



Salcef Group
A global player in the
Railway Industry



January 2020

Disclaimer

THIS PRESENTATION IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO PURCHASE, OR SUBSCRIBE FOR, SECURITIES

IMPORTANT: Please read the following before continuing. For the purposes of this disclaimer, this presentation (the "Presentation") comprises the attached slides and any materials distributed at, or in connection with, the Presentation. This Presentation and the information, statements and opinions contained herein have been prepared by Salcef Group S.p.A. (the "Company" or "Salcef") for use during meetings with investors and financial analysts and is solely for information purposes and may not be reproduced or redistributed to any other person. The following applies to the Presentation, the oral presentation and any question and answer session that follows the oral presentation.

This Presentation may contain forward-looking statements about the Company, and/or the group headed by Salcef (the "Group"), based on current expectations and opinions developed by the Company, as well as based on current plans, estimates, projections and projects of the Group. Forward looking statements include (but are not limited to) statements identified generally by the use of terminology such as "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal", "aim", "foresee", or "target" or the negative of these words or other variations on these words or comparable terminology. By their nature, forward-looking statements are based upon various assumptions, expectations, projections, provisional data, many of which are based, in turn, upon further assumptions, including, without limitation, examination of historical operating trends and other data available from third parties. Projections, estimates and targets presented herein are based on information available to Salcef as at the date of this Presentation. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of the Company and/or the Group to control or estimate. You are cautioned not to place undue reliance on the forward-looking statements or other information contained in this Presentation. The information contained herein has a merely informative and provisional nature and does not constitute investment, legal, accounting, regulatory, taxation or other advice. This Presentation speaks as of the date hereof and the information contained herein is provided as at the date of this Presentation and, except to the extent required by applicable law, Salcef nor any other person is under any obligation to update and keep current this Presentation, nor the information contained in this Presentation or any other written, electronic or oral information provided in connection with this Presentation. The information contained herein may be subject to updating, completion, revision and amendment and may change materially without notice. Any reference to past performance or trends or activities of Salcef or the Group shall not be taken as a representation or indication that such performance, trends or activities will continue in the future.

The information contained in this Presentation does not purport to be comprehensive nor to include everything which might be material to your purposes and has not been independently verified by any third party. No representation, warranty or undertaking, express or implied, is made by the Company or any of its respective affiliates or any of its of their respective directors, officers, advisers, employees or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained therein or any other statement made or purported to be made in connection with the Company and its consolidates subsidiaries, for any purpose whatsoever, including but not limited to any investment considerations. Neither the Company nor any of its respective affiliates, directors, officers, advisers, agents or employees, nor any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials or its contents or otherwise arising in connection with this Presentation. Neither this Presentation nor any part or copy of it may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. The information contained in this Presentation is not for publication or distribution, directly or indirectly, in Australia, Canada or Japan. Neither this Presentation nor its delivery to any recipient will or is intended to constitute or contain or form part of any offer to sell or solicitation of any offer to purchase, or subscribe for, any securities or related financial instruments, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement or recommendation to enter into any contract or commitment or investment decision whatsoever. By attending the meeting where this Presentation is made, by reading the presentation slides or by accessing and/or accepting delivery of this Presentation, you agree to be bound by the foregoing limitations and restrictions. The Presentation cannot be reproduced in any form, further distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Any failure to comply with these restrictions may constitute a violation of applicable laws.

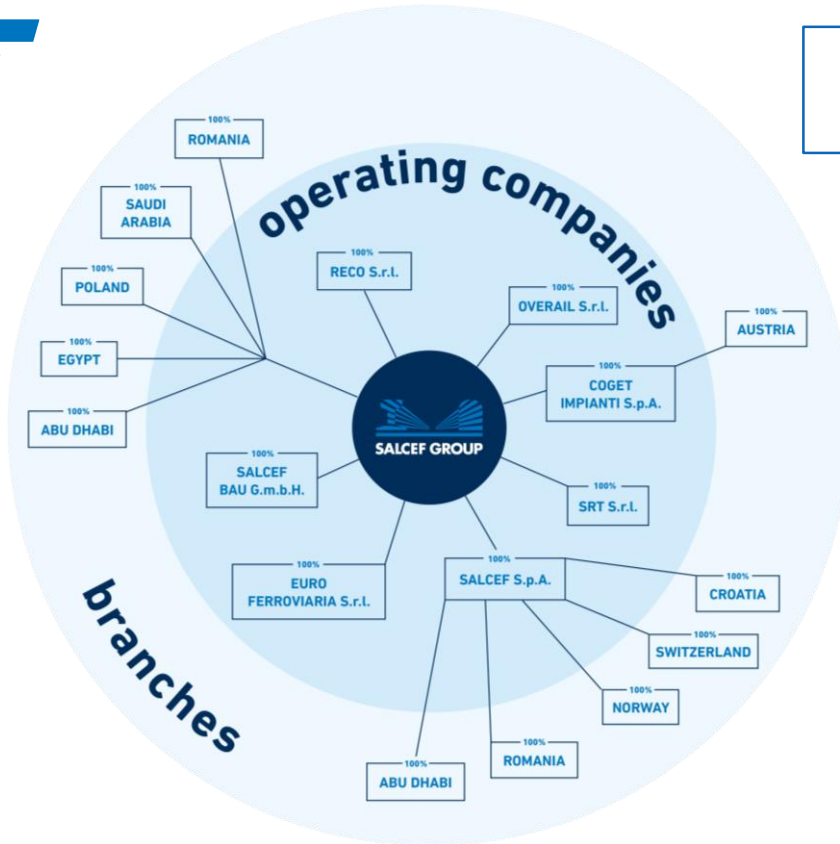


Table of Contents

1. **Salcef Group Highlights**
2. **Q3 2019 Results – Key Figures**
3. **Railway Industry Market**
4. **Listing process and securities**

Salcef Group Highlights - Corporate Organization Chart

7 Operating Companies
11 Foreign Branches
6 Business Units



BUSINESS UNITS	TRACK & LIGHT CIVIL WORKS	
	ENERGY, SIGNALLING & TELECOMMUNICATION	
	HEAVY CIVIL WORKS	
	RAILWAY MATERIALS	
	RAILWAY MACHINES	
	ENGINEERING	

Salcef Group Highlights

Business Unit – 1) Track & Light Civil Works

Business Unit Activities

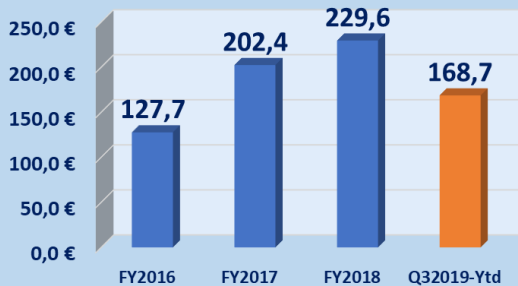
- Track Ordinary Maintenance
- Track Extra-ordinary Maintenance (Renewal activities – every 20/30 years)
- Track Construction (Ballasted and Ballastless)
- Light Civil Works (Railway Infrastructure and minor civil works)
- About 90% of Revenues in Maintenance



Highlights

- High Barriers to entry
- Huge equipment investments (Salcef fleet valuable more than € 350 MI)
- Manpower specialization
- Clients' PQ and certifications
- Very demanding working conditions

BU Track Works - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)



Salcef Group Highlights

Business Unit – 2) Energy, Signalling & Telecommunication

Business Unit Activities

- Railway Catenary, Signalling, Substations, Telecommunication Construction, Ordinary & Extra-ordinary Maintenance (Renewal activities)
- Construction and Maintenance of infrastructure for the high and medium voltage electricity transmission (aerial and underground)



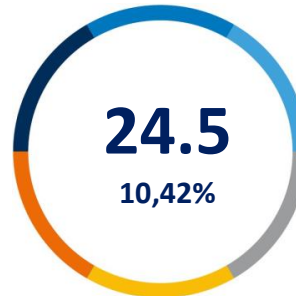
Highlights

- High Barriers to entry
- Clients' PQ and certifications
- Very demanding working conditions
- Huge Italian and European investment plan (Terna 2019-2023 plan with € 6,2 B investments + 20%)

BU Energy - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)



Salcef Group Highlights

Business Unit – 3) Railway Materials

Business Unit Activities

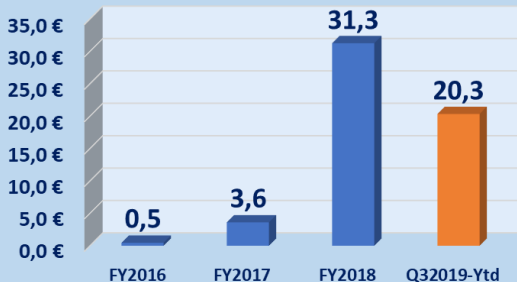
- Manufacturing of railway prestressed concrete sleepers
- Manufacturing of slab-track systems for unballasted tracks (Metro, Tramway, Railway)
- Manufacturing of concrete segments for tunnels (Metro lines)



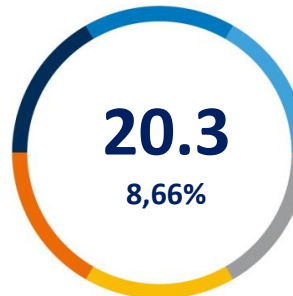
Highlights

- Clients' PQ and certifications
- Vertical integration with BU Track
- Big development possibilities for unballasted solutions
- Development of new solutions and patents

BU Materials - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)



Salcef Group Highlights

Business Unit – 4) Railway Machines

Business Unit Activities

- Design of new railway equipment and construction technologies
- Maintenance and revamping of railway equipment
- Construction of new railway wagons and equipment
- Renting of equipment and tools



Highlights

- Clients' PQ and certifications
- Vertical integration with BU Track and Energy
- Market with high margin and few competitors
- Development of new solutions and patents

BU Machines - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)

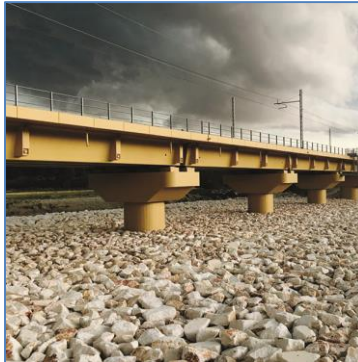


Salcef Group Highlights

Business Unit – 5) Heavy Civil Works

Business Unit Activities

- Multidisciplinary railway construction projects (civil and technological works)
- Doubling of existing railway line
- Construction of railway stations and building
- Bridges, Viaduct, Tunnels
- Environmental Mitigation Works



Highlights

- Vertical integration with other Salcef Group BUs
- Salcef Group competitiveness, having all the qualifications for general and specialized works
- Market with lower margin and more competitors

BU Civil Works - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)



Salcef Group Highlights

Business Unit – 6) Engineering

Business Unit Activities

- Design and Engineering of Multidisciplinary railway construction projects (civil and technological works)
- Topographic surveying
- Project management
- Feasibility studies
- Projects Testing and Commissioning



Highlights

- Intercompany service for other Salcef Group BUs
- Salcef Group major competitiveness in D&B projects
- High specialization in railway projects

BU Engineering - Revenues (€ MI.)



Revenues Q3-2019 (€ MI)

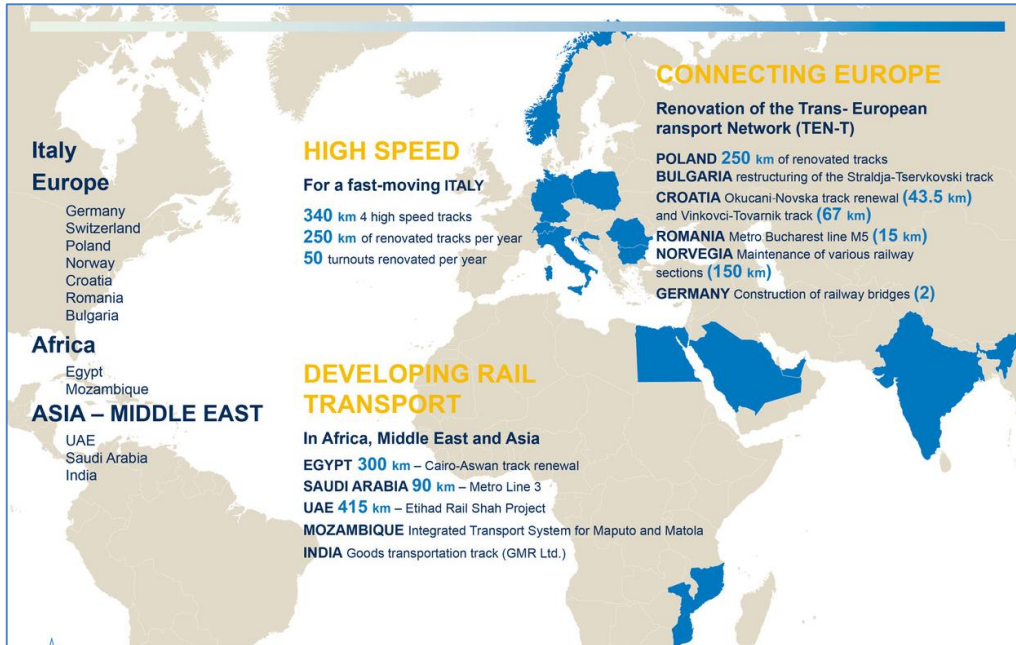


* 100% Intercompany



Salcef Group Highlights

International Presence



Salcef Group is interested to expand its activities in USA and other western Europe Countries.

Salcef Group Highlights

8 Acquisitions in 20 years



Salcef Group has enhanced its core-business BU Track, through acquisition of 3 companies, as well as acquiring companies operating in new BUs: Energy; Materials; Engineering, in Italy and Germany



Table of Contents

1. Salcef Group Highlights
2. Q3 2019 Results – Key Figures
3. Railway Industry Market
4. Listing process and securities

Salcef Group Q3 2019 Results – Key Figures – Profit and Loss

(Amounts in Euro Million)	Q3 2019 (Ytd)	Q3 2018 (Ytd)	Delta Q3 ₂₀₁₉ /Q3 ₂₀₁₈	FY 2018
Revenues	234,7	234,9	-0,09%	319,0
EBITDA	51,5	50,1		62,6*
EBITDA Margin %	22,0%	21,3%	+ 2,9%	19,6%
EBIT	41,5	37,3		49,2
EBIT Margin %	17,7%	15,8%	+ 11,3%	15,4%
Net Profit	27,8	21,9		29,4
Net Profit Margin %	11,8%	9,3%	+ 26,89%	9,2%

* Ebitda Adjusted - Ebitda reported (€ 64.6 Million)

- **Stability of the Salcef Group Revenues**
- **Growth in Gross and Net Margins (Ebitda / Ebit / Net Profit)**

Salcef Group Q3 2019 Results – Key Figures – Balance Sheet

(Amounts in Euro Million)

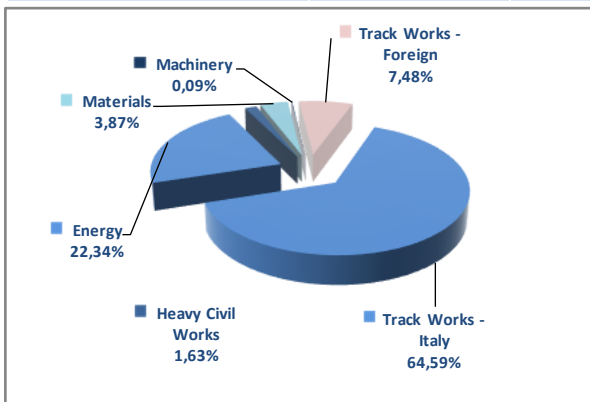
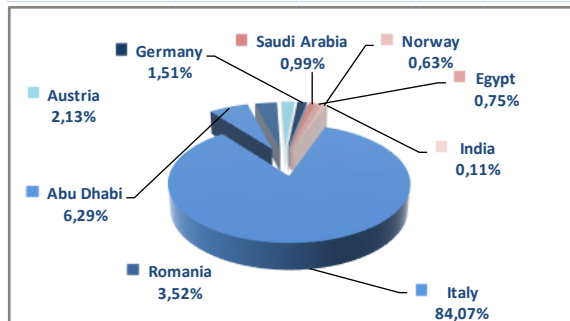
ASSETS	Q3 2019 (Ytd)	Q3 2018 (Ytd)	Delta Q3 ₂₀₁₉ /Q3 ₂₀₁₈	FY 2018
Tangible, Intangible & Financial Assets	86,2	60,4	42,77%	64,6
Credit, Inventories and Accruals	244,5	234,5	4,28%	220,3
Cash and cash equivalent	29,0	16,9	71,35%	41,3
TOTAL ASSETS	359,6	311,7	15,37%	326,3
EQUITY AND LIABILITIES	Q3 2019 (Ytd)	Q3 2018 (Ytd)	Delta Q3 ₂₀₁₉ /Q3 ₂₀₁₈	FY 2018
Total Equity	136,4	129,7	5,10%	137,5
Long-term financial liabilities	18,5	23,0	-19,83%	23,4
Short-term financial liabilities	33,9	19,7	71,94%	20,1
Other liabilities	170,9	139,3	22,71%	145,2
TOTAL EQUITY AND LIABILITIES	359,6	311,7	15,35%	326,3
Net Financial Position	23,4	25,8	-9,52%	2,2

Strong growth of Capex and other investments, with stable Financial Position

Salcef Group Q3 2019 Results – Key Figures – Backlog

Country	Amount	%
Italy	546.344.153	84,07%
Abu Dhabi	40.873.609	6,29%
Romania	22.890.833	3,52%
Austria	13.835.662	2,13%
Germany	9.819.526	1,51%
Saudi Arabia	6.442.950	0,99%
Egypt	4.891.013	0,75%
Norway	4.085.503	0,63%
India	690.000	0,11%
TOTAL	649.873.249	100,00%

Business Unit	Amount	%
Track Works - Italy	419.731.510	64,59%
Energy	145.198.802	22,34%
Heavy Civil Works	10.569.876	1,63%
Materials	25.145.802	3,87%
Machinery	617.027	0,09%
Track Works - Foreign	48.610.232	7,48%
TOTAL	649.873.249	100,00%



Salcef Group Backlog covers about two years of revenues
RFI represents about the 73% of the current Salcef Group Backlog

Salcef Group Q3 2019 Results – Key Figures – Coget Impianti

On July 30, 2019, Salcef Group acquired Coget Impianti S.p.A.

The transaction was based on an EV of about €15.0 Million, (NFP € 4.0 MI), plus an Earn-out capped at € 4.5 Million to be calculated on 2019 and 2020 Financial Statements:

- Payment at closing € 7.7 Million and € 3.3 Million deferred in 4 installments between 2020 and 2021.
- Payment of earn-out in 2 installments, on September 2020 and September 2021 (capped at € 4.56 Million).

Coget Impianti - 2018 Key Financials

Revenues	€ 21.5 Million
EBITDA	€ 5.5 Million
EBITDA %	25.6%
NFP	€ 4 Million
Backlog	€ 63 Million



Since 1983, Coget is specialized in construction and maintenance of high and medium electric distribution lines and railway catenary. Main clients in Italy are RFI and Terna.

Salcef strengthens its position for railway catenary, becoming one of the largest players in Italy, entering in a new business, the energy distribution, in Italy and Austria.





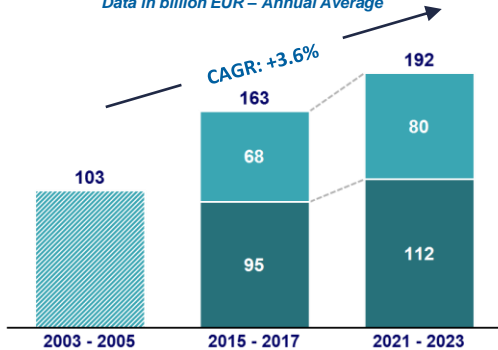
Table of Contents

1. Salcef Group Highlights
2. Q3 2019 Results – Key Figures
3. Railway Industry Market
4. Listing process and securities

Railway Industry Market – Global and European Market

Global Railway Market

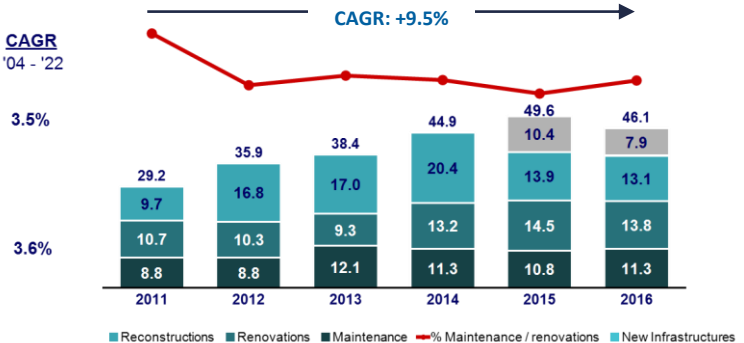
Data in billion EUR – Annual Average



Rolling Stock Services and Infrastructures

European Railway Market

CAGR '04 - '22



Reconstitutions Renovations Maintenance % Maintenance / renovations New Infrastructures

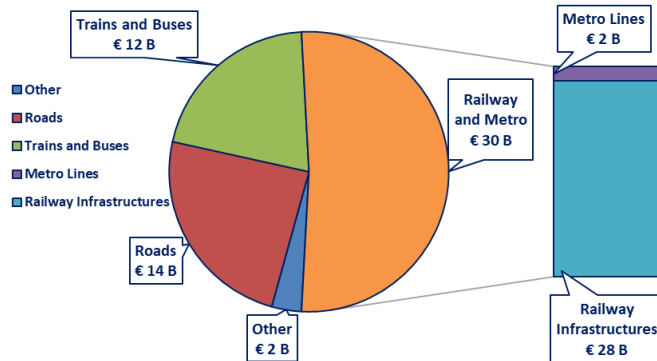
More than €45 billion invested annually in Europe, of which more than 50% for maintenance and renovation.

Norway has approved investment for NOK 120 billion for the period 2018-2023. This will cover new projects, renewal and investments in existing railway infrastructure

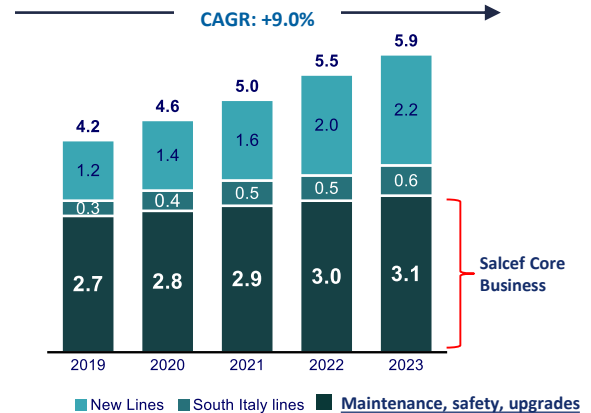
Germany agrees €86 billion investment, plan to improve Deutsche Bahn rail network, with an increase of 54%. The 10-year plan is "the biggest railway modernization program" in Germany's history.

Railway Industry Market – Italian Market – Ferrovie dello Stato

FS S.p.A. Investment Plan



RFI Investment Plan



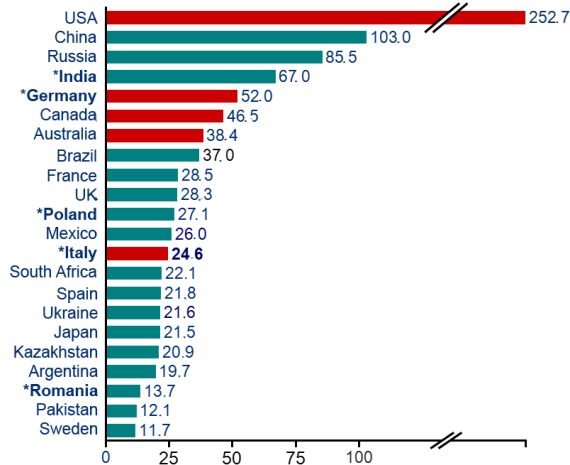
Ferrovie dello Stato has approved a record Investment Plan 2019-2023 for € 58 Billion

Ferrovie dello Stato Investment Plan 2019-2023 foresees about € 13 Billion per year, with an increased of about 75% respect to the 2018 (€ 7,5 Billion)

RFI Investment Plan 2019-2023 (a portion of FS Plan), foresees investments for more than € 25 Billion, of which € 14.5 for Maintenance, safety and upgrades

Railway Industry Market – New Market – Commercial Policy

Worldwide railway network



Development Areas



USA and Canada: Salcef Group has many commercial activities in USA and is establishing a Newco to develop businesses in North America



Western Europe: Salcef Group main markets. Salcef desires to extend its activities in European countries, with huge development and renewal plans



Middle East: Salcef Group is present in Saudi Arabia and Emirates. Markets with an impressive investment plan for construction of new railway and metro

Salcef Group is developing commercial and tender activities in new countries

Salcef has recently improved its backlog in foreign markets, with new contracts for about € 73 Million in 5 different Countries (82% Railway and 18% Energy)

New projects in Austria (Coget), Germany (Salcef Bau), Abu Dhabi (Salcef), Switzerland (SRT), Norway (Salcef)



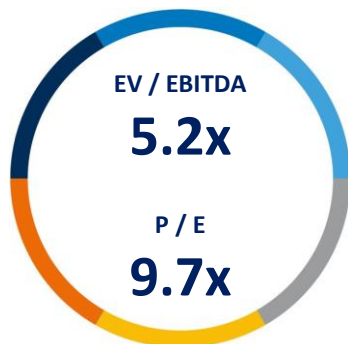
Table of Contents

1. Salcef Group Highlights
2. Q3 2019 Results – Key Figures
3. Railway Industry Market
4. Listing process and securities

Listing Process and Securities – Merger with ISI3

SALCEF has been listed on the AIM Stock Market since 8 November 2019, following a merger with ISI3 (Special Purpose Acquisition Company)

Entry Evaluation (Merger with ISI3)



Salcef Group Evaluation before Business Combination

- ◇ EV : Enterprise Value: €326.4 Million
- ◇ Equity Value: €286.5 Million = EV - NFP
- ◇ EV / EBITDA: 5.2x (EBITDA 2018*: €62.6 m x 5.22 = €326.4 m)
- ◇ NFP : Net Financial Position* €39.9 Million
- ◇ EBITDA 2018* adjusted ; EBITDA 2018 reported €64.6 Million
- ◇ Net Financial Position* adjusted ; NFP reported € 2.2 Million

€ 100.0 M (ISI3 Capital) + € 286.5 M (Salcef E_{equity} V_{alue}) = € 386.5 M (Post Merger)

Free Floating 26.4 %

Including converted Special Shares on 8 November

Finhold controls 73.6 %

Listing Process and Securities – Listed Securities

Salcef Group – Listed Securities

Share	SCF	Isin IT0005388266	37.490.000
Warrant 2024	WSCF	Isin IT0005388183	12.768.633
Warrant 2023	WSCF23	Isin IT0005388191	7.499.898

Warrant 2024 (WSCF): Warrants give right to buy shares at price of € 0.10 each.

Conversion Ratio is based on a strike price at € 9.30 and Cap of € 13.00 (See Conversion Formula contained in “Kid Warrant”)

Maximum converted Ordinary Shares: No. 3.662.044 (Max Conversion Ratio 0.2868x)

Warrants expiry on 8 November 2024 (or before, in case of “Accelerated Condition”, if the Official Price of the Share reaches € 13.00 for at least 15 days out of 30 consecutive days)

During January 2020 it’s possible to convert Warrant at Conversion Ratio of 0,0883x

Warrant 2023 (WSCF23): Warrants give right to buy shares at price of € 10.50 each.

Conversion Ratio is fix at 1.0x, strike price at € 10.50 (See Kid Warrant)

Maximum converted Ordinary Shares: No. 7.499.898 (Conversion Ratio 1.0x)

Warrants expiry on 30 April 2023 (or before, in case of “Accelerated Condition”, if the Official Price of the Share reaches € 13.00 for at least 15 days out of 30 consecutive days)

Listing Process and Securities – Not Listed Securities

Salcef Group – Not Listed Securities

Special Share	Isin IT0005388274	360.000
Performance Share	Isin IT0005388282	2.000.000

Special Shares: Owned by ISI3 Promoters (Initially No. 480.000)

Conversion Ratio: in Ordinary Shares 7x

1. **First Conversion:** 120.000 Special Shares already converted at Business Combination in 840.000 Ordinary Shares (Lock-Up 12 Months)
2. **Second Conversion:** 100.000 Special Shares to be converted in 700.000 Ordinary Shares (Lock-Up 12 Months), at Price Threshold of € 12.00, within 36 Months from BC.
3. **Third Conversion:** 100.000 Special Shares to be converted in 700.000 Ordinary Shares (No Lock-Up), at Price Threshold of € 13.50, within 36 Months from BC
4. **Fourth Conversion:** 160.000 Special Shares to be converted in 1.120.000 Ordinary Shares (No Lock-Up), at Price Threshold of € 11.50, within 15 January 2025, in proportion with the conversion of No. 5 Million Warrant2023 in Ordinary Shares

Listing Process and Securities – Not Listed Securities

Salcef Group – Not Listed Securities

Special Share	Isin IT0005388274	360.000
Performance Share	Isin IT0005388282	2.000.000

Performance Shares: Owned by Finhold, No. 2.000.000 (portion of the initial Equity Value)

Conversion Ratio: in Ordinary Shares 5x

1. First Conversion: 500.000 Performance Shares to be converted in 2.000.000 Ordinary Shares, at Price Threshold of € 11.00, within 60 Months from BC.
2. Second Conversion: 416.667 Performance Shares to be converted in 2.083.335 Ordinary Shares, at Price Threshold of € 13.00, within 60 Months from BC.
3. Third Conversion: 416.667 Performance Shares to be converted in 2.083.335 Ordinary Shares, at Price Threshold of € 13.50, within 60 Months from BC.
4. Fourth Conversion: 666.666 Special Shares to be converted in 3.333.330 Ordinary Shares, at Price Threshold of € 11.50, within 15 January 2025, in proportion with the conversion of No. 5 Million Warrant2023 in Ordinary Shares

