



Section 1

Company Overview

- **Esautomation** (ESA) develops and sells **Integrated Mechatronic CNC Systems** (Software and HW), **Motors, Drivers** and **other tools** for the automation of industrial production machines
- ESA is the only manufacturer in the world that offers a full range of **CNC systems specialized in applications** able to cover **all the processing phases (up to the user interface)** of:
 - ✓ **Sheet metal**
 - ✓ **Wood**
 - ✓ **Marble**
- **~80% of products** are directly or indirectly distributed abroad
 - ✓ ESA is **well positioned** in **Western countries**
 - ✓ **Growth is focused on emerging markets**
- **46%** ESA's workforce cost is related on R&D and software development
- **€9.2mn** R&D investments since 2012
- **Full product range under ESA's IP**
 - ✓ **Hardware is internally designed** but **produced in outsourcing** (asset-light business model)
 - ✓ The **core business** is the creation of **software for CNC systems**
 - ✓ **Turnkey automation system**

FY21 Financials

€28.6mn
Revenue
+61.8% YoY

49%
Foreign Revenue

€8.0mn
EBITDA
+126.3% YoY

28.1%
EBITDA margin
+8.0pp YoY

€5.0mn
Net Income
+106.6% YoY

17.6%
Net Income margin
+3.8pp YoY

€4.3mn
Operating Cash
Flow (OFC)

-€10.5mn (positive)
Net Cash Position Increase
+2.2mn YoY

FY21 Key Numbers

62
Employees

42
Value Added Resellers

350+
Clients

3
Foreign Branches
(Brazil, China and Spain)

FY21 Consolidated Financial Results

€28.6mn Revenue	49% Foreign Revenue
€8.0mn EBITDA	28.1% EBITDA margin +8.0pp YoY
€5.0mn Net Income	17.6% Net Income margin +3.8pp YoY
€4.3mn Operating Cash Flow (OFC)	€10.5mn Net Cash Position +2.2mn YoY

FY21 Key Numbers

62 Employees	42 Value Added Resellers
350+ Clients	3 Foreign Branches (Brazil, China and Spain)

Key Milestones

5

Since the management buyout, our strategy is based on the following **drivers of growth**:



FOCUS ON SYNERGIC AND PROFITABLE MARKET NICHES



HARDWARE OPTIMIZATION AND A COMPLETE FULL-PACKAGE



INTERNATIONALIZATION



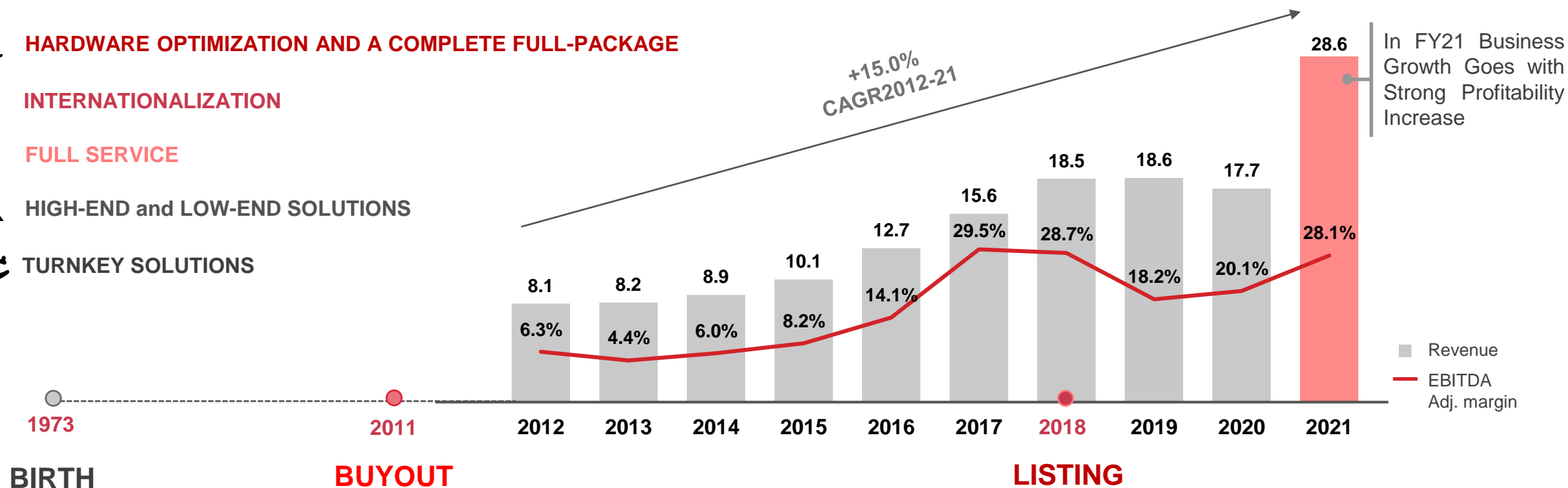
FULL SERVICE



HIGH-END and LOW-END SOLUTIONS



TURNKEY SOLUTIONS



Founded as **ESA GV**, a historic company that has always been committed to providing technological solutions for industrial automation

ESA GV faces a deep financial crisis that threatens business continuity

ESA GV's General Manager and an Italian entrepreneur take over company's operational assets:
Esautomotion started up

In order to strengthen its leadership in the controlled niches and seize the opportunities for growth and diversification offered by the market, the company went public on the Borsa Italiana AIM Italia market (now Euronext Growth Milan)

Footprint and Distribution



Note: Data as of December 31st, 2021

FRANCO FONTANA

Chairman and Founder

Franco Fontana boasts 18 years of experience in the Machine Tools/CNC sector. He was the CEO of DMTG Europe Srl for 14 years, the Italian subsidiary of Dalian Machine Tool Group (the major Chinese manufacturer of machine tools)

ANDREA SENZOLO

Sales Manager and Board Member

Andrea Senzolo joined ESA in 2012. Previously, he worked in RedCom (an Italian manufacturer of plasma and laser cutting machines), initially covering the role of Europe Sales Manager; later he was in charge of the global network of the company

GIUSEPPE ZOTTOLI

Independent Director and OPC Chairman

Having graduated in Economics, Giuseppe Zottoli has been a chartered accountant since 1996 and statutory auditor since 1999. Currently he is board member, M&A advisor and auditor in several firms

GIANNI SENZOLO

CEO and Founder

Gianni Senzolo has 32 years of experience in the CNC sector. He worked as director and general manager in leading industrial companies (ECS and Aerre). After that he worked as General Manager of ESA GV

MATTEO NOBILI

Director and OPC Member

Graduated in Law, Matteo Nobili has been a chartered lawyer since 1997. From 1994 he worked as Partner, specialized in domestic and international M&As and Business Law, for several legal advisors. Currently he is a partner of Avvocati di impresa advisor

LORENZO BRANDOLI

R&D Director

After graduating in Electronic Engineering from the University of Bologna, Lorenzo Brandoli started his career working for companies active in the automation and IT sector. He joined ESA GV in 1991 as a researcher and in 2007 he was appointed R&D Director, maintaining this position even after the buyout

CARLO COLA

CFO and Director

Graduate in Economics, since 1988 he has been an entrepreneur, president and CEO in several companies active in mechanical, health care and automatic machines sectors. He has been CFO at Esautomotion SpA since 2019.

ANDREA BECATTINI

Independent Director and OPC Member

From 1976 to 1984 he worked as a field technician and then became technical assistance manager at ECS Tesek, managing the Milan and Turin service branches. Since 1989, he has held sales positions until becoming Sales Manager at D.Electron from 2002 to 2020.

FRANCESCA VILLORESI

R&D Manager

Graduated in Electronic Engineering, Francesca Villoresi boasts a long experience in the CNC market (initially at began his career in family companies - participating in the integration of the same within the German Group Heidenhain - and then at BDF Digital). In 2020, she joined Esautomotion as R&D Manager.

A black and white photograph of a laser cutting machine in operation. A bright laser beam is focused on a metal plate, creating a large spray of sparks. The metal plate has several gear-shaped cutouts. The machine's arm is visible above the workpiece.

Section 2

Business Overview

INTEGRATED CNC SYSTEM...

The Brain: **CNC SOFTWARE**

CNC Software integrated with **HW** sends commands to determine and control machine movements

Core Business



The Nervous System: **DRIVERS**

Managed by CN, control motor's speed and torque enabling to machine a variety of materials with different material hardness



The Muscles: **MOTORS**

Transform CNC commands into precise machine movements and functions



The Tools/Accessories

Cutting Heads, Sensors, Positioning, Robot etc



Full Industry 4.0: remote control, production monitoring and remote tele-assistance service

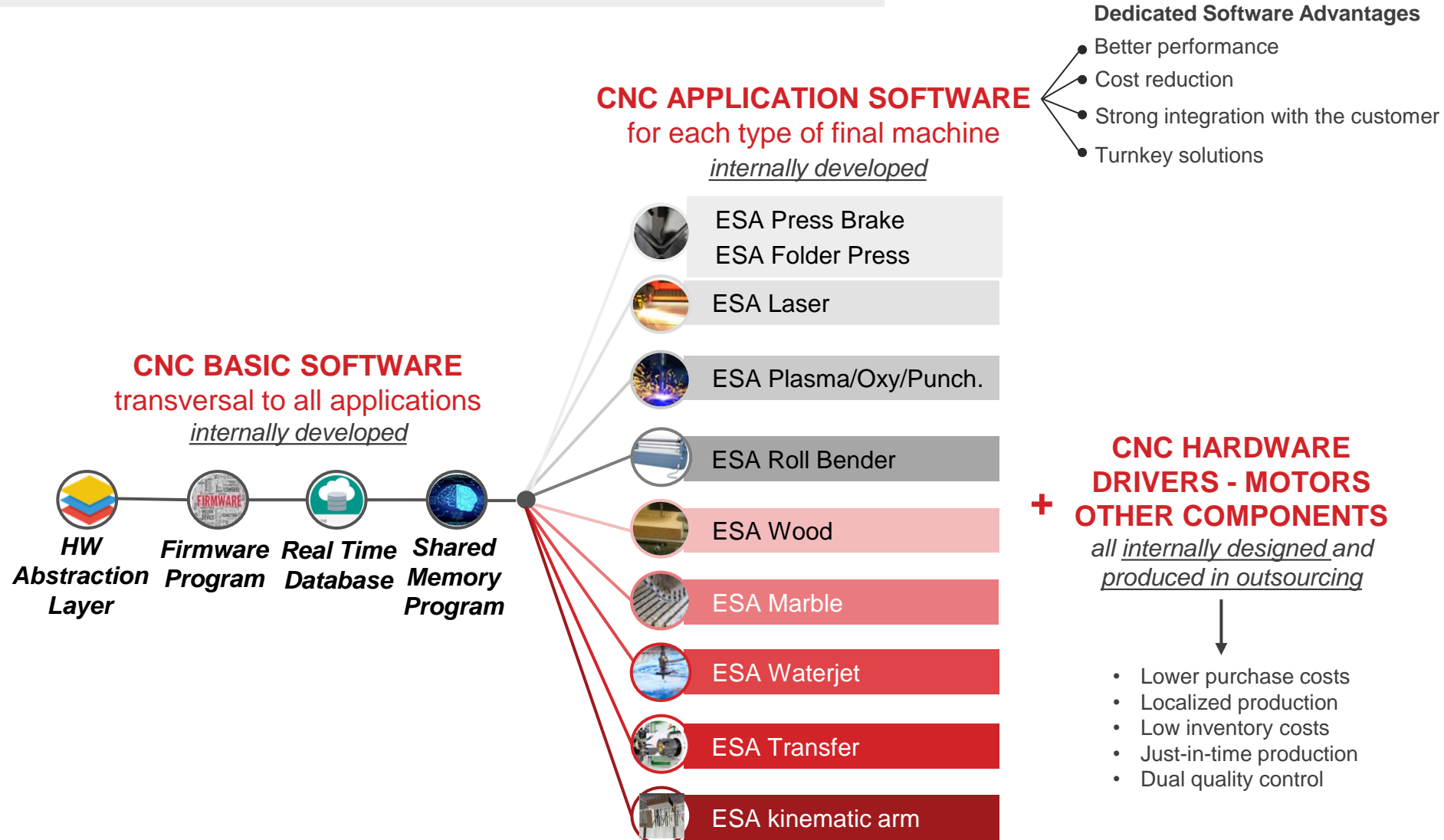
...FOR CLIENTS' AUTOMATED MACHINES

to process Metal, Wood, Marble and Other Materials

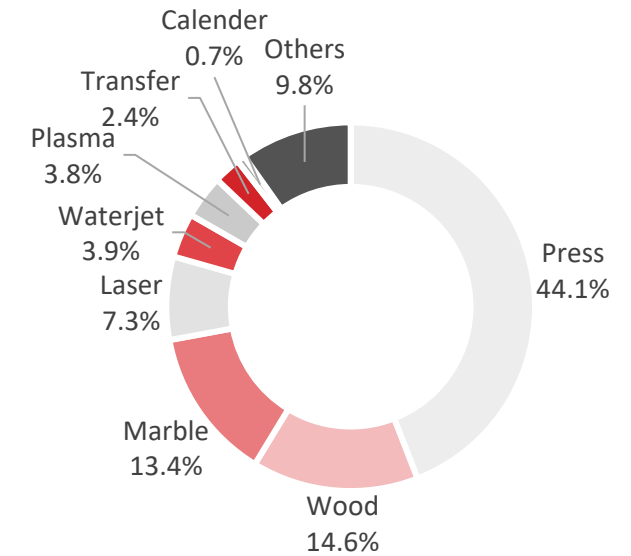


The integrated offer makes us a privileged partner for industrial machines manufacturers as customers can meet their needs with a single supplier.
One CNC for every different machine into Customer's factory

We develop and sell CNC SW and HW dedicated to several applications
All the CNC application software share the same user interface



REVENUE BY APPLICATION



* Data as of December 31st, 2021

> 50% of turnover came from application dedicated to the metal sector

- 1 **On-site and 24/24 online worldwide support and technical assistance throughout the whole cycle**
- 2 **Subsidiaries or Local Partners (sales/service) follow our customers in their daily needs**
- 3 **Our Headquarter gives commercial and technical support**
- 4 **Our worldwide service network is a key point to be successful in our market as 80% of machines manufacturers export in the world and need to assure their customers faster reliable services**

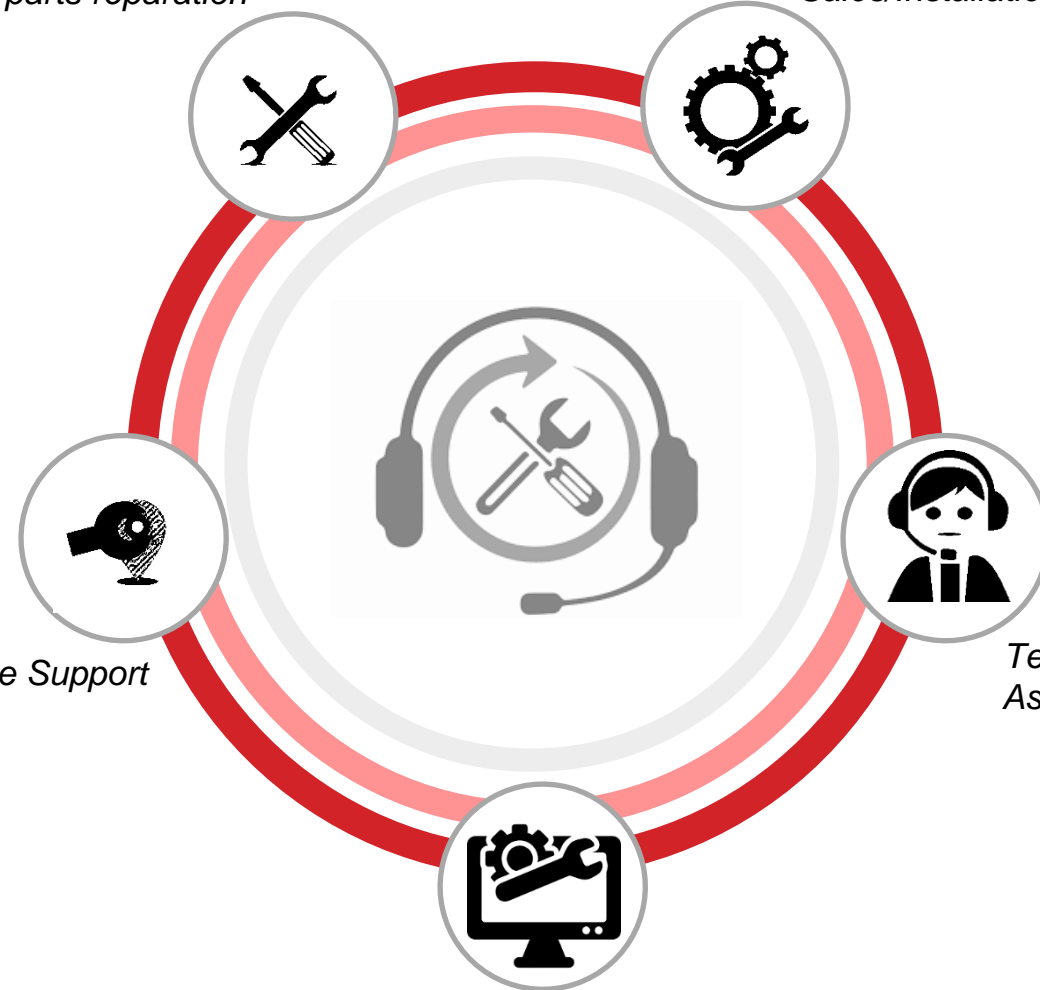
Spare parts reparation

Sales/Installation Support

On-site Support

Telephone Assistance

Remote Diagnostic



€1.32mn

R&D Investments
In FY21

29

R&D
Employees

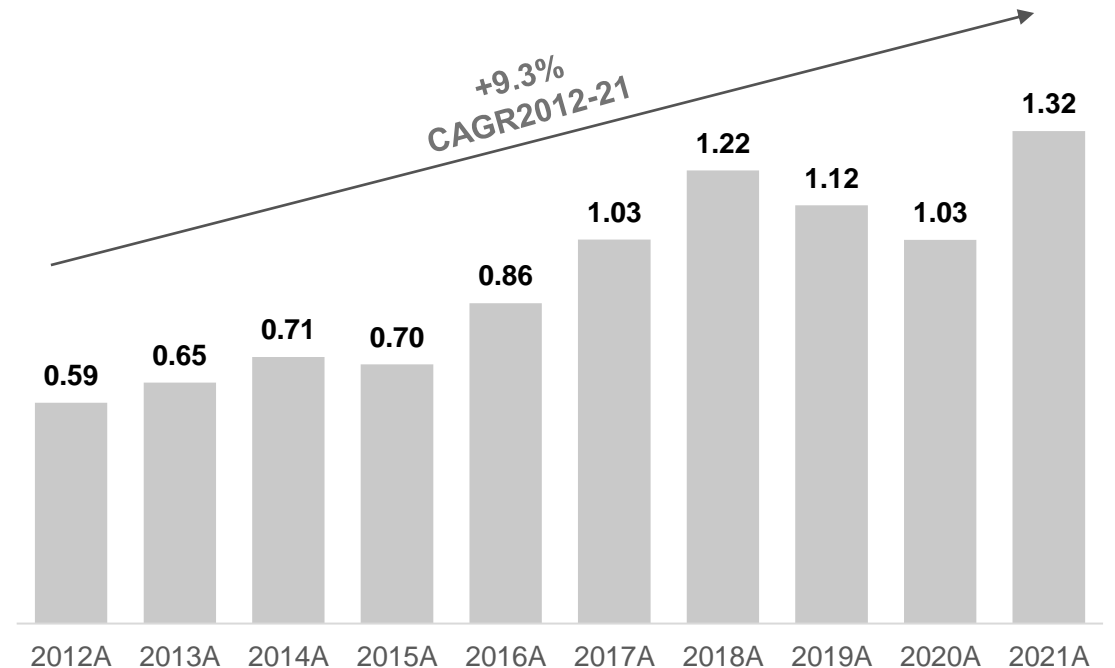
€9.2mn

R&D Investments
since 2012

ALL HW, SW, APPLICATIONS SOLD ARE UNDER ESA'S IP

- Growing investments in R&D have enabled ESA to create **innovative** and **high-quality** solutions at **competitive costs**
- Development and growth are strongly influenced by the ability to hire and retain a **highly skilled workforce**
- In most cases software is co-developed with clients according to their needs

R&D Investments (€mn)



Hardware

Intel versus ARM technology
(cpu used for Smartphone)

- Multicore CPU
- Distributed Architecture
- Drive Ethercat fieldbus
- I/O peripheral Ethercat fieldbus

Software

- 3D
- CAD
- Predictive maintenance
- Kinematics model
- Spline Interpolation for Smooth Trajectory
- Self Calibration 5-axis RTCP

4.0 / Networking

Full interconnection
between machines

- OPC-UA protocol
model data
- EoE (Ethernet over
Ethercat)

New devices

- Tool
- Sensors
- Laser measurement
- Tool changer
- Position corrector
- **Laser 5Axis head**
- **Laser tube 5 axis bevel head**

More Automotion

Loading; Unloading; Positioning;
Testing; Changing Tool, Finetuning,
Synchronize combined machines

- Kinematic Arm (anthropomorphic)
- Redundancy Kinematic
- Following Arm

Green Evolution

- Save energy
- Less waste
- **To Hybrid, to full electric machines** (like cars)
- Hybrid and Electric High-Pressure pumps for waterjet
- Regenerative feedback unit

Reliability

- **Sensor monitoring machines**
- **Predictive Maintenance**
- **Teleassistance**

Performance Benchmark

In Laser acceleration speed of **4G**
can be reached (Tesla Roadster:
0 to 100km/hour in 1,9s has only
1.4G)

Cost Efficiency

More machines combined or more
working phases on the same
machine

- Simulation machine behavior to
optimize cycle time
- Virtual Simulation to avoid
collision

Innovative Solutions

Special Machines projected to
make **very sophisticated parts,**
big sizes or to work on special
materials

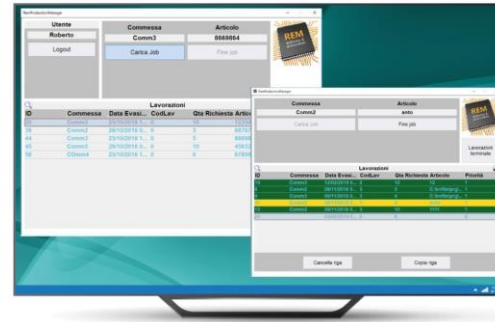
Materials Engineering

Our database is daily enriched by
the experience and know-how
acquired during the machining of
new materials/thickness. This
allows us to use our “**Expert
System**” in order to better support
operators



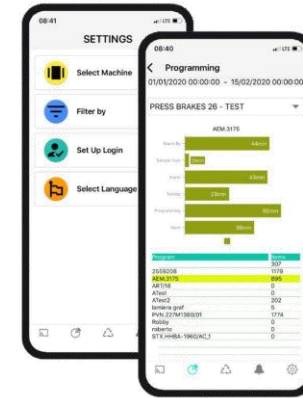
Smart Bending Assistant

A special smartwatch capable of receiving the voice commands of an operator and transmitting them to the CNC of a bending machine.



EsaFour4.0

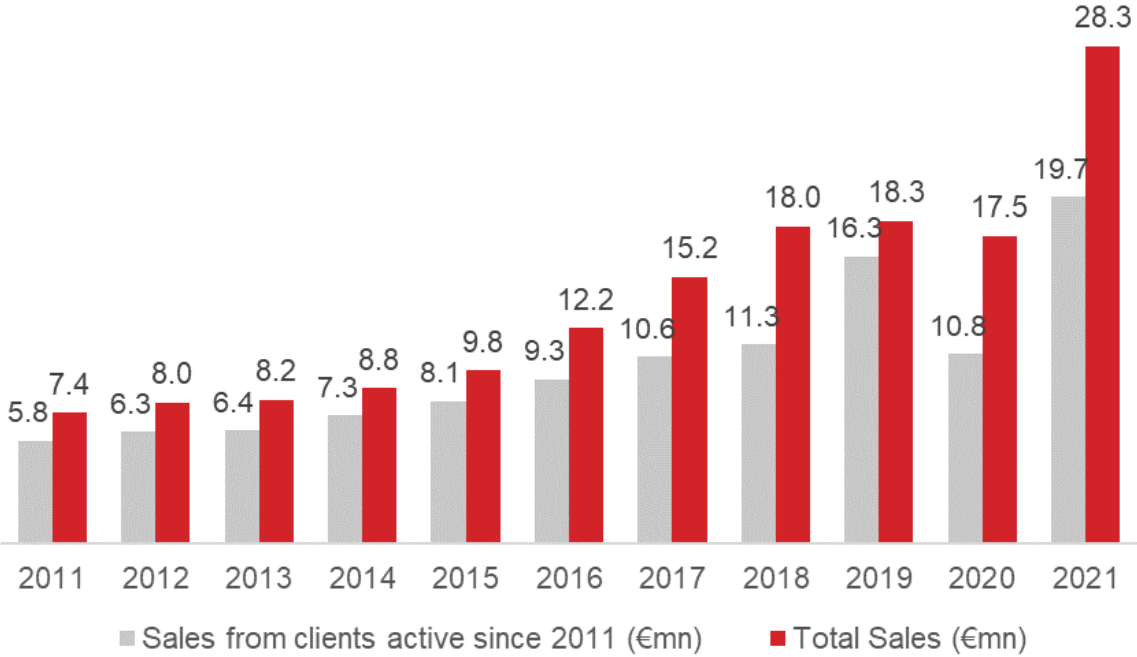
A suite of four 100% Industry 4.0 software, allowing the bidirectional exchange of data between the machine and the company system



Smart Tracer

An app that allows to remotely check in real time production data, 24 hours a day, 7 days a week from a PC and mobile devices

Customer Loyalty Dynamics



On average, around 75% of the 2011-2021 annual turnover was generated by historical and recurring customers

13.0% CAGR 2011-2021 of sales from recurring customers



Difficult to enter and difficult to exit



FIRST CONTACT

References

Top manufacturers in the world employ our CNC solutions

International tech fairs

During **international exhibitions** many high-tech machines are equipped with our automation solutions

Periodically visit prospect client

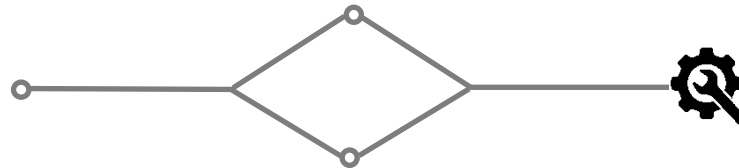
Sales opportunities arise sometimes after years when customers:

- need new technology
- need more support
- start to produce new kind of machines
- lose business opportunity because its competitor used our CNC
- need more competitive solutions



NEEDS ANALYSIS and SOLUTIONS PROPOSITION

We analyzes customers' products and propose the purchase of one or more **Mechatronic CNC Systems**



CO-DEVELOPMENT

Not all the customers have one internal R&D department. The experience and the service offered by ESA make the company seen more like a **consultant** and a complementary automation **technology supplier** than a simple business partner



INSTALLATION and CUSTOMIZATION

on Customer's machine

WORLDWIDE ASSISTANCE



UP/CROSS SELLING

Acquire new costumers with **high-end solutions** and then conquer shares selling **low-end solutions** (emerging market)

High-quality products at competitive price: we sell the profit

Synergic solutions: Expand the sale with the same customer to additional applications



Acquisition Case Study

Golden Arrow Water Jet Equipment Manufacturing Co. of Shanghai is a suppliers of **Tesla**. They decided to purchase from ESA the entire powertrain (VIS-660 CNC, software, motors and drives) for waterjet machines that will be installed in a recently built factory for the production of Testa components.



Up-selling Case Study

CRRC Corporation Limited (CRRC), is the **largest manufacturer of railway rolling stock in the world**, now larger than Alstom and Siemens. Already equipped with our 5-axis CNC and our 5AH laser head. CRRC decided to use only Esa products on all their laser cutting machines.



Cross-selling Case Study

Yawei Wuxi, the **largest Chinese manufacturer of press brakes**, already our customer, has chosen the VIS-640 Esautomotion CNC to also equip their waterjet line at **BMW's** Chinese factory.



Acquisition Case Study

The **US subsidiary of Mitsubishi**, producer itself of numerical controls, has decided to equip part of its press-bending machines with ESA CNC. This underlines the **leadership that Esautomotion has in the deformation sector.**



Cross-selling Case Study

MVD is a Turkish bending press producer, already equipped with Esautomotion's CNC), that decided to **expand its production with other types of machineries** such as laser and plasma. The goal is to keep the same HW with the proper SW customization, saving new staff training and inventory variability



Up-selling Case Study

SCM is a **leading company** in the wood sector, with more than 1,200 machines produced per year. After 30 years of collaboration, SCM **has allocated to ESA the entire mechatronic part of CNC.**



Co-Development Case Study

Glory Group is one of the largest Chinese laser manufacturer (about 700 machines a year). It has faced some difficulty in exporting its machines because they were equipped with low-quality Chinese components. With ESA's support Glory Group improved the mechanical characteristics of its products and started to export its machines abroad

Argesystems Automatic Tool Changer

This company developed together with us a new device to replace an heavy job: tools changing on press brake. This device uses a CNC from ESA. The tools changer is sold to many press brakes manufacturers as a complete automation solution. So it can happen that these manufacturers sell a press brake with competitors' CNC together with a tool changer equipped with ESA's CNC. **This is a fantastic open door to win new customers from competitors**

May 2019: the biggest Chinese Manufacturer

The biggest Pressbrake/Laser manufacturer in the world. We customize our CNC to be sold under customer's brand and substitute competitor's CNC. **Objective 1st year: €1 Million = 35% of total potential of the customer**

Energy Environment Case Studies

Press Brake have powerful hydraulic pumps and circuits to move the main press. It needs strong motors (40 kW and more) continuously working and a large quantity of oil (40l and more).

Hybrid Press Brake

Suitable for big press brake from 80tons up to 600tons

We developed an hybrid system that reduces the size of motors (from 40 kW to 20 kW) and oil usage (from 40l to 10l) and beside this motors can be switched-off during part of the time.

- Less oil: pollution and costs
- Less energy: from -30% to -70%
- Smaller hydraulic system



Full Electric Press Brake

Suitable for small and medium big press brake up to 80tons

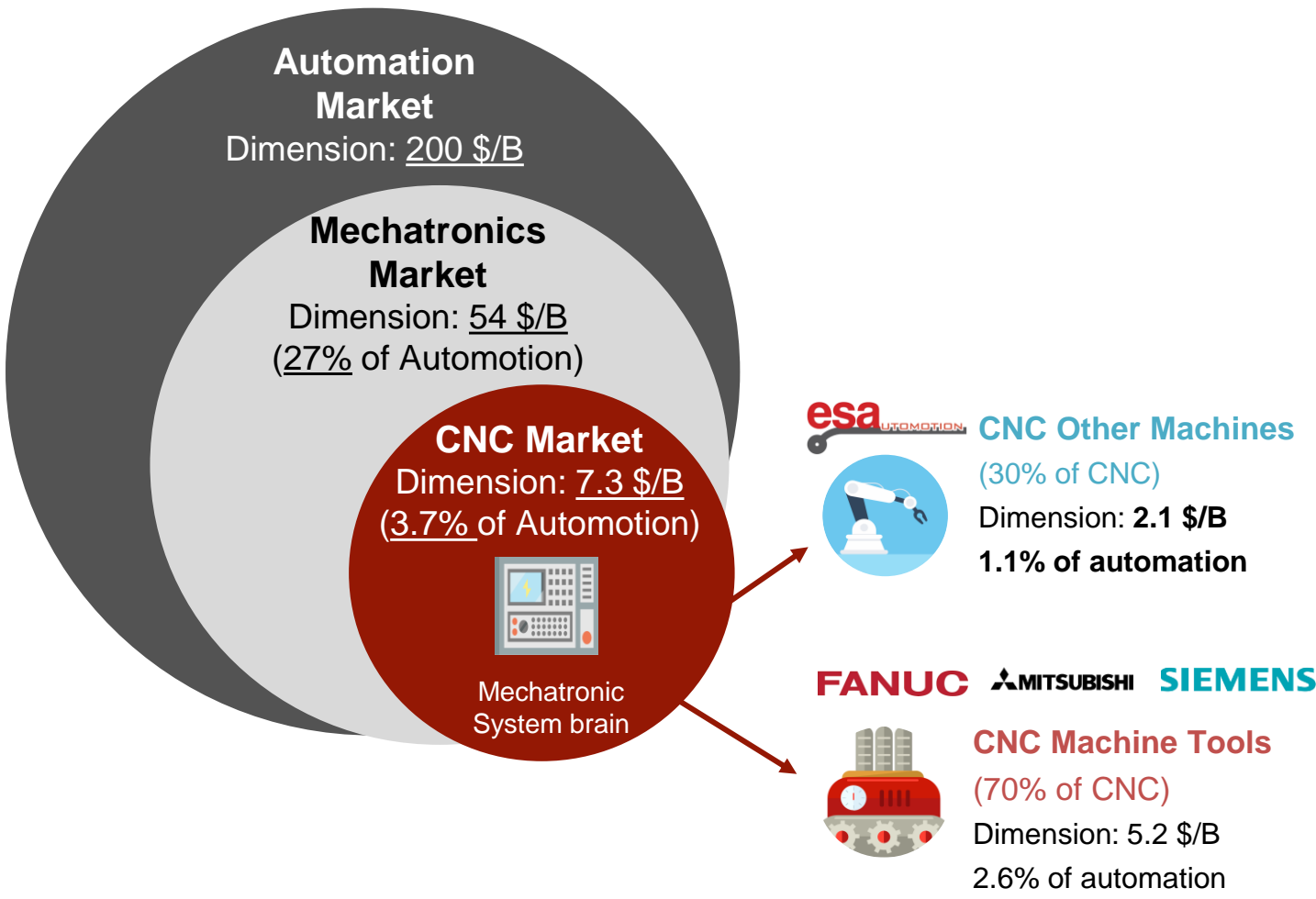
On this press brakes the hydraulic pumps and circuits can be completely substituted with electric motors 8 kW we can completely substitute any hydraulic device.

- No pollution and costs due to oil
- Less energy: from -30% to -70%
- No hydraulic system



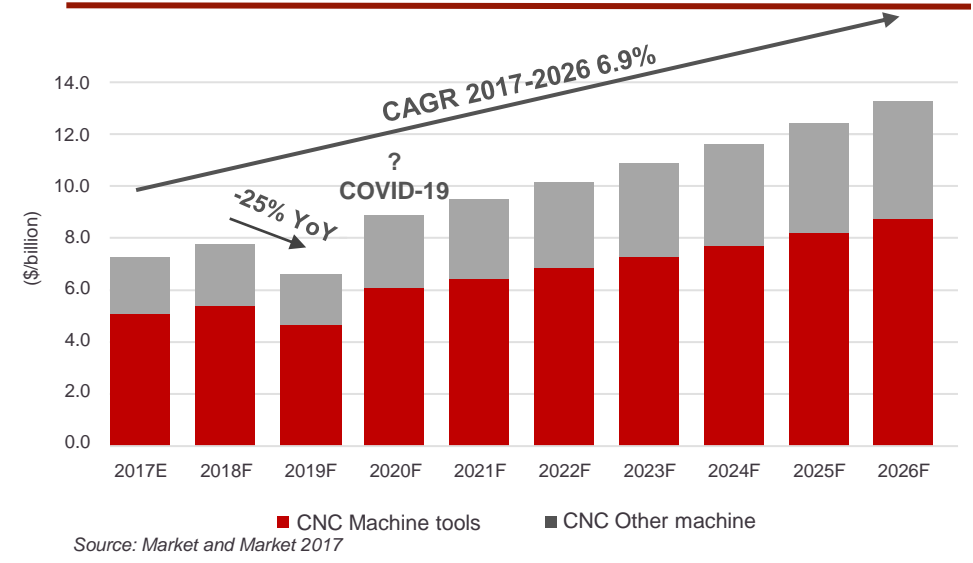
Section 3

Market

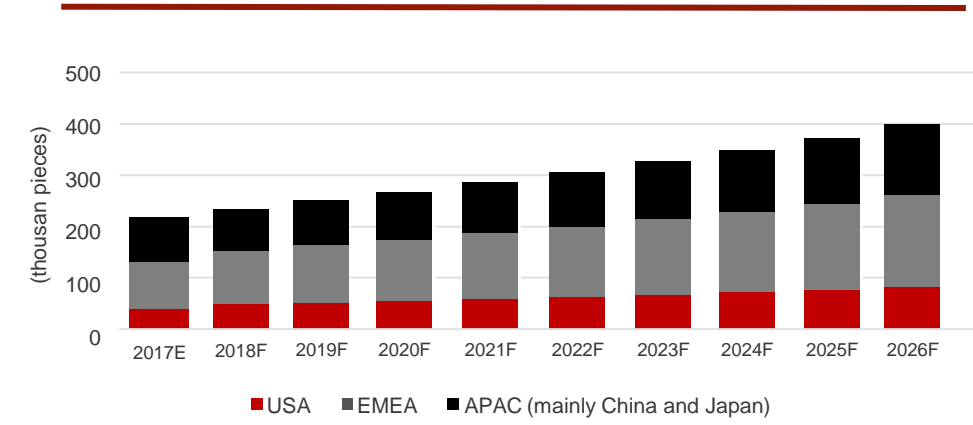


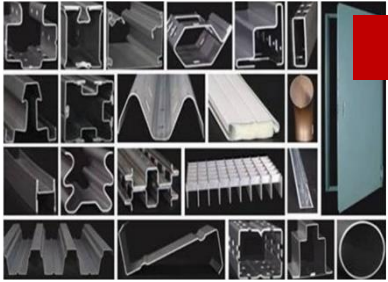
STRONG ENTRY BARRIER: the development of application software requires a consolidated and specialist know-how which constitutes a strong entry barrier

CNC market global evolution



CNC geographical breakdown





METAL FORMING

- ✓ Great relevance of Turkey and China
- ✓ Fundamental machine for developing countries
- ✓ However, Europe remains the driving market for innovative and high level solutions. **Key Market**



METAL CUTTING (LASER)

- ✓ Very strong development in the world, especially in China
- ✓ Most of machines equipped with plasma technology, oxy, punching and shears will be replaced by laser cutting
- ✓ Production shift towards China
- ✓ Undoubtedly, it is the fastest growing market in the world. Esautomation has invested a lot of resources to get to have an ideal product for this technology. **Key Market**



MARBLE

- ✓ High share of market penetration
- ✓ We have collaborations with all the biggest world players (Italy, China, Turkey). **Key Market**



WOOD

- ✓ Esautomation is the provider of the global market leader
- ✓ At the moment, prices do not encourage expansion in this market in Italy, but the customer base of Turkey, India and China will lead to a strong increase in numbers. **Key Market**



OTHER APPLICATION















- ✓ The increasing demand for production automation from industrial world, leads us to have more and more requests from those customers who are migrating from a manual solution to an automated solution aimed at the industry 4.0 project. **We have some customers,**
- ✓ **In some of these niches we can develop more.**



MACHINE TOOLS

- ✓ The dominance of world leading players does not allow market penetration
- ✓ We have requests for collaboration from customers in this sector who are unable to use the high-level products of the market leaders due to the lack of technical support that they (Fanuc, Siemens) have. We have some customer, but we avoid to develop.

Our software is recognized as a CNC standard for industrial machines in the **sheet metal segment**

		DESCRIPTION	CUT					BENDING	BENDING PRESS
			LASER	PLASMA	OXY	WATERJET	OTHER		
			●	●	●	●	●	●	●
		<p>Dutch leader and main competitor in the press segment. High quality but limited by:</p> <ul style="list-style-type: none"> Lack of engines and drives to complete the package Lack of versatility as its product can be used only with press machines 							●
		<p>Emerging Chinese player focused only on laser machines. Main limits:</p> <ul style="list-style-type: none"> Lack of engines and drives to complete the package Focused only on laser cutting Unknown brand outside China 	●						
		<p>German leader for CNC production for automation. Living a strong worldwide expansion in recent years, this company keeps on gaining market share. Limits:</p> <ul style="list-style-type: none"> Low flexibility given by the dimensions High service and SW development rates 	●	●		●	●		✓
		<p>Japanese worldwide leader for machine tools CNC systems. Sporadically present in Esautomation sectors. Very high production numbers combined with high quality. Limits:</p> <ul style="list-style-type: none"> Expensive product range Difficulty in programming Poor flexibility/services towards users 	●			●	●		
		<p>Historical German leader in the machine tools CNC segment. Recognized worldwide along with Fanuc. Sporadically present in Esautomation sectors. Limits:</p> <ul style="list-style-type: none"> Expensive product range Reliability Poor flexibility towards users Very high product variability (lack of internal technical preparation) 	●	●					
		<p>Swiss based player in press segment only. Over the years the company has been reached and surpassed by both Esautomation and Delem due to its lower innovation capability</p>							●



STRATEGIC GOAL	ACTION PLAN	DESCRIPTION
1 Facing a lower market demand	Intensify high-end products development	Customers don't invest in additional machines but mainly replace the old ones . They look for: <ul style="list-style-type: none">• Cost reduction through more automation (higher productivity)• Better production quality in order to win new customer
2 Market share increase	2.1 From West to East (China, Turkey, India) 2.2 Expand from high-end to medium and low-end 2.3 Early stage share acquisition	<ul style="list-style-type: none">• The market will be still big but low-end machines' prices will be under pressure• High and medium-end customers require our CNC to export and to be Self-sufficient in domestic market• High-end CNC open the door in big customers• We target ALL the manufacturer's product range including big volumes of medium and low-end machines• In the mid-term any simple CNC will be substituted with a more profitable one
3 Facing low price environment	Be able to compete on production costs with Chinese players	<ul style="list-style-type: none">• Move Motors and Drivers production• Reduce our costs not only for China but on worldwide basis• Sell to Chinese manufacturers better quality at competitive price• Profitability Increase: Price on High end, Quantities on Low-end
4 Carve out self-making CNC manufacturers	Offer a Value/Price solutions	Companies that internally produce CNC may not have economy of scale and need to reduce cost

Section 4

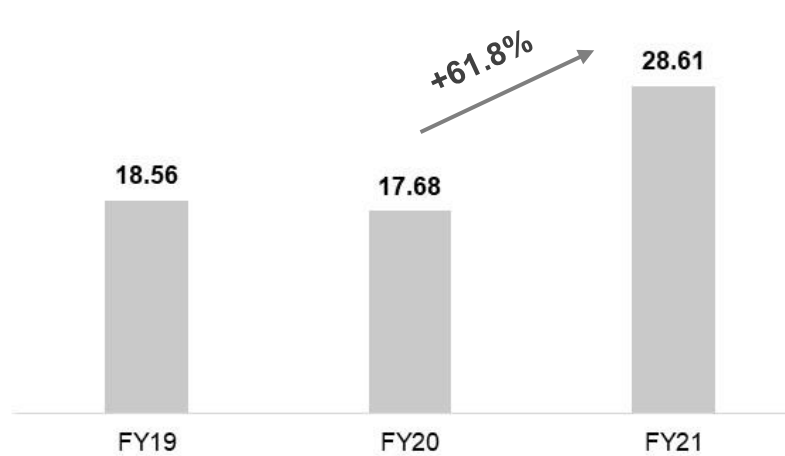
Key Financials

FY21 Financial Results: Strong Profitability Improvement

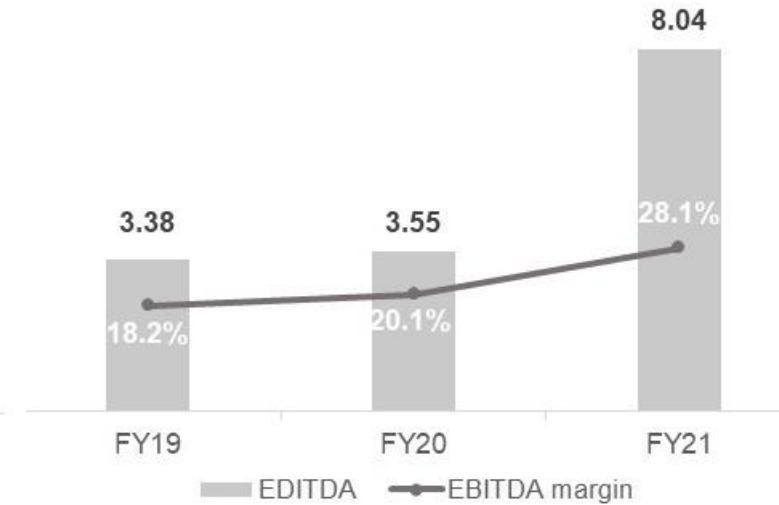
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- FY21 revenue increased by +61.8% vs FY20 mainly driven by:
 - i) a favorable economic situation, started from 4Q2020 and continued in 2021, with strong growth in demand in most world markets;
 - ii) a recovery and growth of sales volumes for all historical and recently acquired customers;
 - iii) R&D: development of product performance in strategic market applications (Sheet metal, Laser, Marble). Increased penetration in terms of CNC market share for strategic customers compared to competitors, offering expansion to various complementary applications as well as to motors and drivers;
 - iv) continuation of the internationalization worldwide (China, Turkey, Iberian Peninsula, US).
- In FY21, Fanuc – the leader in the CNC market – announced an increase in sales of +50% in FA division, ESAU outperformed the latter by +12pp.
- The increase in Group's margins and profitability was mainly driven by the first effects of the cost efficiency plan implemented on hardware components - despite the significant rise in the prices of raw materials, electronic components and semiconductors in 2021 – and to the operating leverage, which made it possible to reap the benefits of the countercyclical investment policies in internationalization of the past two years.
- Net income came in at €5.0 mn, 2.1x FY20 result.

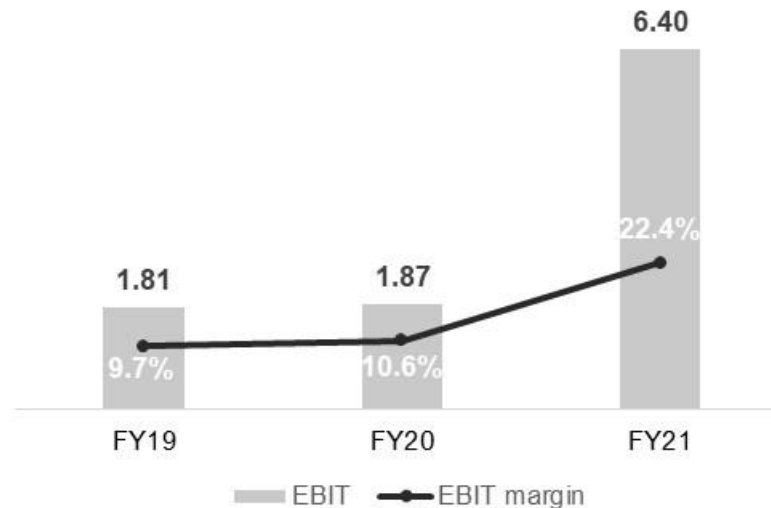
REVENUE



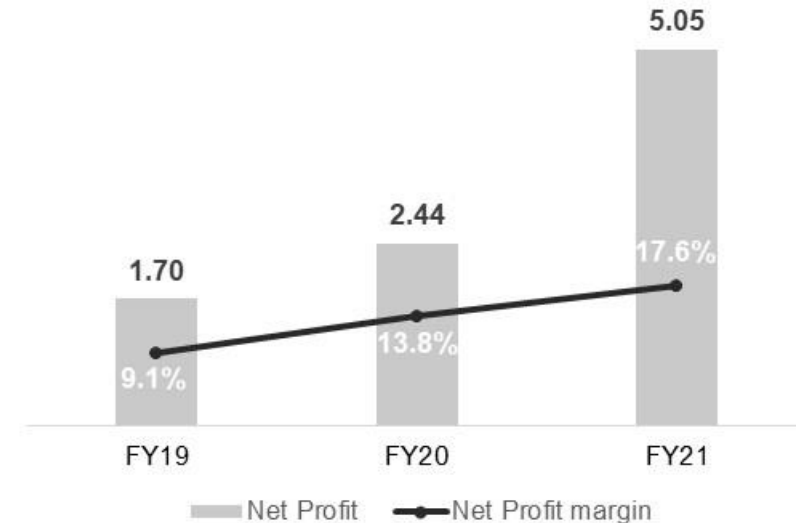
EBITDA



EBIT



NET INCOME



VISION

Italian leader provider of the “*intelligent*” part of automation machines, aiming to become a leader on complementary, synergetic and profitable market niches.

MISSION

Worldwide coverage in all the producing and purchasing markets.
Provide customers with turn key solutions.
Increase added value services and software.
Be among the best three suppliers within selected market niches.

Lower Costs

Delayed project
ESA LAB to
increase China
production



More Efficient

Assistance
Lockdown
increased
remote support



R&D Enhancement

New employment
of Key R&D
Manager



More Remote Training



M&A under evaluation



Section 5

Appendix

FY21 Consolidated Income Statement

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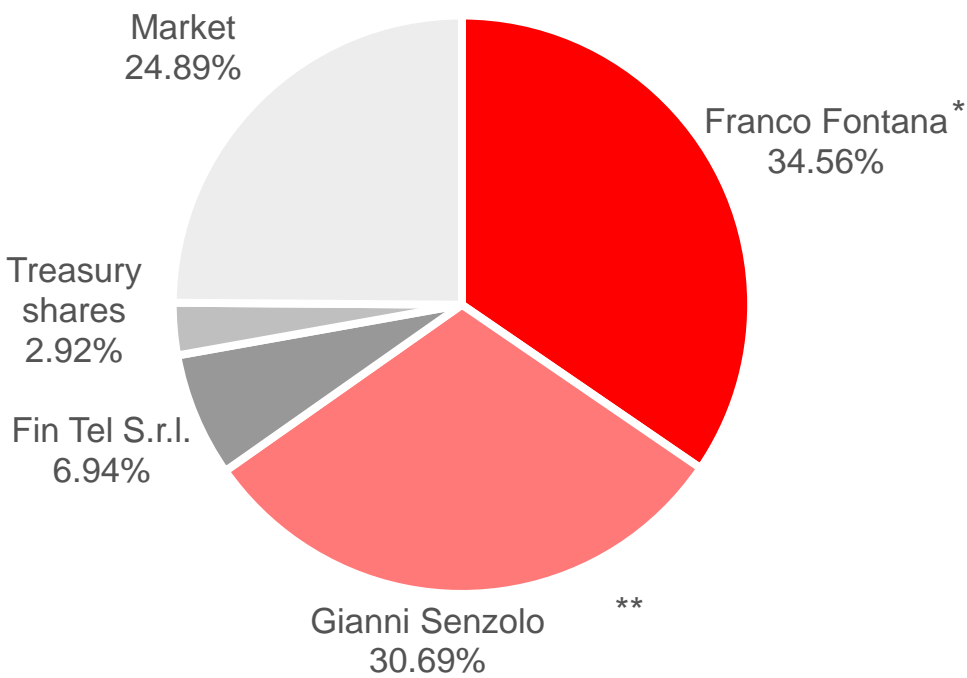
€/000	FY19	FY20	FY21	YoY
Revenues from sales and services	18,335	17,490	28,327	62.0%
Other Revenues	227	188	281	49.3%
Total Revenues	18,562	17,678	28,608	61.8%
Raw materials and change in stocks of semi-finished/finished goods	(10,083)	(9,308)	(14,895)	60.0%
Personnel Expenses	(1,840)	(1,821)	(2,134)	17.2%
Cost of Services	(3,036)	(2,847)	(3,409)	19.7%
Other Operating Expenses	(227)	(148)	(126)	(15.1%)
EBITDA	3,376	3,554	8,044	>100%
Ebitda margin	18.2%	20.1%	28.1%	
D&A and Provisions	(1,568)	(1,688)	(1,648)	(2.4%)
EBIT	1,808	1,866	6,396	>100%
Financial Income and Expenses	(44)	(174)	32	(118.4%)
EBT	1,764	1,692	6,428	>100%
Taxes	(67)	751	(1,380)	(283.8%)
Net Income	1,697	2,443	5,048	>100%
Net Income Adjusted	1,292	1,334	5,048	>100%

FY21 consolidated Balance Sheet

€/000	FY19	FY20	FY21
Inventory	3,967	3,103	4,192
Trade receivables	6,899	6,243	11,208
Trade payables	(3,801)	(2,780)	(5,526)
Other receivables (Payables)	(449)	469	(490)
Provisions	(289)	(339)	(395)
Net Working Capital	6,327	6,696	8,989
Goodwill	98	98	98
Intangible fixed assets	1,174	1,069	1,248
Tangible fixed assets	803	652	632
ROU asset - IFRS16	569	551	405
Financial fixed assets	1	1	1
Total fixed assets	2,645	2,371	2,384
Net Capital Employed	8,972	9,067	11,374
Short term financial debts	363	274	171
Long term financial debts	531	398	251
Total financial debts	894	672	422
Cash and cash equivalents	(7,925)	(9,012)	(10,968)
Net financial position (Cash)	(7,031) *	(8,340)	(10,546)
Equity	15,996	17,404	21,912
Minority	7	3	8
Sources	8,972	9,067	11,374

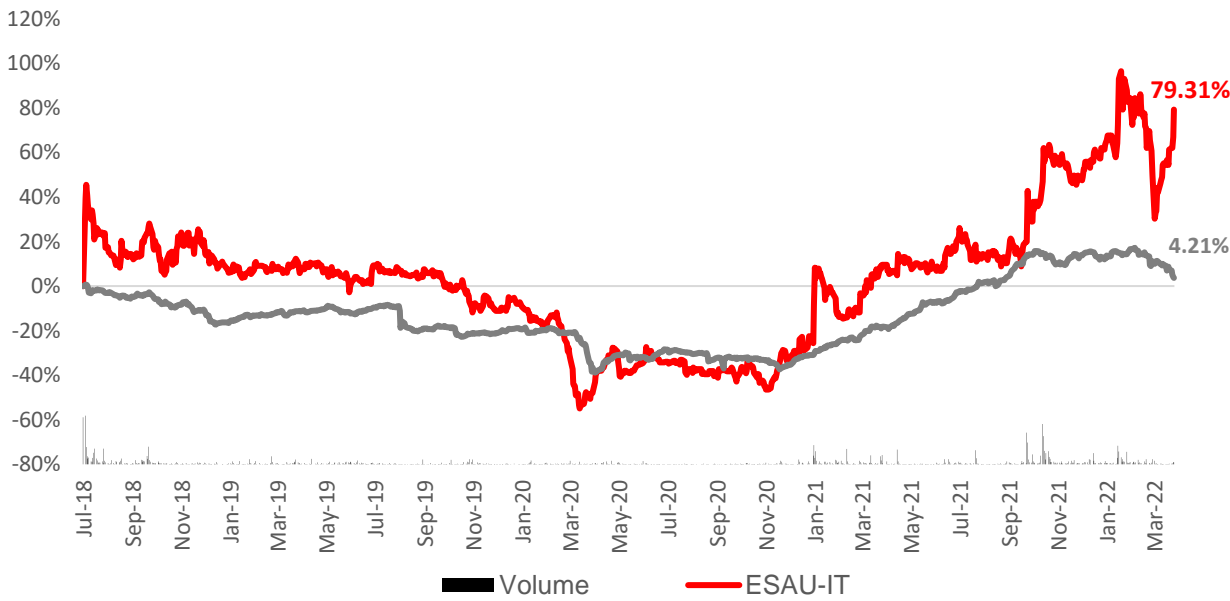
* of which €551k related to IFRS16

Shareholder Structure



* *ESA's Chairman*
** *ESA's CEO*

Stock Performance Since IPO



Market Data

IPO Date	6/7/2018
IPO Price	2.9
Price as of March 31 st , 2021	5.1
Dividend (€mn)	1.3
Dividend yield	2%



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