



Matica Fintec: Board of Directors approves draft financial statements and consolidated financial statements at December 31, 2022

Key consolidated results of 2022:

- **Revenue: €19.5 million**
- **EBITDA: €5.0 million; EBITDA Margin at 25.5%**
- **EBIT: €3.9 million**
- **Net profit: €2.6 million**
- **Positive NFD (cash) of €1.4 million**

Milan, March 17, 2023

Matica Fintec S.p.A. (the "**Company**" or "**Matica Fintec**"), an Innovative SME listed on the Euronext Growth Milan market organized and managed by Borsa Italiana S.p.A., active in the design, production and marketing of high-tech systems in the Digital ID and Payment markets, met today under the chairmanship of Sandro Camilleri and approved the draft Financial Statements and Consolidated Financial Statements at December 31, 2022.

Mention should be made that on March 07, 2023 the Company released the preliminary consolidated results at December 31, 2022, which are unaudited (see [press release](#)).

The consolidation scope includes the 12-month results of Matica Fintec S.p.A. ("Parent Company") and the 6-month results (July to December 2022) of the two companies acquired on July 14, 2022 from the Japanese group AI Holdings Corporation, CTC (Card Technologies Corp) and UBIQ (NBS Technologies (US) Inc.) (the "Group"). For further details, see the press release issued on the same date.

In the words of **Sandro Camilleri**, Chairman of Matica Fintec S.p.A.: "*Matica closes 2022 with a good result in terms of sales and margins, which continue to remain buoyant amid global economic uncertainty and the extraordinary transactions carried out in 2022. As such, we are more than satisfied with the strategy and business proposition that is shaping our Group. Looking ahead, our efforts focus on growing the company organically and, to complete our proposition, also through acquisitions as announced at the IPO*".

Key results of 2022

2022 was marked by a number of extraordinary factors with few historical precedents. The major impact and measures taken globally against inflation, the war in Ukraine and the new waves of COVID-19 in China adversely affected economic activity. Against such a challenging and uncertain global backdrop, Matica Fintec closed the year with impressive results, confirming its position as a solid Group, capable of growing both organically, with a double-digit increase in Issuer sales versus the previous year, and through acquisitions, in line with its strategy.

Revenue amounted to €19.5 million. Considering Matica Fintec stand alone, revenue amounted to €17.5 million, benefiting from solid organic growth of just over 20% (€14.5 million at December 31, 2021). The positive trend continues, proof of the Group's resilience, despite geopolitical and trade issues and a broad-based increase in commodity prices.



EBITDA stood at €5.0 million, with an **EBITDA Margin** of 25.5%. The remarkable margin levels testify to the Group's positioning in a steadily growing niche market (ID and financial world) with an international reach and high value-added products.

At the Parent Company level alone, **EBITDA** stood at €4.7 million (€3.3 million at December 31, 2021, +42.9% YoY), with an **EBITDA Margin** at 26.7%, up versus 22.6% in the previous year, despite the impact of the costs incurred for the acquisition of the two companies in the second half of the year, whose integration and optimization process will come into full swing in 2023.

EBIT came to €3.9 million, while at the level of Matica Fintec alone, **EBIT** stood at €3.6 million (€2.0 at December 31, 2021, +80.0% YoY).

At the Group level, the year ended with a **Net Profit** of €2.6 million. The Parent Company alone generated a **Net Profit** of €2.3 million in the year ended December 31, 2022 (€1.2 million at December 31, 2021, +88.8% YoY).

Group Equity at December 31, 2022 amounted to €12.5 million, while Parent Company Equity alone amounted to €12.3 million, up versus €8.6 million in the previous year, mainly due to the growth in net profit.

Net Financial Debt stood at a positive (cash) €1.4 million, despite the above acquisition and the investment of financial resources in inventory to cope with potential risks arising from the shortage of critical components (e.g., electronic components). Adjusted NFD, which includes accrued tax and social security payables, came to a positive (cash) €0.8 million. At the level of Matica Fintec alone, Net Financial Debt stood at a negative (debt) €0.04 million (cash of €1.8 million at December 31, 2021) while Adjusted NFD stood at a negative (debt) €0.7 million (cash of €0.5 million at December 31, 2021).

Significant events in the year

On **February 07, 2022**, the Company announced the closing of a major supply contract with Tagnitecrest Limited UK worth over €800,000. The order consists of two S7000Jet systems with DoD technology, recently rolled out by the Company, to be installed at the Leyland, Lancashire (UK) site, for the issuance of payment cards in an 11,150 sqm production site that handles all the production facets in a fully secure environment approved by Visa and MasterCard.

On **February 22, 2022**, Matica Fintec announced the closing of a major supply contract with Thomas Greg and Sons de México worth approximately €750,000. The order consists of two S7000Jet systems with DoD technology, the company's new launch product, to be installed in their Mexico City site. Both systems will be used to improve customer bank card personalization capabilities.

On **May 4, 2022**, Matica Fintec announced the closing of a major supply contract with one of the largest System Integrators globally worth approximately €700,000. The order consists of the production and delivery of two S7000Jet systems with DoD technology, used for issuance in the banking world.

On **May 25, 2022**, Matica Fintec signed a binding agreement to acquire the entire share capital of CTC (Card Technologies Corp), a U.S.-registered company, which in turn controls 100% of UBIQ (NBS Technologies (US) Inc.) (jointly "Acquirees") from Ai Holdings Corporation ("AIH"), a Japanese company listed on the Tokyo Stock Exchange (TSE).

On **July 14, 2022**, Matica Fintec announced the closing for the acquisition of the shares representing 100% of the share capital of the two companies of the Japanese Group AI Holdings Corporation ("AIH"), namely CTC (Card Technologies Corp), a U.S.-registered company, which



in turn controls 100% of UBIQ (NBS Technologies (US) Inc.) The total consideration for the transaction was paid partly in cash and partly in shares. The cash amount of USD1.5 million (equal to approximately €1.5 million) was financed through equity, while as for the share component, Ai Holdings Corporation ("AIH") entered the share capital of Matica Fintec by receiving 5% of existing ordinary shares, partly its own and partly newly issued.

On **July 20, 2022**, Matica Fintec announced the new composition of its share capital, resulting from the assignment of 183,991 newly-issued ordinary shares of the Company, with regular dividend entitlements and the same characteristics as the outstanding shares, resulting from the partial exercise of the proxy to increase the share capital, granted by the Extraordinary Shareholders' Meeting to the Board of Directors on July 7, 2022, in favour of AI Holding Corporation. Following the assignment of the newly-issued shares and the transfer of 351,000 treasury shares, Ai Holdings Corporation ("AIH") reached the threshold of 5% of Matica Fintec's share capital.

On **November 30, 2022**, 2,581,410 Warrants were exercised and consequently subscribed to, at a price of €2.276 per share (at a ratio of 1 (one) Share for each 10 (ten) Warrants held), 258,141 newly-issued Matica Shares, with regular dividend entitlements and the same characteristics as Matica Ordinary Shares traded on Euronext Growth Milan.

Allocation of profit for the year

The Board of Directors resolved to propose to the Shareholders' Meeting to allocate profit for the year of €2,318,481.00, of which €115,924.00 to the legal reserve and €2,202,557.00 to retained earnings.

Treasury shares

At 31.12.2022, the Company held a total of 19,800 treasury shares, equal to 0.181% of the share capital.

Through the share buyback program, which ended on October 17, 2022, the Company purchased a total of 370,800 shares (including the treasury shares sold for the closing of the AIH transaction, *see press release of July 14, 2022*), equal to 3.47% of the share capital, for a total consideration of €719,968.50.

Events after December 31, 2022

Effective **January 01, 2023**, the two companies acquired as part of the AIH transaction (Card Technologies Corp. and UBIQ (NBS Technologies (US) Inc.)) were merged into a single entity named UniQ Software Inc. aligning the tax year with Matica Fintec's.

On **February 06, 2023**, Matica Fintec S.p.A. received disclosure from Matica Technologies Group SA that the significance threshold of 5% of the share capital of Matica Fintec S.p.A. had been exceeded as a result of the transaction described below. DISO Verwaltungs AG (majority shareholder of Matica Fintec S.p.A.) and Matica Technologies Group SA completed on February 1, 2023 the off-market block disposal by DISO Verwaltungs AG in favour of Matica Technologies Group SA of a total of 994,323 ordinary shares of Matica Fintec S.p.A., equal to 9.07% of the Company's share capital. As a result of the disposal, DISO Verwaltungs AG holds a 50.01% stake in the share capital of Matica Fintec S.p.A.. The transaction is part of a reorganization of the corporate structure and streamlining of the chain of control in which Matica Technologies Group SA directly acquires a significant stake, in accordance with the Bylaws, in the Company. As a result of the transaction, the share capital of Matica Fintec S.p.A. remains in the hands of the Group of companies referring to Sandro Camilleri, Chairman of the Board of Directors of the Company, for a total 59.08% stake.



Business outlook

In 2023, the management of the Parent Company will develop along the strategic lines announced at the IPO, aimed at growth through acquisitions.

In light of the uncertainty brought by the shortage of critical components (e.g., electronic components), the income and financial impacts on the Group's 2023 financial statements are to date hard to predict.

However, the figures available are proof of a positive trend, confirming that the decisions taken in terms of market positioning and value chain integration have proven to be successful. UbiQ Software Inc. will continue its product marketing activities and will enhance Software development.

Other resolutions

Proposed statutory audit appointment pursuant to Article 13 of Legislative Decree 39/2010 for 2023-2025

Concurrent to the Shareholders' Meeting called to approve the financial statements at December 31, 2022, the assignment granted to Audirevi S.p.A. for the statutory audit of the Company's separate financial statements for the three-year period 2020-2022 comes to an end. The Chairman informs that he requested and received from Audirevi S.p.A., a leading auditing firm already in office for the previous three-year period, a proposal on the three-year assignment for the statutory audit of the separate and consolidated financial statements for 2023-2025 pursuant to Article 14 of Legislative Decree No. 39/2010 and Articles 2409-bis et seq. of the Civil Code, as well as the assignment for the limited audit of the consolidated half-year report for 2023-2025.

Calling of Ordinary Shareholders' Meeting and filing of documents

The Board of Directors resolved to convene the Shareholders' Meeting in ordinary session, in first call, on **April 18, 2023**, and, if required, on April 28, 2023, in second call, at the time and places to be disclosed in the relevant notice of meeting to be published in the manner and time limits envisaged by applicable laws and regulations.

The documents will be available, within the time limits of applicable laws and regulations, on the website www.maticafintec.com *Investor Relations* section, as well as at www.borsaitaliana.it, *Azioni/Documenti* section.

This press release is available on the website www.maticafintec.com Investor Relations - Comunicati Finanziari section and on the website www.1info.it

Matica Fintec

With operational headquarters in Galliate (NO) and registered office in Milan, Matica Fintec is an Innovative SME active in the design, production and marketing of high-tech solutions for the issuance of digital cards to Financial Institutions (credit cards, ATM cards and rechargeable cards) and Governmental Institutions (ID cards, passports, driver's licenses, etc.) according to the highest security standards. The commitment and efforts made on the research and development front, with investments in R&D above 10% of annual sales, have enabled the Company to certify 9 patents and obtain Innovative SME status.

ISSUER

Matica Fintec S.p.A. | a.bianchi@maticafintec.com | T: +39 0321 1828 690 | Vicolo Omar, 33, 28066 Galliate (NO)

INVESTOR RELATIONS

CDR Communication S.r.l. | info@cdr-communication.it | T: + 39 0284041 412 | Viale Andrea Doria, 5, 20124 Milan
Vincenza Colucci | vincenza.colucci@cdr-communication.it | T: +39 335 6909 547



Luca Gentili I luca.gentili@cdr-communication.it I T: +39 348 2920 498

MEDIA RELATIONS

Angelo Brunello I angelo.brunello@cdr-communication.it I T: +39 329 211 7752

Marianna Tremolada I marianna.tremolada@cdr-communication.it I T: +39 348 242 3039

EURONEXT GROWTH ADVISOR

Integrae SIM | T: +39 02 9684 6864 | Piazza Castello, 24 Milan

Annexes:

- **Consolidated income statement at 31/12/2022**
- **Consolidated balance sheet at 31/12/2022**
- **Consolidated net financial debt at 31/12/2022**
- **Parent company income statement at 31/12/2022 (vs. 31/12/2021)**
- **Parent company balance sheet at 31/12/2022 (vs. 31/12/2021)**
- **Parent company net financial debt at 31/12/2022 (vs. 31/12/2021)**

Consolidated income statement

Income statement	31/12/2022
(Figures in Euro Thousands)	
Revenue and income	19,486
Other revenue and income	30
Change in WIP and PF inventory	-
Capitalization of work on time and materials basis	705
Other write-downs and utilizations	-
Revenue	20,222
COGS (Incl. change in inventory)	(6,716)
Gross margin	13,506
Services	(4,071)
Personnel	(3,925)
Rent and facility expense	(287)
Sundry operating expense	(253)
EBITDA	4,970
Amortization, depreciation and provisions	(1,079)
EBIT	3,891
Financial income/(expense)	(493)
Extraordinary income/(expense)	131
EBT	3,530
Tax	(937)
Profit (loss) for the year	2,593

Consolidated balance sheet

31/12/2022

Amounts in Euro

Non-current assets

Tangible fixed assets	378,687
<i>Plant and machinery</i>	131,646
<i>Furniture and equipment</i>	64,177
<i>Vehicles</i>	60,129
<i>Leasehold improvements</i>	9,037
<i>Other property plant and machinery</i>	113,698
Intangible fixed assets	6,780,418
<i>Development costs</i>	3,203,291
<i>Patents, Trademarks and other rights</i>	58,249
<i>Software</i>	18,587
<i>Other intangible assets</i>	1,214,697
<i>Goodwill</i>	2,285,594
Investments	(0)
Other non-current assets	960,208
Deferred tax assets	124,413
Total non-current assets	8,243,726

Current assets

Inventory	4,651,938
Tax receivables	131,192
Trade and sundry receivables	5,110,637
Cash and cash equivalents	12,612,063
Other assets	293,571
Total current assets	22,799,401

Total Assets	31,043,127
---------------------	-------------------

Equity

Share capital	5,478,981
Legal reserve	83,254
Other reserves	4,178,923
Retained earnings (losses carried forward)	208,122
Profit (loss) for the period	2,592,546
Total equity	12,541,825

Non-current liabilities

Financial payables	9,270,507
Provision for other employee benefits	281,710
Deferred tax liabilities and tax provisions	13,541
Non-current tax payables	95,251
Other non-current liabilities	4,024

Total non-current liabilities

9,665,032

Current liabilities

Financial payables	2,221,093
Current tax payables	1,381,082
Trade and sundry payables	2,393,326
Other current liabilities	2,840,769
Total current liabilities	8,836,270

Total equity and liabilities	31,043,128
-------------------------------------	-------------------

Consolidated net financial debt

Figures in Euro Thousands	31/12/2022
A. Cash	12,612
B. Cash and cash equivalents	-
C. Other current financial assets	232
D. Liquidity (A + B + C)	12,844
E. Current financial debt	700
F. Current portion of non-current financial debt	1,521
G. Current financial debt (E + F)	2,221
H. Net current financial debt (G - D)	(10,623)
I. Non-current financial debt	5,871
J. Debt instruments	3,303
K. Trade payables and other non-current payables	-
L. Non-current financial debt (I + J + K)	9,174
M. Total financial debt (H + L)	(1,448)
N. Past due tax payables	556
O. Past due social security payables	81
P. PAST DUE SOCIAL SECURITY TAX PAYABLES (N) + (O)	638
Q. Adjusted financial debt (M) + (P)	(811)

Parent Company income statement

Income statement	31/12/2022	31/12/2021
(Figures in Euro Thousands)		
Revenue and income	17,509	14,505
Other revenue and income	30	-
Change in WIP and PF inventory	-	-
Capitalization of work on time and materials basis	705	670
Other write-downs and utilizations	-	-
Revenue	18,245	15,175
COGS (Incl. change in inventory)	(6,148)	(6,372)
Gross margin	12,097	8,803
Services	(3,683)	(2,150)
Personnel	(3,281)	(3,077)
Rent and facility expense	(203)	(251)
Sundry operating expense	(252)	(51)
EBITDA	4,678	3,274
Amortization, depreciation and provisions	(1,065)	(1,267)
EBIT	3,613	2,007
Financial income/(expense)	(492)	(326)
Extraordinary income/(expense)	131	105
EBT	3,252	1,786
Tax	(934)	(558)
Profit (loss) for the year	2,318	1,228

Parent Company balance sheet

STATEMENT OF FINANCIAL POSITION

		31/12/2022	31/12/2021
	Notes		
<i>Amounts in Euro</i>			
Non-current assets			
Tangible fixed assets	6	352,197	410,825
<i>Plant and machinery</i>		112,990	144,138
<i>Furniture and equipment</i>		56,342	91,709
<i>Vehicles</i>		60,129	59,242
<i>Leasehold improvements</i>		9,037	21,721
<i>Other property plant and machinery</i>		113,698	94,015
Intangible fixed assets	7	5,594,824	5,394,331
<i>Development costs</i>		3,203,291	3,001,308
<i>Patents, Trademarks and other rights</i>		58,249	47,960
<i>Software</i>		18,587	29,903
<i>Other intangible assets</i>		1,214,697	1,215,159
<i>Goodwill</i>		1,100,000	1,100,000
Investments in subsidiaries	8	2,584,687	-
Non-current financial assets	9	44,814	40,245
Financial receivables	10	907,143	-
Deferred tax assets	11	124,413	25,494
Total non-current assets		9,608,079	5,870,895
Current assets			
Inventory	12	3,799,767	3,106,196
Tax receivables	13	131,192	101,597
Trade and sundry receivables	14	4,447,338	2,402,333
Financial receivables	10	92,857	-
Cash and cash equivalents	15	11,127,866	13,165,655
Other assets	16	225,202	243,377
Total current assets		19,824,223	19,019,159
Total Assets		29,432,301	24,890,054
Equity			
Share capital		5,478,981	5,257,915
Legal reserve		83,254	21,919
Other reserves		4,168,900	3,071,825
Retained earnings (losses carried forward)		208,122	(957,240)
Profit (loss) for the period		2,318,481	1,226,697
Total equity	17	12,257,737	8,621,116
Non-current liabilities			
Financial payables	18	9,270,507	10,702,345
Provision for other employee benefits	19	281,710	363,445
Deferred tax liabilities and tax provisions	20	13,541	70,280
Non-current tax payables	21	95,251	831,834
Other non-current liabilities	22	4,024	141,071
Total non-current liabilities		9,665,032	12,108,975
Current liabilities			
Financial payables	18	2,221,093	1,041,828
Current tax payables	21	1,381,082	547,087
Trade and sundry payables	23	2,083,417	1,679,859
Other current liabilities	22	1,823,941	891,188
Total current liabilities		7,509,532	4,159,962
Total equity and liabilities		29,432,301	24,890,054

Parent Company net financial debt

Figures in Euro Thousands	31/12/2022	31/12/2021
A. Cash	11,128	13,166
B. Cash equivalents	-	-
C. Other current financial assets	232	300
D. Liquidity (A + B + C)	11,359	13,466
E. Current financial debt	700	700
F. Current portion of non-current financial debt	1,521	342
G. Current financial debt (E + F)	2,221	1,042
H. Net current financial debt (G - D)	(9,138)	(12,424)
I. Non-current financial debt	5,871	6,766
J. Debt instruments	3,303	3,844
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	9,174	10,611
M. Total financial debt (H + L)	36	(1,813)
N. Past due tax payables	556	1,034
O. Past due social security payables	81	258
P. PAST DUE SOCIAL SECURITY TAX PAYABLES (N) + (O)	638	1,293
Q. Adjusted financial debt (M) + (P)	674	(520)