



Matica Fintec S.p.A. Finance Gala & Summit 2022

Sandro Camilleri - CEO

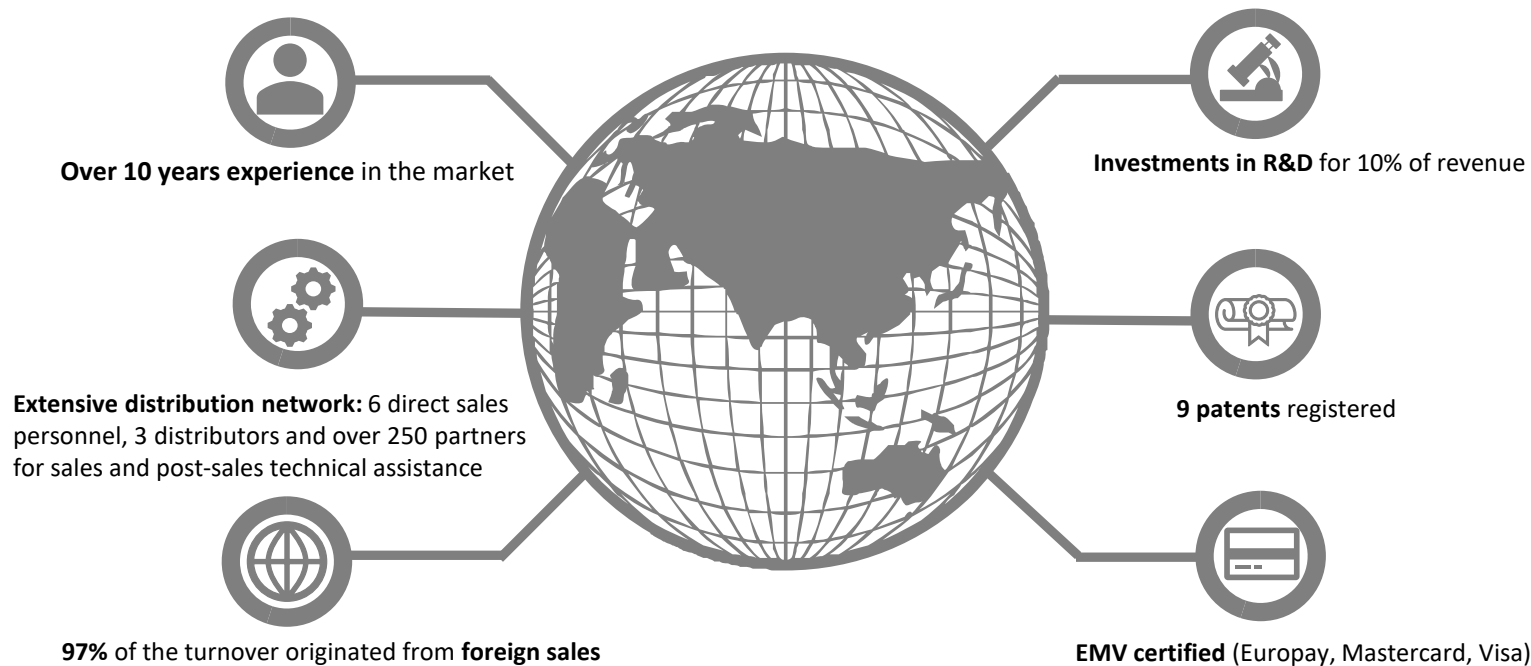
05 May 2022

Matica Fintec at a Glance






Matica Fintec is a global company operating in the design, production, and marketing of **technological solutions** for governments and financial institutions in the markets of **Digital ID** and **Payments**.

The group offers a broad **portfolio of solutions** capable of satisfying customers' needs for both **Digital ID and Banking markets**.



Solutions for a changing world

3 Main Product Lines

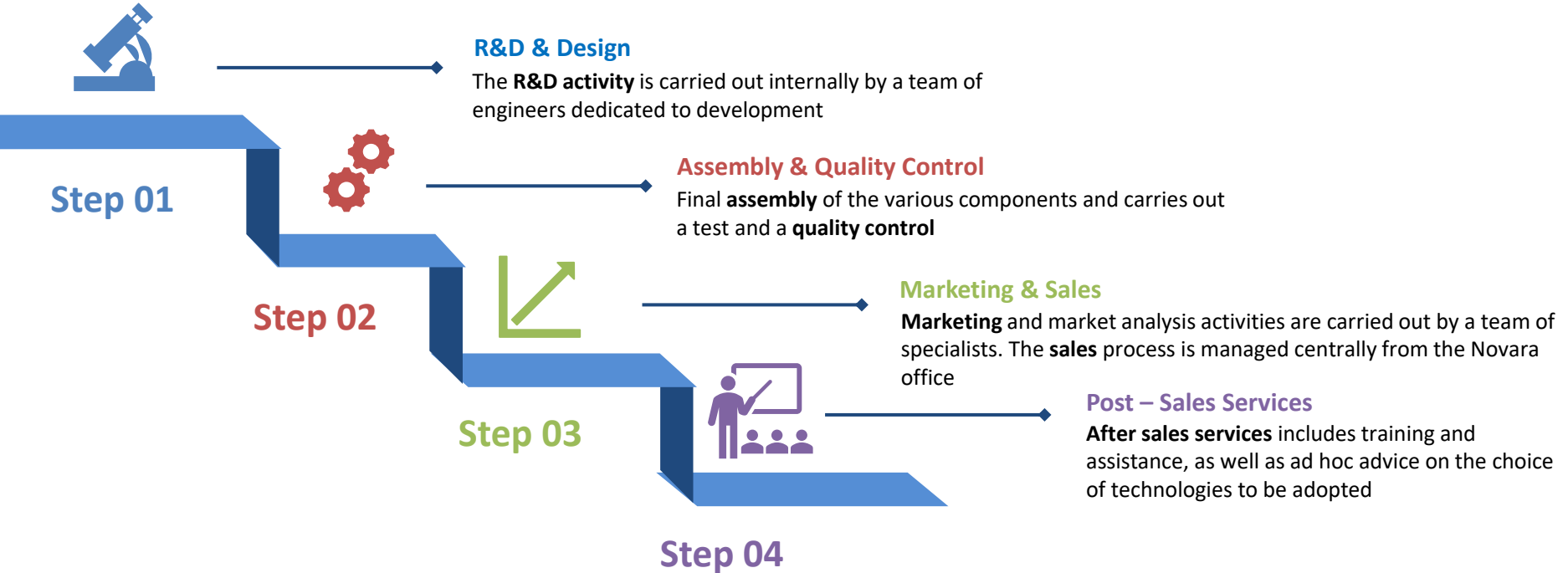
	APPLICATIONS	FUNCTIONS	PRODUCTS
BANKING	<ul style="list-style-type: none">➤ Credit Cards➤ Debit Cards➤ Prepaid Cards➤ Digital Payment Apps➤ Biometrics Cards	Issuance Systems with a rapid development times used for small volumes of “cards” issued locally (branch/point of sale) integrated into proprietary SW	 <i>S 3000 Line</i>
DIGITAL ID	<ul style="list-style-type: none">➤ Credit Cards➤ Debit Cards➤ Prepaid Cards➤ ID Cards, passports/visas, driving license➤ Biometrics Cards	Sophisticated and customized issuance systems used for high volumes of “cards” issued at centralized level integrated into proprietary SW	 <i>S 7000 Line</i>
RECURRING - CONSUMABLES & SPARE PARTS	<ul style="list-style-type: none">➤ Applications for ID and Banking systems	Consumables, the volumes of which rise as the systems installed increase	 <i>Consumables Recurring Revenues</i>



Business Model



Matica Fintec provides solutions for end users mainly represented by **Financial Institutions** and **Public Entities**.



Solutions for a changing world

BOARD OF DIRECTORS



Sandro Camilleri – Chairman



Gabriella Minerva – Director



Pietro Broggian – Director



Gigliola Falvo – Independent Director



Massimo Pegoraro – Director

BOARD OF STATUTORY AUDITORS



Roberto Santagostino – Chairman



Raffaele Fiorella – Auditor



Umberto Invidiata – Auditor



Alessandro Cella – Deputy Auditor



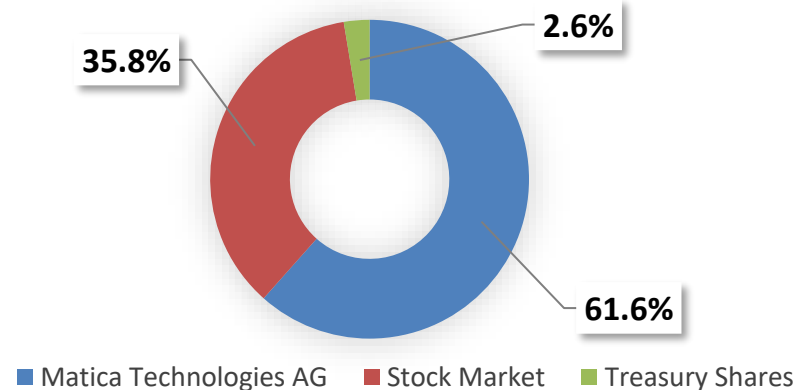
Filippo Spiaggia – Deputy Auditor

MATICA FINTEC SHARE PERFORMANCE



<i>IPO Date</i>	<i>Issue Price</i>	<i>Closing Pr. at 29 April 22</i>	<i>Mkt. Cap. at 29 April 22</i>	<i>% from IPO date</i>
11 Nov 19	1.71€	2.25€	≈24 € mln	≈+32

SHAREHOLDERS' STRUCTURE

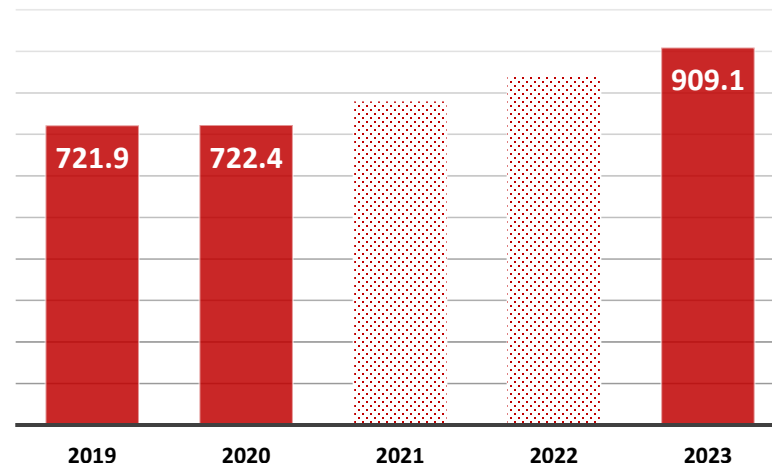




Reference Markets

- The **Payment market** includes the sales of smart cards and payment services and involves issuers and buyers, card processing and issuing companies, payment processing institutions and non-bank financial institutions.
- The **global Secure Payment market** is estimated to value 722.4 billion in 2020 and is projected to grow with a 2021-2023 **CAGR of 9%**, reaching **\$909.1 billion in 2023**.
- **Asia Pacific** represents the largest region in the global Payment market with 33% of the market share in 2019; **Western Europe** follows with 23%.

Payment Global Market (\$/bn)

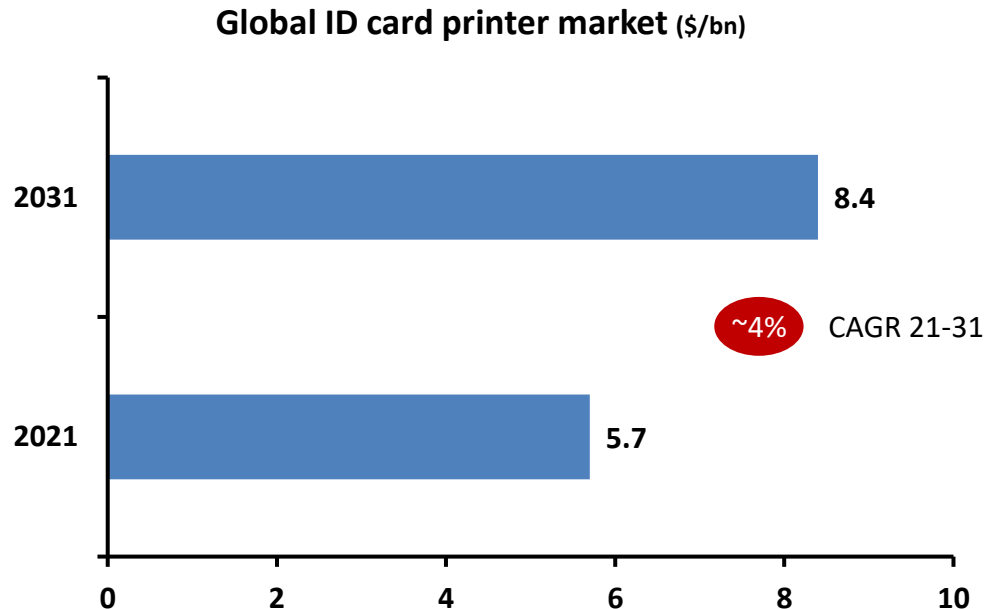


Resource: Cards And Payments Market – Global Forecast To 2023, The Business Research Company (apr 2020)

The Payment market had witnessed a rapid increase in the adoption of EMV technology (Europay, MasterCard and VISA) which ensures a higher level of data security.



- The **e-ID documents market** is growing steadily. This reflects countries' growing needs for identification documents (virtual and physical domains) that incorporate the best available security standards while containing as much information about citizens as possible (ID, passports, driving licences, migration documents, health cards, etc).
- The demand recorded year-on-year growth of **3.7% in 2021**, with sales volume reaching 687,000 units. Demand for high performance card printers grew 4% to total sales of ca. \$3.7bn, while direct-to-card printers were up 2.8% to around \$2bn. The market is expected to grow by **4.1% on average** per year over the next ten years.



Resource: Persistence Market Research

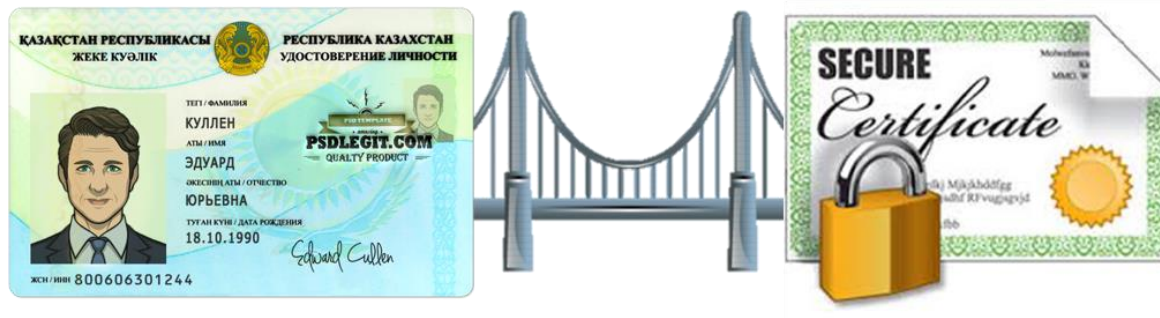


Digital ID market: HW, SW and PKI

- In the last decade, **the number of digital exchanges has increased exponentially**, consequently the idea of a digital identity card valid for physical and virtual domains has become a reality for millions of people and a prerogative for governments worldwide.
- **Confirming this trend, the EU regulation 2019/1157, approved on 20 June 2019, grants its member states two years to implement the security features of identity cards aligned with those of passports.**
- The **microprocessor-based smart card** that protects identity credentials is considered by government institutions to be the most secure means of authentication, allowing them to prevent identity fraud and effectively protect citizens' data. This prerogative is also often adopted for other identification documents such as passport, driving licenses, access control, health cards etc. Smart cards can also include sophisticated technologies such as **biometric** recognition methods, and **EMV** technology derived from the world of payments.
- In 2017, **82% of countries** issuing identity cards announced the launch of electronic identification programs. Many of these have already switched to chip-based E-ID or are planning to adopt it, others are already implementing a second-generation Digital ID.



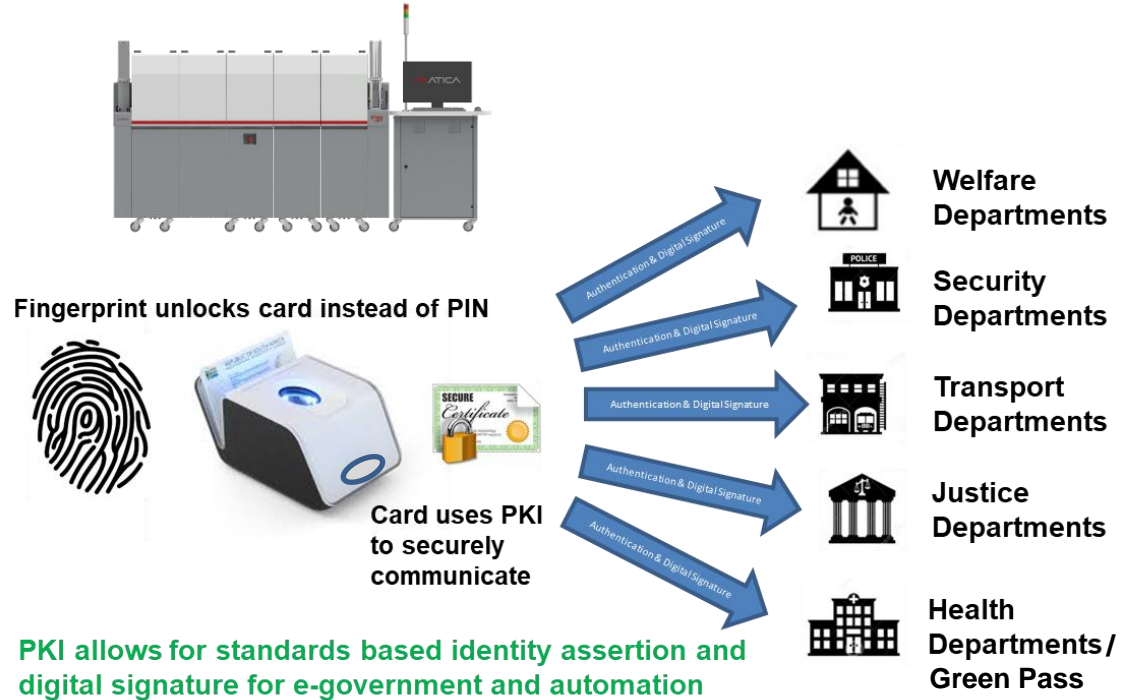
What is the role of PKI in ID Card?









The Digital Certificate PKI is the security bridge between the physical and the digital words. It is the Digital ID for the physical ID.

Example: Government E-ID

- PKI stands for Public Key Infrastructure
- It is a standards-based system to bind an identity to a cryptographic key
- Cryptography is a mathematical process of encryption and decryption which is the strongest security mechanism available to us today and into the future
- Criminals are becoming more sophisticated and the use of cryptography in government and e-gov creates an unbreakable system for authenticity validation



The competitive landscape in which **Matica Fintec** operates is relatively concentrated, with **few global players** and **some minor local competitors**

		<u>COMPETITORS</u>				
						
DESKTOP SOLUTIONS	ID (Identity Document)	✓	✓		✓	
	FINANCIAL CARDS	✓		✓	✓	✓
CENTRALIZED SOLUTIONS	ID (Identity Document)	✓	✓		✓	✓
	FINANCIAL CARDS	✓	✓			✓

Resource: Management Company

- **Matica Fintec** is the only listed company worldwide that **offer a complete proprietary range** of centralized and decentralized issuing systems



The background is a digital-themed collage. It features a large, semi-transparent fingerprint in the center. Surrounding the fingerprint are various elements: green and blue circles, horizontal lines, and snippets of alphanumeric strings like '1345 TFGHDFBBVSAT3145134513245135', 'VRFG23455ZHDFB 345', 'F0G0F0GN', 'RTHSFDG0F0GNSADGAFGAFSG', 'NING...', '57%', 'FGH0G0FTHFGHFGN', '2345ERTERG00SFATTIGS0GLA', '32452345', and '5466572345'. There are also plus signs and a percentage sign scattered throughout.

Results FY2021

Matica Fintec Financial Highlights



**€14.5
mln**

REVENUES

**€3.3
mln**

EBITDA

22.6%

EBITDA MARGIN

**€2.0
mln**

EBIT

**€1.2
mln**

NET INCOME

**€1.8
mln**

NET FINANCIAL POSITION



Solutions for a changing world

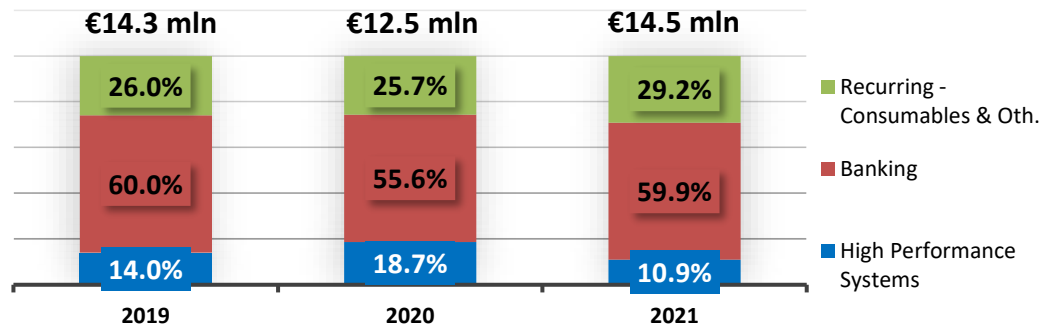


- In 2021, **Revenues** stands at **€ 14.5 million** compared to € 12.0 million in 2020 (**+21% YoY**), in a pandemic environment characterized by great difficulties at global level. The **double-digit growth in turnover** confirms the positive trend that began in the second half of last year and testifies to Matica Fintec's resilience in a still challenging environment.



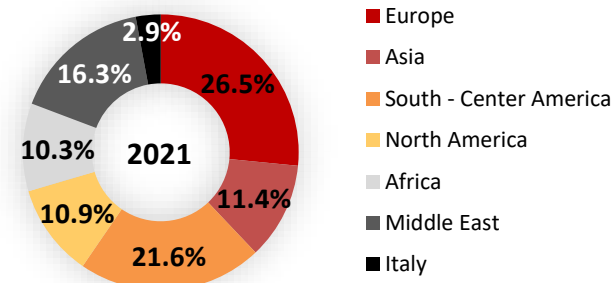
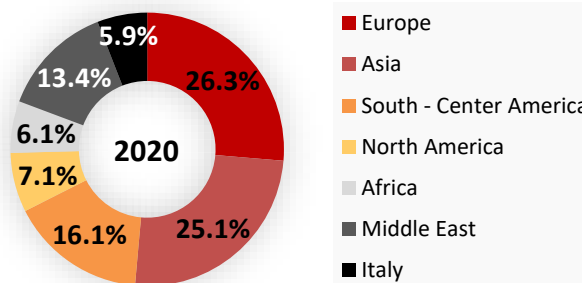
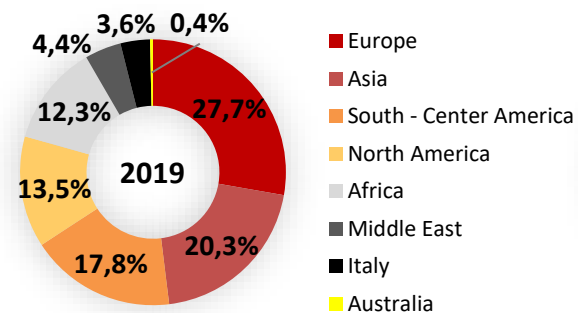
Revenues Breakdown

Breakdown by Product

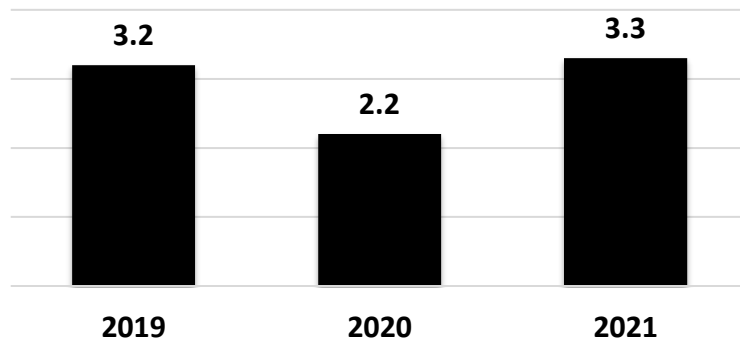


Consumables and Spares, the most recurring revenues increased in 2021 by almost 14% vs 2020

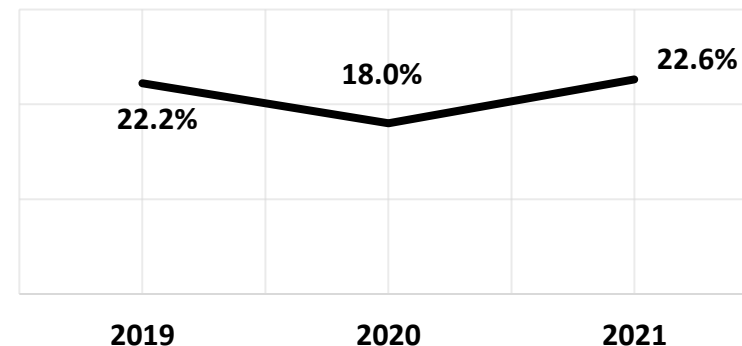
Breakdown by Geography



EBITDA (€/mln)

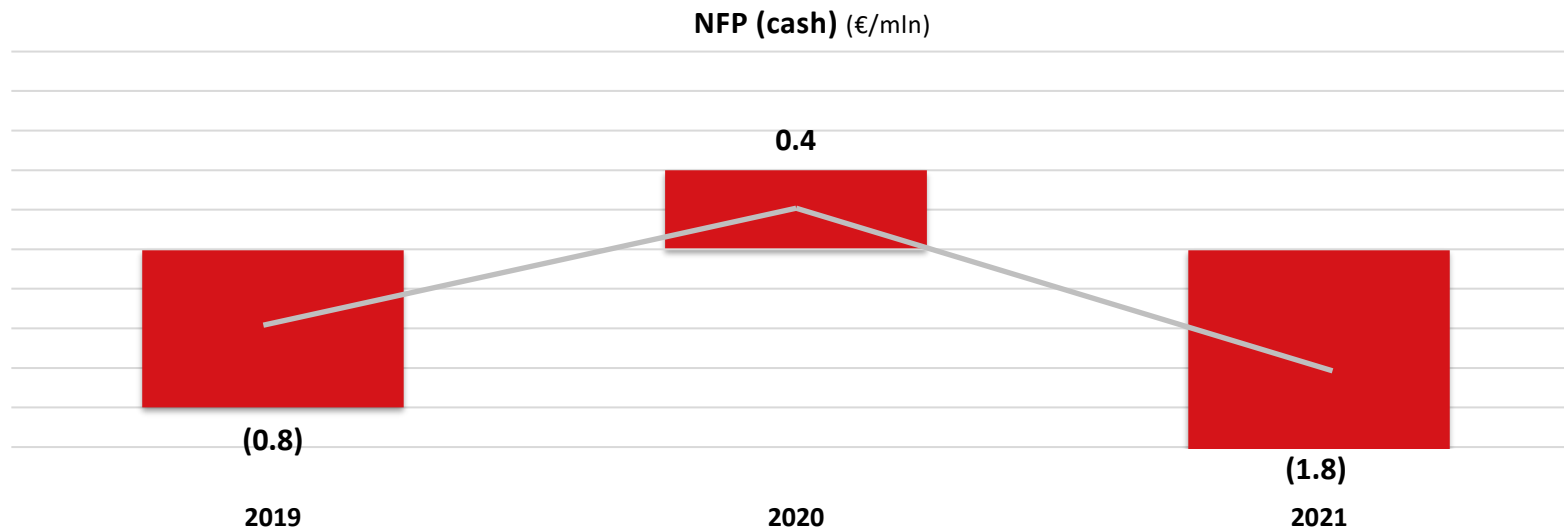


EBITDA margin



- In 2021, **EBITDA** stands at **€ 3.3 million** compared to **€ 2.2 million** in 2020 (+45% YoY); the **best EBITDA margin (22.6%)**, higher than pre-pandemic level, testifies to the Company's high-tech positioning towards high value-added, software and SAS revenues. The upward trend in margins is attributable to the **improvement in the mix, with the revolutionary DoD (Drop-on-Demand) technology** reflected in Matica Fintec's new proprietary S7000Jet system. Margins were also positively affected by the **continuation of the large-scale internationalisation process**, which enabled widespread penetration of international markets





- In 2021, **Net Financial Position returns positive (cash)** at **€1.8 million**, compared to €0.4 million at 31 December 2020, highlighting its **financial flexibility** to accelerate growth through M&A in line with the company's strategy



The background of the slide is a grayscale image. It features a large, metallic padlock on the left side, which is open. To the right of the padlock is a transparent globe showing the continents. The entire scene is set against a background of a circuit board with many small, glowing points of light, suggesting a digital or technological theme.

Strategy & Closing Remarks

Matica Fintec pursues the objective of diversifying/completing its offer on the market and increasing its international presence in the Digital ID and Secure Payment markets, the following strategic lines:



**Strengthening of
Research &
Development activities
to anticipate the
technological evolution
of the sector**



**Growth for M&A by
horizontal and vertical
integration to complete
and enrich the value
chain**

In compliance with **the strategic guidelines** communicated during the IPO, the Company **confirms** the use of part of the resources for the **development of new technologies and solutions** for both the Payment and Digital ID markets.

Investments are aimed at consolidating **the technological positioning** of the company and its ability to **continue innovating** its product offering to support sales and preserve profitability thanks to the higher technological content of its products.

Matica recently launched S7000Jet with **DoD technology**, a new technologically advanced system which will speed up the growth thanks to the excellent performance: high printing speed and the best image quality, both in terms of resolution and durability.

The introduction of the **Drop on Demand inkjet technology** (improving speed, quality, and durability) is an example of the technological character of the group, which invests ca. 10% of sales in R&D and employs 20% of its total workforce in R&D activities



As part of the growth strategy by external lines, the management of Matica Fintec is scouting potential target companies in order to identify the company(s) that can bring greater value and synergies.

The potential profiles concern the following specializations:

- Digital ID
- PKI
- EMV SW (Europay, Visa & Mastercard)
- Software for Secure transactions
- Biometrics

On October 20th 2021, Matica Fintec SpA issued a non-convertible bond for Euro 4 million as part of the Basket Bond Euronext Growth program mainly subscribed by Cassa Depositi e Prestiti



Key Investment Highlights



Company with a **complete proprietary range** of centralized and decentralized issuing systems

Exposure to **growing markets** for digital identity and payments

International footprint with a widespread presence in the major foreign markets, thanks to an extensive distribution network

Financial Flexibility to accelerate growth through M&A

Highly experienced management team, excellent operations management and continuous investments in R&D



Solutions for a changing world



Solutions for a changing world

Thank You!

Grazie!

Vielen Dank!

Merci!

¡Muchas gracias!

Muito Obrigado

Спасибо!

شكرا !

ありがとう!

谢谢!

謝謝!

Terima kasih!