatorio AIM” (IR Top proprietary database) measures the positioning of the company along 5 dimensions:

- Market Data (capitalisation, liquidity, free float)
- Financials (growth and profitability)
- Sustainability (ESG)
- Transparency (strategic plan)
- Credit Risk (Wisefunding Bond Rating Equivalent)

Market Data establishes a base discount that runs from 20% to 30%. Hence, according to a scoring system, the Credit Rating accounts for a premium/discount in the +/- 2.5% range with a B+ (representing the average rating of Italian SMEs) would imply neutrality, i.e. +/- 0% discount/premium. The remaining three dimensions (Financials, Sustainability and Transparency) together determine an additional discount/premium of +/- 5%.

The Credit Risk Profile was recently added to our algorithm and is elaborated in collaboration with Wisefunding Ltd, a London based fintech specialized in providing accurate credit assessments for SMEs, segmented by size, country and industry sector.

Applying the algorithm on **MATICA FINTEC**, we consider fair a discount of 28.05% to Industry peers based on:

- Market Data discount of 27.5%
- Wisefunding PMI Z-score of 277 and bond rating equivalent of B which would imply a discount of 0.3%
- A 0.25% discount as a sum of the scoring for Financials, ESG and Transparency.

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<sup>1</sup> Wisefunding is a London-based fintech company specialised in assessing the credit risk of small and medium sized enterprises (SMEs). Through their online platform, they allow businesses looking to obtain finance or lenders and investors looking to assess the risk of businesses to get more accurate data to make better decisions quicker than ever before. Wisefunding provides SMEs across Europe with a risk assessment based on past financial history and a range of publicly available structured and unstructured data. Professor Edward Altman, one of the pioneers of credit risk analytics back in the 60s and inventor of the famous Z-score model, is one of the co-founders. Wisefunding has been official partner of Borsa Italiana for the Fixed Income since 2016.

## VALUATION

We have updated our valuation for MATICA FINTEC and in particular:

- the DCF to include the new estimates and up-to-date risk-free rate and ERP;
- the relative valuation to reflect current market multiples and updated our AIM Positioning Discount to reflect FY 2019 results and a credit rating as of the analysis made by Wisefunding.

We set a Target price of Matica Fintec of Euro 3.02 p.s. (Euro 3.88 p.s. previously) providing for an upside on current share price of +130%. Our valuation of Matica Fintec is based on a DCF and Multiple comparison, weighted equally. At our TP, the stock would be trading at 20-21 EV/EBITDA multiples of 18.2x and 11.2x respectively.

### Valuation Summary

Method	Weight	Price (Euro)
Multiple analysis	50%	2.74
DCF	50%	3.30
<b>Target Price</b>	<b>100%</b>	<b>3.02</b>

Our valuation does not consider the possible dilution impact from the exercise of outstanding warrants which would have an impact of -1% on our valuation.

### International Peers Group

	Country	Market Cap (Euro m)	2019 Revenues (Euro m)	Growth yoy (%)	2019A EBITDA margin (%)	2020E EBITDA margin (%)
Zebra	USA	11,484	3,970	+11%	19%	19%
Evolis	France	157	90	+10%	16%	6%
Identiv Inc	USA	96	75	+13%	5%	6%
Rambus Inc.	USA	1,328	200	+2%	-20%	47%
Illinois Tool Works Inc.	USA	52,092	12,606	+1%	27%	25%
IPG Photonics Corporation	USA	7,719	1,175	-5%	29%	28%
CPI Card Group	USA	19	248	+15%	13%	n.a.
Assa Abloy AB	Sweden	21,121	8,880	+8%	19%	17%
3D System	USA	507	562	-4%	-1%	0%
Ingenico Group SA	France	8,429	3,370	+27%	17%	21%
<b>Median</b>		<b>4,524</b>	<b>868</b>	<b>+9%</b>	<b>17%</b>	<b>19%</b>
<b>Matica Fintec</b>	<b>Italy</b>	<b>14</b>	<b>14</b>	<b>+6%</b>	<b>22%</b>	<b>15%</b>

	EV/EBITDA			EV/EBIT			P/E		
	20E	21E	22E	20E	21E	22E	20E	21E	22E
Zebra	17.9	14.0	12.3	19.8	15.3	14.0	22.6	18.1	16.3
Evolis	30.4	7.6	n.a.	n.a.	10.4	n.a.	3,761.8	17.3	n.a.
Identiv Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	626.0	n.a.
Rambus Inc.	6.1	5.9	6.3	7.2	6.8	7.1	456.3	136.9	n.a.
Illinois Tool Works Inc.	22.7	19.3	17.8	26.4	22.0	20.3	33.5	27.3	24.7
IPG Photonics Corporation	24.6	17.6	14.6	36.0	23.7	16.9	53.5	36.8	27.5
CPI Card Group	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Assa Abloy AB	17.2	14.3	13.1	21.8	17.5	15.8	29.4	22.8	20.8
3D System	n.a.	9.6	6.8	n.a.	20.9	11.8	n.a.	32.1	15.8
Ingenico Group SA	16.1	13.9	12.4	22.8	19.0	16.4	29.2	24.9	22.8
<b>Median</b>	<b>17.9</b>	<b>13.9</b>	<b>12.4</b>	<b>22.3</b>	<b>18.3</b>	<b>15.8</b>	<b>33.5</b>	<b>27.3</b>	<b>21.8</b>

Source: IR Top estimates for MATICA FINTEC and FactSet data for peers as of September 30<sup>th</sup>, 2020

### DCF model

Our DCF model yields a fair value of Euro 3.30 per share and was run using our FCF estimates for the FY20-24 explicit period and based on a WACC of 8.0%.

## COMPANY PROFILE

Matica Fintec, is a registered Innovative SME and leader in technological systems for the e-ID and Digital Payment sectors. The Company is based in Milan (Italy) and specialized in the design, manufacturing and market of systems for the issuance of security documents (licenses, passports, identity card etc.) and financial cards (credit cards, debit cards etc.) mainly for Governmental and Financial Institutional clients. In FY 2019, total sales reached Euro 14.3 m (Euro 13.5 m in FY 2018 adj.), of which 97% (95% in FY 2018 adj.) were realized outside Italy in over 200 countries worldwide thanks to a capillary sales network.

## STRATEGY

Matica Fintec intends to pursue its development and growth strategy through the following guidelines:

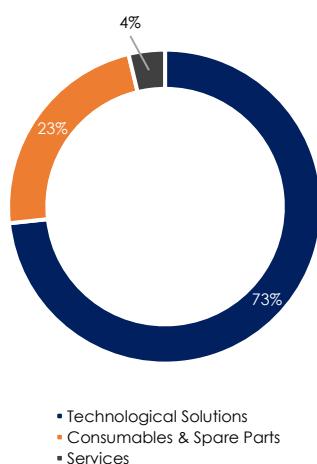
- R&D to anticipate technological evolution in the market;
- Optimization of the production process;
- M&A activity.

## INNOVATION

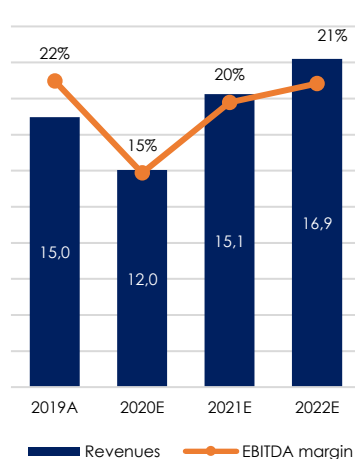
Matica Fintec has obtained 9 patents and invested approx. 10% of total 2019 revenues in R&D for the development of cutting-edge, secure and reliable technologies. The Company's products are characterized by efficiency, reliability and high technological content including biometric systems, laser technology, and holographic application for identity documents.

## Revenues focus

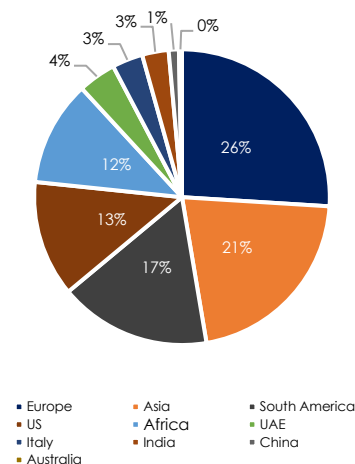
### breakdown by segment



### 2019 – 2022 evolution



### breakdown by geography



Source: Company data (IAS/IFRS) for FY 2019, IR Top Research estimates for FY 2020-2022

## OPPORTUNITIES

- **Research & Development:** Continuous investment in R&D (approx. 10% of revenues in 2019).
- **International footprint:** Widespread presence in principal foreign markets
- **Customer Care:** through the assistance and after-sales services.
- **e-ID and Digital Payment systems:** wide range of high-tech systems designed to provide customized solutions for specific needs.
- **Industry experience:** Over 10 years of experience and know-how.

## RISKS

- **Risks related to the competitors: Competitive arena:** global competition with large-scale players
- **Rapidly changing technologies** which makes continuously update of products and services offered necessary
- **Costs in Euro vs. competitors in dollars**
- **Maintenance of high safety and technological standards:** R&D policy aimed at the creation and introduction in the market of highly specialized and innovative solutions
- Risks related to the **implementation of the strategic plan**



## IPO

Listing Market: AIM Italia – Borsa Italiana SpA  
Capital raised: Euro 6.9 m (Euro 6.0 m capital increase and Euro 0.9 m Greenshoe option)  
Price: Euro 1.71 p.s.  
Capitalisation: Euro 18 m

## SHARES (as of September 30<sup>th</sup>, 2020)

Code: MFT  
Bloomberg: MFT:IM  
Reuters: MFTC.MI  
ISIN: IT0005388449  
Share: 10,508,200  
Price: Euro 1.31  
Performance from IPO: -23%  
Capitalisation: Euro 14 m  
Free Float: 38.39%  
NomAd and Global Coordinator: Integrae Sim  
Auditing firm: Nexia Audirevi

## WARRANTS (as of September 30<sup>th</sup>, 2020)

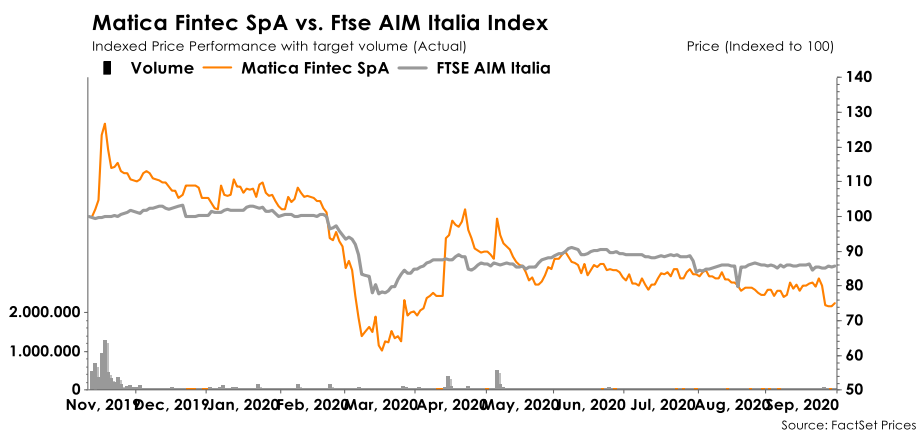
Name: "Warrant Matica 2019-2022"  
Alphanumeric code: WMFT22  
ISIN: IT0005388381  
Issued warrants: 4,033,800  
Exercise ratio: 1 ordinary share every 10 warrants held  
1<sup>st</sup> exercise period: November 16<sup>th</sup>, 2020 – November 30<sup>th</sup>, 2020; exercise price Euro 1.881  
2<sup>nd</sup> exercise period: November 15<sup>th</sup>, 2021 – November 30<sup>th</sup>, 2021; exercise price Euro 2.069  
3<sup>rd</sup> exercise period: November 15<sup>th</sup>, 2022 – November 30<sup>th</sup>, 2022; exercise price Euro 2.276

Number of outstanding Warrant at September 30<sup>th</sup>, 2020: 4,033,800.

The share capital subscribed and paid up is Euro 5,254,100, made up by n. 10,508,200 ordinary shares. Free float is 38.39%.

Shareholder	N° of shares	%
Matica Technologies AG	6,474,400	61.61%
Market	4,033,800	38.39%
<b>Total</b>	<b>10,508,200</b>	<b>100.00%</b>

Source: Company data as of September 30<sup>th</sup>, 2020



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Date	Target Price	Market Price	Validity Time
October 1 <sup>st</sup> , 2020	3.02	1.31	12 months
April 29 <sup>th</sup> , 2020	3.88	1.58	12 months
November 13 <sup>th</sup> , 2019	3.62	1.75	12 months

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**RESEARCH TEAM:**

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Andrea Praga, (Analyst)  
Chiara Cardelli, (Researcher)

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