

Dear shareholders,

together with the co-founder of this company and current President, Marco Pomè, I would like to thank you for the trust you have placed in us. We both feel a responsibility towards all of you and all the people who work with us every day for the good of the company. Our first objective has always been to build a future of healthy and sustainable growth for our company. From 2006 until today, albeit making inevitable mistakes along the way, we have succeeded, and we have no good reason to believe that we will not succeed from here on. I would like to this communication to be a simple and clear way of informing you about the company's activities and development prospects in the short-term, but also in the medium to long term. I will therefore personally engage with you to provide you with all the elements that can give you as objective a frame of reference as possible and thus help you in your present and future investment choices.

People at the centre

Dear shareholders, our first thoughts are with all those who work with us. Our daily actions and the building of our company are primarily aimed at the well-being of our employees and, by extension, their families. I have always believed that this is the basis on which we build our business and our affairs. Revenues, margins, numbers in general are a consequence of this style and approach, which will certainly not change from here on.

Business Description

Lindbergh Spa operates in the MRO (Maintenance, Repair and Operations) sector offering unique logistics services through a technology platform (T-Linq) within which orders, service missions, reporting etc. are managed. Our main service is the overnight delivery of spare parts directly to our customers' vans (in-night in-boot delivery). Our end customers are maintenance technicians belonging to major international manufacturing brands who sign multi-year service contracts with us. We are bound to them by a long-standing partnership, consolidated over time thanks to the quality of our services and their strategic nature for our customers. These contracts are, without a shadow of a doubt, the solid and secure foundation on which our entire business model rests. Over the years, we have been able to increase the amount of services offered for technicians by leveraging our unique and high-performance logistics. We like to say that logistics is not the ultimate goal of our business, but 'only' the means through which we want to do business and create value for ourselves and our customers. The other important active business unit is Waste Management. Approximately 20% of our turnover comes from this service, which is aimed both at active customers with the core service and customers who only have this type of need. Here too, we work directly with large Italian and international groups who have renewed their trust in us over the years and with whom we have been able to build quality projects and services.

France

As of September 2021, we acquired full control (77%) of the French company Lindbergh France. We took the opportunity to enter the French market, knowing that we were acquiring a company in significant financial difficulty and with substantial past losses. From April 2020 to August 2021, the company recorded operating losses of EUR 2.6m on a turnover of about EUR 8m, with an average monthly loss of about EUR 160k. We believed and believe even more so today in the potential of this company and, therefore, of the French market, which is larger than the Italian market in terms of size and customer base. In recent months we have been simultaneously working on the following priorities:

- **Reorganisation of all operations:** we rationalised and drastically reduced transport suppliers and completely redesigned the distribution network. For each region, a reference supplier has been selected who works exclusively according to our requirements (with the exception of a few areas where the distribution density is very low).
- **Implementation of our T-Linq IT platform:** all data from France run on the same SW platform used in Italy. This means standardising control processes and administrative flows, as well as creating the conditions for the commercial development of services for technicians.
- **Centralisation of support functions:** Customer Service, commercial and operational management are managed directly from our Cremona office. This gives us full control over customer management and lower structural costs than before the acquisition.
- **Contract renewals with existing customers:** by far the most difficult and laborious part of the whole project. We have managed to retain all customers, despite the fact that the complete reorganisation has led to many inefficiencies; we now have a relationship of renewed trust with our customers that has resulted in contract renewals for the coming years. As part of the renewals, we were able to agree on rate increases, sometimes significant ones, especially on those customers whose tariffs were far too low, which were the result of a lack of or incorrect commercial management in the past.
- **Increasing volumes and new customers:** we started working right away to increase the number of active customers and to boost volumes on existing customers. Since November 2021, two important new brands have joined us, one of which has already been our customer in Italy for years. New tests are under way with hugely important customers.

The challenge still lies ahead, but we are confident that we are on the right path and have laid the foundations for healthy and sustainable growth of the French subsidiary. The strategic objective is to take more and more control of operations and thus to depend less and less on third-party suppliers in the provision of services. Only in this way can we increase the quality and quantity of our services and thus the trust of our customers and be more attractive to potential customers. Replicating the Italian success story is an ambitious goal, towards which we must push towards without delay. Corporate transactions with a few selected, quality suppliers could be the fastest way to realise this project.

Strategies and investments

Our growth strategy is very simple and clear: **more technicians, more services, more technology**. All investments are and will be aimed at directly increasing these items or putting us in the best position to accelerate this process.

More technicians: entering the French market has allowed us to start working with a base of around 4,000 technicians, twice the number of technicians managed in Italy. Today many of these technicians only benefit from the basic service (delivery of in-night in-boot spare parts), others have never been served. The potential is clearly evident when looking at the figures in the table below (year 2021).

	Italy	France	Total
No. of engineers as at 31/12/21	1,921	3,983	5,904
Average monthly revenue per engineer	€ 351	€ 169	€ 224

More services: the table below shows the impact of selling new services in addition to overnight delivery. Of course, the model in Italy is already well advanced, while in France we are just at the beginning.

	Italy	France	Total
Average monthly revenue per engineer	€ 351	€ 169	€ 224
Basic service fee	€ 181 - (51.5%)	€ 135 - (79.8%)	€ 150 - (67%)
Fee for other services	€ 170 - (48.5%)	€ 34 - (20.2%)	€ 74 - (33%)

More technology: we are investing in the development of our T-Linq technology platform, to make increasingly more a tool to support our growth and the delivery of our services to an ever-growing technicians base. During 2022, investments of about EUR 400k are planned. The study of a keyless van-opening system is another goal for this year.

Risks and the external environment

There is no doubt that the greatest risks we face are related to geopolitical instability, which has repercussions on commodity and energy prices. In recent months we have suffered a sharp increase in fuel costs that has only partly been cushioned by tariff increases to customers. This is due to the fact that in the contracts, although an automatic adjustment according to the change in fuel prices is always provided for, increases are applied a few months after the event. We are working with customers to redefine the scheme and ensure the timely monthly application of tariff adjustments (both increases and decreases). In addition to this, international tensions risk shifting decisions within large groups; this often penalises us when closing contracts or implementing new services.

What we could do better

We are certainly people who do, choose and decide, and this pays off in the long run, but it also brings with it the risk of making mistakes. The commitment I can safely make to all of you is to always weigh up, sometimes manically, the consequences of a wrong choice. Choices that turn out to be wrong must never, ever jeopardise the company's solidity, let alone its continuity. So, in my opinion, this is what we could have done better.

- In France we have certainly underestimated the language problems, few French people speak or are willing to speak in English. This did not and sometimes does not help in relationships, we had to learn French to ensure acceptable working relationships. The team of advisors, especially the legal and tax advisors, is also being redefined for this very reason.
- On the commercial side, we overlooked, or rather neglected, some smaller customers who, partly for this reason, never reached their full potential. The result has been a stagnating turnover over the past few years. Now all these issues have been picked up on, with the aim of increasing services and thus revenues.
- We communicate little and poorly. Thanks to our presence on the stock exchange, of course, we have more visibility, but it is not enough. For the past few months we have had a person dedicated to the development of the information channel, also and especially on the various social platforms.
- We still don't do enough for our employees. Our goal of building a safe and welcoming home for all those who work here is still far from being realised. We cannot stop at the economic incentive alone. The company is a place where people must feel good and where everyone must feel fulfilled and an active part of a common project.

Consolidated numbers

An analysis of the IAS Group Consolidated Financial Statements 2021, compared to IAS 2020, shows the most relevant figures as follows:

Revenues from sales and services grew by 50% from EUR 8.99 million in 2020 to EUR 13.51 million in 2021. Consolidated revenues, including other revenues and income in the amount of EUR 140 thousand, amounted to EUR 13.65 million, an increase of 50% compared to EUR 9.08 million in 2020.

All Business Units ('BUs') recorded an increase in revenues, in particular the Network Management BU grew by 50% with revenues of EUR 10.73 million (EUR 7.22 million in 2020); the Waste Management BU (operating only in Italy) recorded revenues of EUR 2.2 million, a 25% increase over 2020 (EUR 1.76 million in 2020). Note should also be taken of the healthy performance of the new Warehouse Management BU (operating only in Italy) with revenues of EUR 0.57 million.

After expensing operating costs of EUR 11.57 million, **EBITDA** amounted to EUR 2.08 million (EBITDA Margin of 15.2%), an increase of 17% compared to the corresponding figure of EUR 1.79 million as at 31 December 2020.

After depreciation, amortisation and write-downs of EUR 1.064 million, EBIT (operating profit) amounted to EUR 1.02 million compared to EUR 1.13 million as at 31 December 2020.

Profit for the year amounted to EUR 0.71 million (EUR 0.80 million as at 31 December 2020).

It should be noted that the consolidation of Lindbergh France (for the period between Sep-

tember and December 2021) increased consolidated revenue by EUR 2.67 million on the one hand, and had a negative effect on EBITDA by EUR 0.35 million and on the consolidated operating result by EUR 0.38 million on the other hand, due to the loss recorded by the French subsidiary in the period under consideration.

With regard to Lindbergh France, it should be noted that the loss of EUR 0.38 million also includes approximately EUR 55,000 of costs not accounted for in the previous tax period ending 31 August 2021. Net of these costs, the average monthly loss of the French subsidiary in the period September-December 2021 was almost halved compared to the previous year, due to the synergies developed with Lindbergh S.p.A. and the efficiency measures implemented.

The Group's **Net Financial Position** as at 31 December 2021 was negative (debt) and amounted to approximately EUR 2.78 million compared to 31 December 2020 when it was negative (debt) and amounted to approximately EUR 1.77 million.

The increase in the Group's financial debt is mainly due to the application of IAS, which for leases and rents requires the residual debt to be accounted for according to the duration of the contracts. Cash and cash equivalents as at 31 December 2021 increased from EUR 0.83 million in 2020 to EUR 4.13 million in 2021, mainly as a result of the capital increase related to the listing on Euronext Growth Milan.

Shareholders' Equity amounted to EUR 4.22 million compared to EUR 1.39 million as at 31 December 2020.

To close, I'd like to pick up on a very brief comment that appeared on-line from one of our company's many small shareholders after the publication of the 2021 figures: 'a fantastic company that is gearing up for a bright future!'

The best is yet to come, thank you all.

Michele Corradi - *CEO and co-founder of Lindbergh*

Marco Pomè - *President and co-founder of Lindbergh*