



DEAL FLOW

Pesaro – Bologna, August 2022

DISCLAIMER

The information contained in this Dossier refers to active companies that make up the client portfolio of Bacciardi Partners - Corporate Finance Department.

The information contained in this Dossier may not be used in any way, either in whole or in part, by third parties without the prior consent of Bacciardi Partners - Department of Corporate Finance.

This Dossier provides a first overview of the deals through the anonymous representation of the companies by means of a "blind One Pager".

Should the counterparty be interested in deepening some deals, it will be necessary to sign an NDA followed by the sending of the Information Memorandum, in case of sell-side projects, or the indication of more information, in case of buy-side projects.

THE FIRM

01

CORPORATE FINANCE

02

THE DEAL

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WHO WE ARE

Bacciardi Partners is a business law firm that brings together and expresses experiences matured in over forty years of activity and uses a staff of over fifteen professionals

Bacciardi Partners operates as an ally of the company, providing advice strategic in the legal, fiscal, customs, financial and human resources fields

***«WE PROVIDE "STRATEGIC CONSULTING"
THAT ALLOWS THE COMPANY TO GROW ON
THE GLOBAL MARKET AND TO EARN A
LASTING COMPETITIVE ADVANTAGE»***



WHERE WE ARE

- PESARO (Via Lino Liuti, 2 – 61122)
- BOLOGNA (Galleria Ugo Bassi, 1 – 40121)
- MILANO (Via Dante, 16 – 20122)

ACTIVITIES

Bacciardi Partners is organized in specialized departments in the following areas:

- Domestic and International Agreements and Digital Law;
- Corporate Law;
- Corporate Finance; Merger & Acquisition; Family Business;
- Global Mobility;
- International Taxation;
- Customs and Transport Law;
- Employment Law; HR Organization;
- International Litigation and Arbitration
- Spanish Desk

INTERNATIONAL PRESENCE

Bacciardi Partners maintain a vast network of high quality professionals made up of lawyers, tax advisors and business intermediaries present in **over 155 countries**, through which it is able to provide services directly abroad in the legal, corporate, tax, customs, labor, accounting and administrative areas, where the client may need them.

“WE PROVIDE PRACTICAL AND PARTNER LED BUSINESS ORIENTED ADVICE, WORKING IN DIRECT CONTACT WITH THE CLIENT TO ENSURE GROWTH AND CONTINUITY”

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MISSION

*«**Actively contribute** to the **social and economic development** of the territory through **strategic consultancy activities** and **M&A operations** to **create value for SMEs**»*

MEMBERS



RENATO CAPANNA

Head of Corporate
Finance Department



ANTONELLA LANZANI

Head of HR development and
Next Generation Family Business



LORENZO VISERTA

Senior Advisor



MANUELA SANTINI

Financial Analyst



VALENTINO PIUNTI

Financial Analyst

OUR ACTIVITIES

ANALYSIS, SCOUTING, PLANNING



Support in the definition of the **business strategy** and the preparation of the **business plan**



Company evaluations, appraisals and fairness opinions



Scouting of investors and partners, financial or industrial, national or international, to support business development and growth projects

M&A OPERATIONS



Acquisition or sale of shares, assets, line of business, trademarks, patents and know-how



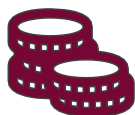
Assistance in the legal and tax compliance of M&A transactions and in the drafting and finalization of share/assets purchase agreements and the associated legal



Implementation of **joint ventures** and completion of **mergers, demergers** and/or capital contributions

OUR ACTIVITIES

FINANCE PROJECT



Private debt and direct
lending transactions



AIM Listing process



Management of corporate
and/or **group
rationalization** and/or
reorganization projects

HUMAN RESOURCES



Assist top management to
define a successfully **HR
strategy** to develop
organization



Engage people;
Upgrade performance:
Skiing, upskiing and
reskiing process



**Optimize internal
processes** and
procedures to achieve
business goals
sinergically

THE FIRM

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ACTIVE PROJECT

Buy Side Project

BUY SIDE PROJECT

Name of project	Business	Target Search Strategy
Project POSEIDON Buy Side	B2B international fish trading – fish, crustaceans and molluscs	<ul style="list-style-type: none"> - Healthy and growing fish-producer and / or fish-processing company - Turnover: 5M – 25M - Ebitda: 5% - 15% - Goal: penetrate market segments related to the fish trade and/or diversify and expand the product portfolio - Location: Italy
Project FRANCE Buy Side	Software solutions dedicated to agrifood and / or professional firms industry	<ul style="list-style-type: none"> - Target operating in the same industry to penetrate italian market
Project PHOENIX Buy Side	B2B industry leader in commercial printing for major customers	<ul style="list-style-type: none"> - Target operating in packaging or flexible-packaging (paper/plastic) industry - Turnover: 8M – 12M - Ebitda: 15% - 20% - Goal: Product portfolio diversification - Location: Italy

ACTIVE PROJECT

Sell Side Project

SELL SIDE PROJECT

Name of project	Business	2021P	EBITDA	NFP*	Highlights	INFO MEMO
Project DECOR Sell Side	B2B2C market leading manufacturer-decorative paints industry	> € 15,5M	27,0%**	(€ 4,8M)	CAGR (17/23E): + 11,0% Cash machine	✓
Project FUTURE Sell side	B2B IoT solutions – Smart: Energy, Lighting, Home, Wellness	> € 8,3M	10,0%	0,5	Top R&D and know how High growth rate expected	✓
Project REGOLO Sell Side	B2B IT Software solutions	> € 3,0M	6,5%	(€ 0,5)	Several proprietary software developed with high HR capabilities	■■■
Project WOOD Sell Side	B2B manufacturer of pallet processing machines	< € 3,0M	11,0%	(€ 1M)	Potential for growth in volumes and margins Safe Business Model	■■■
Project LIRA Sell Side	B2B manufacturer and processing of metal products	> € 6,0M	3,5%	€ 0,7M	Highly qualified staff High CapEx during last years to make production process more efficient	✓

- *negative value means cash available*
- ***Ebitda Adj.*
- = *Coming Soon*

ACTIVE PROJECT

Minority and Investment Project

INVESTMENT PROJECT

Name of project	Business	2021P	EBITDA	NFP*	Highlights	INFO MEMO
Project ALGAE Sell Side – Private Equity	B2B producer fuel oil (PVO) and nutraceutical products from algae	n.a.	n.a.	n.a.	High IRR for investors ~ 25%	✓
Project PODS Sell Side - Minority	B2B producer of coffee capsules	> € 16,0M	2%	>6,4M	High-growing Company Green vision and focus on sustainability	■■■

Note > Projects are open to one or more financial solutions:

- ✓ Sale of minority share
- ✓ AUCAP
- ✓ Private Debt
- ✓ Mezzanine

* negative value means cash available

■■■ = Coming Soon

SELL SIDE OPPORTUNITY



Company Profile

At a glance . . .

Decor is a **family business**, market leading and manufacturer of **decorative paints**. Decor is now run by the second generation of the original founder.

- ✓ **Five-star products** well-know by competitors and market
- ✓ Export exceed 80% of total revenues
- ✓ **Competitive advantages:** production process, time-to-market and high margins

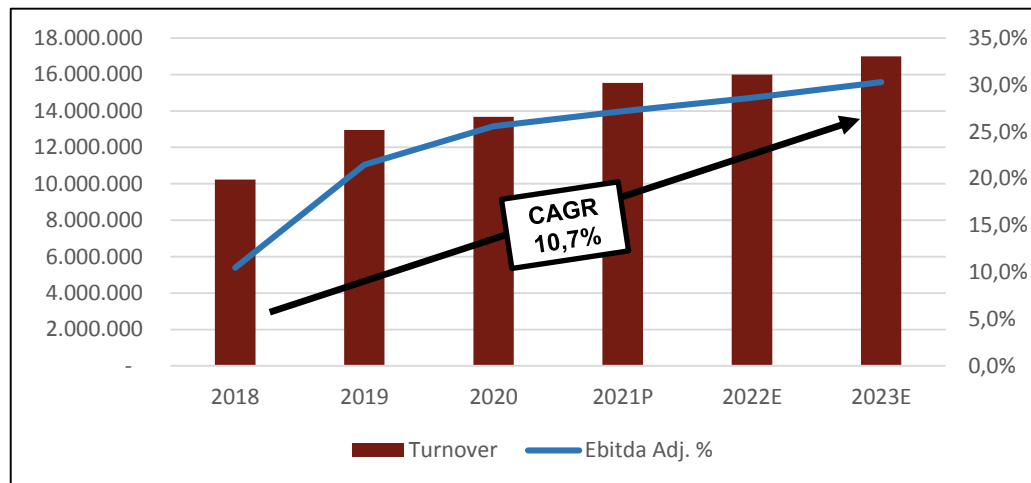
Organization

- ✓ Head Quarter in a 4000sqm. premises with production facilities, warehouse and office
- ✓ The **international presence** is favoured by commercial network, production unit and commercial subsidiaries and exclusive distributors in some of the EMEA countries
- ✓ Three shareholders and ~ 50 FTE

Decor's strengths

- ✓ **Great R&D** skill is the company's **key value**. Infact, Decor is one of the **pioneers** in its **industry**
- ✓ The **products** developed by Decor are characterised by **high added value** and represent "*luxury items*" in the decorative paints **industry**
- ✓ Decor expects a really good growth trend with high cash conversion capacity

The best is yet to come...



€€€	2018	2019	2020	2021P
Turnover	> 10.000	< 13.000	< 14.000	15.500
Ebitda Adj.	10,5%	21,5%	25,6%	27,2%
EBT	< 300	> 2.000	< 3.000	~ 3.800
NFP	290	(1.420)	(2.800)	~ (4.800)

The Deal

- ✓ Sale of the majority, up to 100% of the shares
- ✓ Shareholder/executive **available** to actively contribute to a **smooth transition**. Different alternatives can be considered

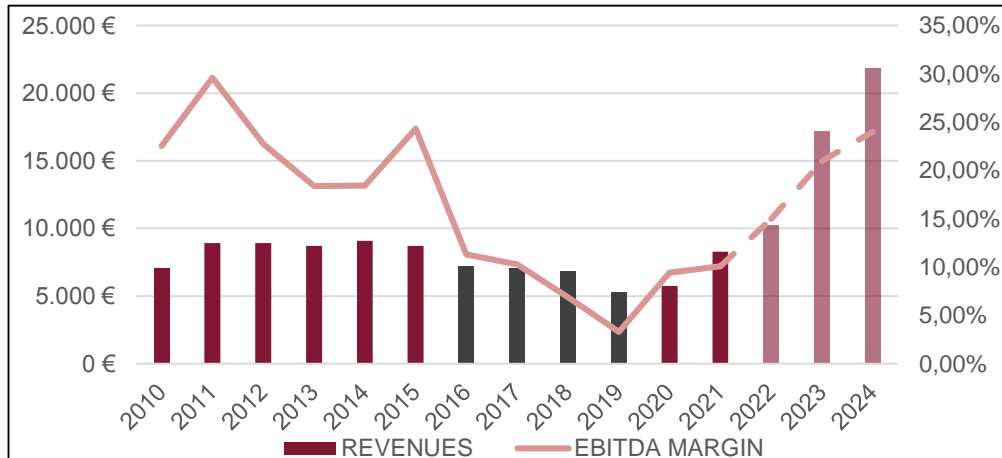
Project FUTURE



“85% of 2022-23 Revenues are already ordered or under agreement”

Company Profile

- ❖ With many years of experience, FUTURE is a high-tech company that designs, develops and produces **high-tech products and innovative solutions**
- ❖ The company applies IoT and Smart Energy hi-tech skills to Wellness, E-mobility, Smart Home, Healthcare, etc
- ❖ **With 2 complementary business models:**
 - ❑ **Long term exclusive partnerships** with selected and prestigious companies:
 - ✓ Customized end to end one-off projects: from R&D to multi-year production ordered and scheduled
 - ✓ Long-term secured revenues
 - ✓ Reliable and positive long term cash flow that supported the launch of the second business model
 - ❑ **Vertical Spin-Offs: 3 flexible high-tech product platforms**
 - ✓ B2B and B2B2C portfolio clients
 - ✓ Platform as a service based on IoT
 - ✓ Smart Energy (Internet of Energy)
 - ✓ Intelligent lighting
 - ✓ High growth market trend
- ❖ **Low risk with solid revenues pattern, high margins and cash machine business**



Highlights

- ❖ **E2021: Revenues ~ 8,3Mln € -- Ebitda ~ 10%**
- ❖ **2024 under agreement: Revenues ~ 22 Mln € -- Ebitda ~ 24%**
- ❖ **NFP with cash available and growing**
- ❖ Growing **customer** base: **+400%** (2016-2024)
- ❖ High investment in HR: **+20 resources** (2016-2024)

The Deal

- ✓ FUTURE is looking for a **partner** to strengthen the **management** team and the **international** market presence.
- ✓ FUTURE is **available** to sell majority **remaining** with the buying company



Group Profile

REGOLO is a **group** that is focused in **software development** for institutions and companies.

Different business lines:

- ✓ Software development projects
- ✓ Digitalization of process projects
- ✓ Consulting on *Open Source* solutions
- ✓ Ongoing Help desk and assistance

Organization

- ✓ The headquarter is in **Nord Italy**
- ✓ The group is managed by Mr. Alfa e Mr. Beta

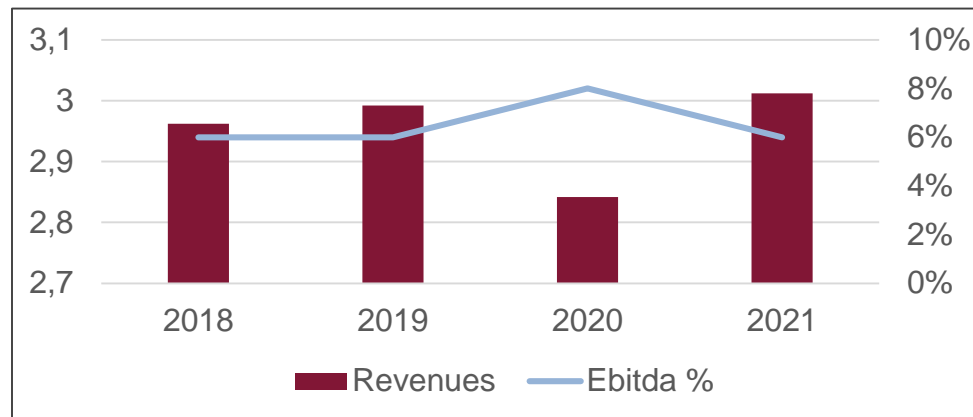
Group's strengths

- ✓ **Key values:** Project management skill; Tailor made projects
- ✓ **Standardized internal procedures**
- ✓ **Several proprietary software developed**
- ✓ The group collaborate with several **important clients** active in Nord Italy (financial and industrial companies)

The Deal

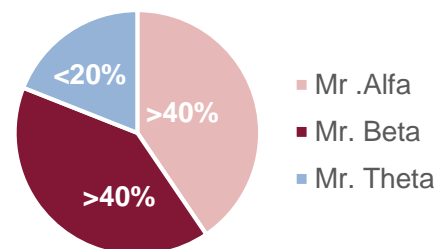
- ✓ Sale of the majority, up to 100% of the shares
- ✓ Shareholders **available** to actively contribute to a **transition**.

«Steady revenues over the years...»

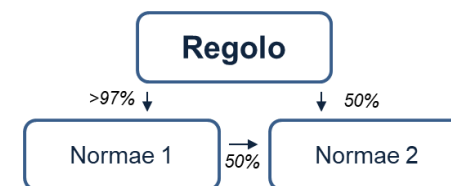


€ '000 (aggregate)	2018	2019	2020	2021
Revenues	>2.900	3.000	>2.800	3.000
EBITDA	>130	170	>230	200
NFP/ EBITDA	>2.5	>1	0.0	(0.5)

SHAREHOLDERS



GROUP STRUCTURE



Project WOOD

On going Vendor DD



Company Profile

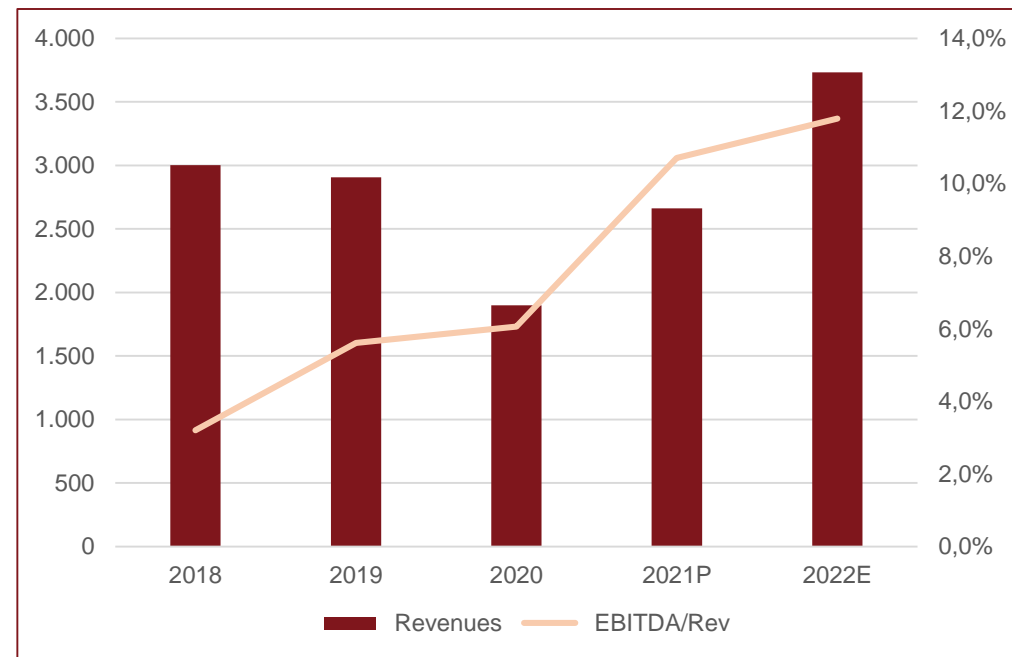
BUSINESS

- **Family Business** operating in the pallet manufacturing machinery sector
- Company sells machinery in the medium price range
- **Workflow production:** design, production, assembly, installation and after-sales service

BUSINESS MODEL AND FINANCIAL

- **Niche industry** = *few competitors*
- Orders one year in advance of the delivery date
- Rented buildings
- High commercial power and low risk of customer insolvency
- Pre-Covid exports approx. 40%
- Strong financial structure and low recourse to debt

“95% of cash flow realized prior of asset delivery”



The Deal

- ✓ Sale of the majority, up to 100% of the shares
- ✓ Shareholder/executive available to actively contribute to a smooth transition

'000€	2018	2019	2020	2021P	2022E
Revenues	> 3.000	< 3.000	< 2.000	> 2.500	> 3.500
EBITDA	3,0%	6,0%	6,0%	11,0%	12,0%
EBT	< 100	< 150	< 100	< 250	< 450
NFP	~ (850)	~ (850)	~ (500)	~ (1.500)	~ (1.500)



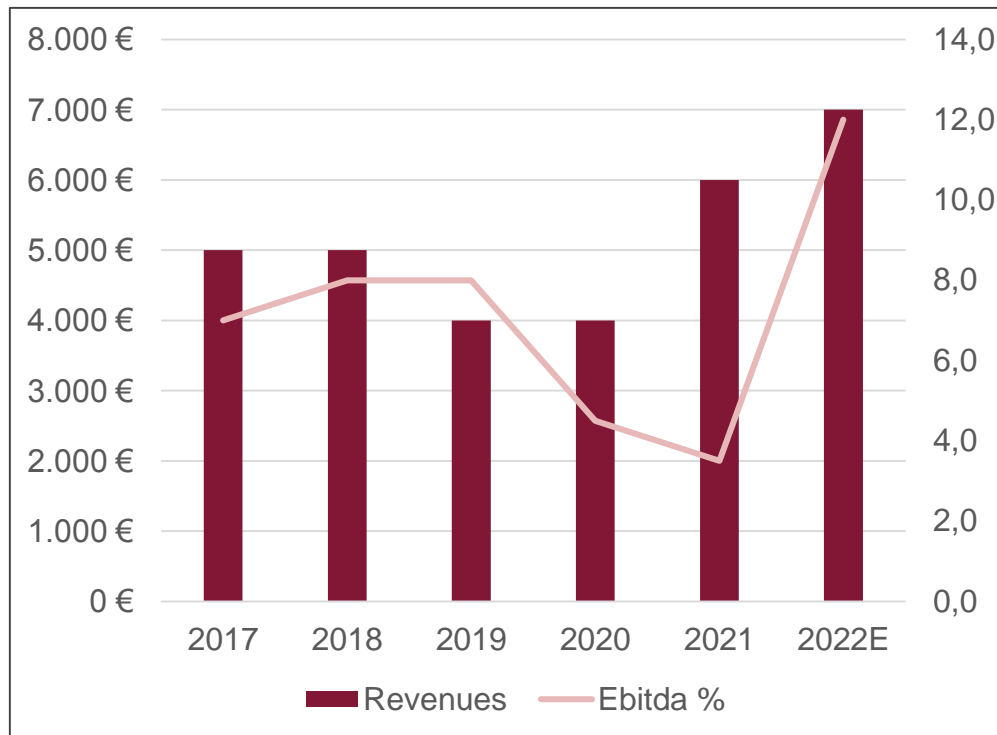
Company Profile

BUSINESS

- Active in the manufacture of metal products
- **Core business:** sheet metal working, metal carpentry, laser cutting and sheet metal bending
- **Sectors:** engineering, plant engineering, food, construction and furniture

BUSINESS MODEL AND FINANCIAL

- Large production area
- Consolidated customer portfolio – loyal and renowned customers
- Increased turnover in the financial year 2021 and 2022
- Business impacted by rising raw material costs



The Deal

- ✓ Sale of the majority, up to 100% of the shares
- ✓ Shareholder/executive available to actively contribute to a smooth transition

'000€	2017	2018	2019	2020	2021	2022E
Revenues	> 5.000	> 5.000	> 4.000	< 4.000	> 6.000	7.000
EBITDA	> 300	> 400	> 300	< 200	> 200	>800
NFP	< 2.000	> 1.500	> 1.000	> 1.000	> 700	>300
Ebitda/Rev	7,0%	8,0%	8,0%	4,5%	3,5%	12%

MINORITY OR INVESTMENTS OPPORTUNITY

Project PODS

On going Vendor DD



“The Company has set an annual growth target over the next three years of 15%”

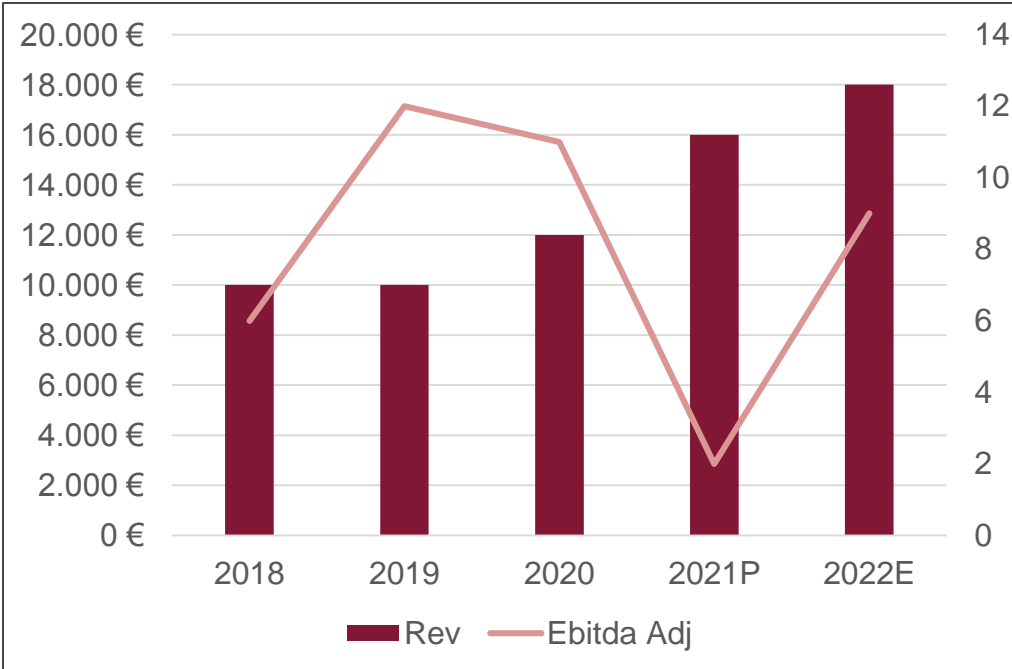
Company Profile

BUSINESS

- **Family business** dedicated to the production of coffee capsules compatible with the most famous brands of coffee machines
- **Sectors:** coffee producers

BUSINESS MODEL AND FINANCIAL

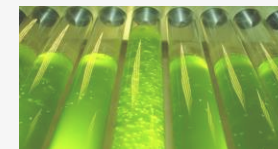
- Annual investment in R&D exceeding 10% of turnover
- Expansion of production, storage and office area
- Increasing production capacity, staffing levels and improving production processes
- Important patent portfolio as a source of additional revenue



The Deal

- ✓ Seeking minority investors to provide finance to support the outlined strategic growth plan

'000€	2018	2019	2020	2021P	2022E
Revenues	> 10.000	> 10.000	> 12.000	> 16.000	>18.000
Ebitda	< 600	< 1.300	< 1.500	> 300	> 1.600
Ebitda Adj.	< 400	>1.200	< 1.400	> 900	> 1.600
NFP	> 3.000	> 4.000	> 6.000	< 6.500	< 5.400
Ebitda/Rev	6,0%	12,0%	11,0%	2,0%	9,0%



PROJECT'S ADVANTAGES

■ ATTRACTIVE PIONERIING BUSINESS

The project consists in the possibility to invest in a **pioneriing** business characterized by a **significant growth** and **profitability**

■ LOW-RISK INVESTMENT

- ▶ **Guaranteed revenues** due to **five years purchase agreements** with biorefineries in order to assurance the sale at fixed price **€950/ton**
- ▶ **Granted process** due to easy supply of raw materials (CO_2 , *nutrients*)

■ GOVERNMENT INCENTIVES

The investor can benefit from several **European subsidies** (*agriculture, CO2 credits, CICS*) and **Italian push** towards non-food (3rd gen) biofuel in automotive

■ SYNERGIES WITH LOCAL BUSINESSES

The process uses waste agro-industry materials (recycled water and cheap by-products from food processing and agriculture) available locally

■ POSSIBILITY TO SELL DRY BIOMASS

The Dry Algae (by-product after the extraction process) has several applications such as: animal feed, sub-products of biogas plant, raw material for bioplastic

■ TAX SAVINGS

Agricultural taxation (3%) can be applied for a.o.t. industrial (28%)

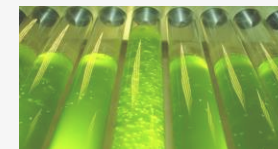
THE COMPANY

THE COMPANY IS:

- ▶ **Biotech** firm located in Italy
- ▶ Developer of plant realized for the **production** of **fuel oil (PVO)** and **nutraceutical products** from **algae**
- ▶ **One of the few companies** in the world that has developed an industrial process to produce biofuel (**Leadership in Italy and Europe**)

THE COMPANY HAS:

- ▶ Strongly **ecological** view
- ▶ **High yielding industrial strains** (3500t of PVO/year per plant)
- ▶ **Automated** patented production process
- ▶ **R&D** area dedicated to improve the process in order to guarantee higher performance and less OPEX
- ▶ **Existing plants** in several locations (Italy and Europe)
- ▶ Several **certifications** from Universities to validate the performance of the plant



FINANCIAL FOR A SAMPLE PLANT

Financials are presented for a sample plant; small variations are possible

€ '000	2022	2023	2024	2025	2026	2027
Revenue	0	5.600	5.768	5.941	6.119	6.303
EBITDA	0	3.087	3.159	3.232	3.308	3.384
Net Profit	0	753	784	875	970	1.187
FCFE	(3.353)	2.647	1.182	1.222	1.262	1.421

MODULE CHARACTERISTIC

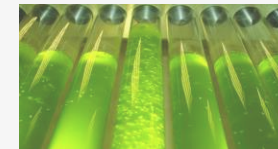
- ▶ **High IRR** for investors ~ **25%**
- ▶ ~ **53% EBITDA margin** per module during production
- ▶ **Other Revenues** granted by **CICS** and **tax credit**
- ▶ **10 years Debt payback period**
- ▶ **Investment ~ €16 M** (includes plant, land and VAT)

PROJECT

Project **ALGAE** aims to **financing** the **construction** of **plants** for **advanced biofuel** production from squeezing of cultivated **micro-algae**

DEAL STRUCTURE

- **100% OF TOTAL INVESTMENT COMMITTED:**
 - ▶ 75% by an **international debt**
 - ▶ 25% by **private equity**
- **POSSIBILITY TO FINANCE 11 MODULES IN STRATEGIC AREAS**
11 modules authorized and available in **6 locations** around **Italy**, the sites guarantee **supply of raw materials** and **proximity to oil refineries**
- **OPPORTUNITY TO EXPAND INVESTMENT:**
On going authorizations allow investor to develop other sites
- **MODULAR DEAL STRUCTURE**
 - ▶ Possibility to **invest in one or more locations**
 - ▶ Possibility to **co-invest by a club deal**
- **FLEXIBLE LAUNCH SCHEDULE**
 - ▶ Possibility to launch locations sequentially in order to reduce initial investment required



AUTHORIZED LOCATIONS



5 modules in **Sesto campano** (NA)



2 modules in **Cremona** (CR)



1 module in **Torremaggiore** (FG)



1 module in **Gravina in Puglia** (BA)



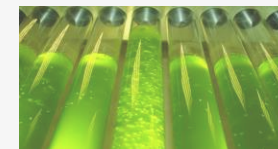
1 module in **Venosa** (PZ)



1 module in **Cassano allo Ionio** (CS)

POSITIONING





NUTRACEUTICAL BUSINESS

- The **PBRs** (photobioreactors) allow the production of **biomass** for the **nutraceutical**, **cosmetics**, **food** and **aquaculture** industries
- **Universities** and **government incentives** provide the Project Algae
- The **biomass** is rich in **protein** and **carbohydrates** and can be used as **animals feed**
- The **algae meal** is characterized by high **health power** for **humans**
- **Most important end-products:**
 - ▶ **Spirulina**: High protein values, essential amino-acids, healthy-fats and vitamins
 - ▶ **Omega 3**
 - ▶ **Astaxanthin**: the principal by-product of the process
- **High revenues** and **profitability** due to the **high market value** of the **end-products**
- The project represents a **great opportunity** for the companies operating in **nutraceutical** and **pharma industries**

ASTAXANTHIN

PROPERTIES:

- ▶ **Carotenoid** with **antioxidant-like** properties
- ▶ Used for treating **Alzheimer's** disease, **Parkinson's** disease, **stroke**, **cholesterol**, **liver** disease, preventing **cancer**
- ▶ Used for **improving** exercise **performance** in **fitness activity**
- ▶ Used for **fish pigmentation**

MARKET:

- ▶ **High** End-product **market value** 5-600 €/Kg
- ▶ Estimated value of the **market size** about **€2.57b** within 2025
- ▶ Estimated Market **CAGR** (2019 – 2025) about **18%**

ALTERNATIVE INVESTMENT USING THE SAME TECHNOLOGY

Nutraceutical industry offers **higher IRR**
without the Government Grants



THANK YOU FOR YOUR ATTENTION