NEOSPERIENCE°

Growth process continues, after the release of the new strategic plan
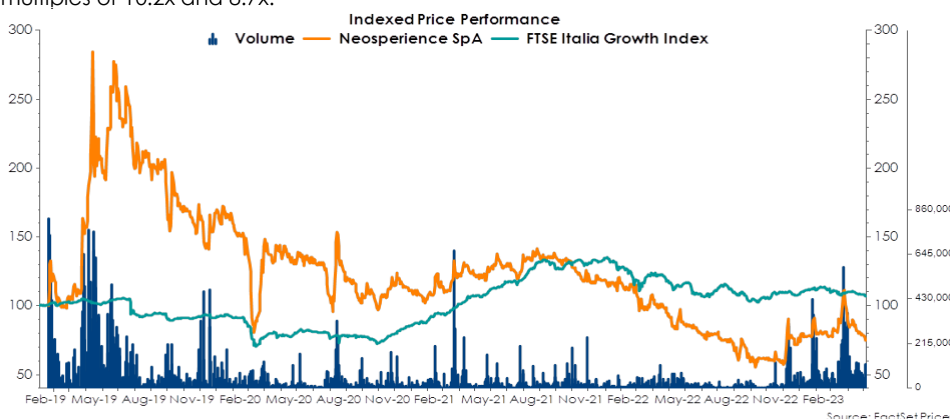
Sector: Technology Services

FY22 sales at Euro 21.0 m with focus on the development of new vertical applications of the Neosperience Cloud Platform. Neosperience, a leading Italian Tech Company specialized in Artificial Intelligence & Machine Learning, recently reported solid FY22 results but lower than our expectations. In a far from simple year, such as 2022, characterized by the aftermath of the Covid-19 pandemic, rising energy prices and the protracted conflict in Ukraine, Neosperience has continued its growth process by focusing on the reorganization of business activities, rationalization of the group structure and development of exciting new vertical solutions of the Neosperience Cloud platform in the *"HealthTech"*, *"LegalTech"*, *"Tourism"* and *"Security & Safety"* fields.

Getting to the point, revenues settled at Euro 21.0 m, up 16% from previous year (Euro 18.2 m) predominantly due to the cross-selling between the companies of the Group (see our first coverage for an in-depth understanding of all of them) and the increasing number of relevant customers. VoP is up from Euro 20.7 m in 2021 to Euro 25.2 m in 2022 (+22% YoY): this figure includes Euro 3.5 m of increase in internal works resulting from capitalized costs related to the evolution of the platform. Absolute margins are also growing, with EBITDA reaching Euro 6.4 m (vs. Euro 5.9 m in FY21), while EBITDA margin stood at 26% vs. 27% of our projections, due principally to lower sales volumes. EBIT came in at Euro 1.5 m, slightly in line with previous year's result, with a 6% marginality (always calculated on VoP), due to the effect of significant amortization of intangible assets: this aspect distinguishes NSP from most of the companies of the same business segment, demonstrating the Group's willingness to continue to invest in proprietary application solutions. Net income figure confirmed the growth process and totalized Euro 0.88 m, recording a significant YoY increase (+13%). Regarding the balance sheet side, net debt came in at Euro 11.6 m, in sharp increase from Euro 7.0 m, amply substantiated by Euro 12.5 m of significant investments done, with the aim of developing vertical applications of Neosperience Cloud platform in prominent market segments, as explicated above.

Outlook remain positive with ongoing development activities. The first moths of 2023 saw an expansion of the company's client portfolio and increased penetration in the *"HealthTech"*, *"LegalTech"*, *"Tourism"* and *"Security & Safety"* business fields. The recent release of the 2023-2025 strategic plan emphasized the Group's guidelines and intentions to three pillars: 1) *Applicative focus*, concentrating the evolution of the platform on the industry-specific application differential, rather than encompassing the entire technology stack; 2) *Modularity*, thanks to a modular software architecture that can be easily integrated into any business ecosystem; 3) *Ease of adoption*, accompanying the customer on its evolutionary path, starting with the resolution of timely needs. After the close of FY2022, Neosperience continued to enhance the Neosperience Cloud platform by integrating emerging technologies, including Large Language Models and, in particular, GPT-4. This technological advancement has further increased the value generated for customers, reinforcing Neosperience's position as a leader in the field of AI applied to customer experience and operational processes, confirming the company's commitment to adopting the most innovative technologies to deliver extraordinary results for customers.

Estimate revision and valuation. Given the above we finetuned our revenues estimates, with the aim of confirming the growth process, making it more gradual and consistent. We now expect sales growth of 14% in FY23 (28% previously) and 23% in the years to follow and we also increased profitability to reflect the structural improvement in margins from 2023 onward. Updating our DCF and multiple based valuation model for new estimates and up-to-date market data, we obtain a target price of Euro 3.35 p.s. (Euro 4.30 p.s. previously), providing for a potential upside of 91%. At our TP the stock would be trading at FY23-24 EV/EBITDA multiples of 10.2x and 8.7x.

Indexed Price Performance
Volume — Neosperience SpA — FTSE Italia Growth Index

Source: FactSet Prices

Target Price 3.35 (4.30 pr.)

Price (€)	**1.75**
Market Cap (€ m)	**33.76**
EV (€ m)	**45.17**

As of May 08th, 2023

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	NSP.MI/NSP:IM
ISIN	IT0005351496
N. of Shares	19.183.322
Free Float	49.02%
Main Shareholder	Neos S.r.l

Financials

	2022A	2023E	2024E	2025E
Sales	21.0	24.0	28.1	36.0
YoY %	+16%	+14%	+17%	+28%
EBITDA	6.4	7.4	8.7	11.4
EBITDA %	26%	28%	28%	29%
EBIT	1.5	2.1	3.4	6.0
EBIT %	6%	8%	11%	16%
Net Income	0.9	1.3	2.1	3.8
Net Debt	11.6	10.9	7.6	(1.9)

Performance

	1M	3M	6M
Absolute %	-12.9	-7.4	20.1
Relative (FTSE Italia Growth)	-10.7	-3.2	17.3
52-week High/Low (Eu)	2.73	/	1.32

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NEOSPERIENCE°

KEY FINANCIALS

Profit&Loss Statement		2020A	2021A	2022A	2023E	2024E	2025E
Revenues (VoP)		19.6	20.7	25.2	26.8	31.0	38.9
EBITDA		4.8	5.9	6.4	7.4	8.7	11.4
EBIT		0.8	1.5	1.5	2.1	3.4	6.0
Financial Income (charges)		(0.1)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Pre-tax profit (loss)		0.9	1.1	1.1	1.7	3.0	5.6
Taxes		(0.5)	(0.3)	(0.2)	(0.4)	(0.9)	(1.8)
Net profit (loss)		0.4	0.8	0.9	1.3	2.1	3.8
Balance Sheet							
Net working capital (NWC)		4.4	5.5	7.0	6.8	7.6	9.4
Net fixed assets		19.0	26.2	39.0	39.6	37.9	29.5
M/L Funds		(1.1)	(1.3)	(1.8)	(1.8)	(2.0)	(2.0)
Net Capital Employed		22.3	30.3	44.1	44.7	43.4	36.9
Net Debt		5.5	7.0	11.6	10.9	7.6	(1.9)
Minorities		0.7	0.6	4.1	4.4	4.9	4.9
Equity		16.0	22.6	28.4	29.4	31.0	33.9
Cash Flow							
Net Profit		0.4	0.8	0.9	1.3	2.1	3.8
Non cash items		0.5	0.2	0.5	0.0	0.2	0.0
Change in Working Capital		(1.0)	(1.1)	(1.5)	0.1	(0.7)	(1.8)
Cash Flow from Operations		(0.1)	(0.1)	(0.1)	1.4	1.6	2.0
Capex		(10.0)	(11.7)	(17.7)	(5.9)	(3.5)	2.9
Operating Free Cash Flow		(10.0)	(11.8)	(17.8)	(4.5)	(2.0)	5.0
Acquisitions							
Dividend							
Other (equity)							
Free Cash Flow		(10.0)	(11.8)	(17.8)	(4.5)	(2.0)	5.0
Per Share Data							
Current Price	1.75						
Total shares out fully diluted (mn)	19.18						
EPS		0.0	0.0	0.0	0.1	0.1	0.2
FCF		(0.5)	(0.6)	(0.9)	(0.2)	(0.1)	0.3
Pay out ratio		0%	0%	0%	100%	200%	300%
Ratios							
EBITDA margin		24.7%	28.7%	25.5%	27.7%	28.2%	29.4%
EBIT margin		4.2%	7.1%	6.0%	7.9%	11.1%	15.5%
Net Debt/Equity		34.5%	30.8%	40.8%	37.1%	24.4%	-5.6%
Net Debt/(Net Debt + Equity)		25.6%	23.6%	29.0%	27.0%	19.6%	-5.9%
Net Debt/EBITDA		1.14	1.17	1.80	1.47	0.87	-0.17
Interest cover EBIT		7.85	3.90	3.96	5.32	8.56	15.06
ROE		2.6%	3.4%	3.1%	4.4%	6.7%	11.3%
ROCE		6.0%	5.9%	4.0%	5.8%	10.0%	21.2%
Free Cash Flow Yield		n.m.	n.m.	n.m.	n.m.	n.m.	14.8%
Growth Rates							
Revenues (VoP)		12%	6%	22%	6%	15%	26%
EBITDA		35%	23%	8%	16%	17%	31%
EBIT		-27%	81%	2%	42%	61%	76%
Net Profit		-57%	89%	13%	45%	63%	83%

Source: Group Consolidated Data & PMI Capital Research Estimates

Revenue breakdown by business line

	2022	%
Empathic Customer Experience		40,6%
Empathic Process Innovation		12,0%
Empathic Business Transformation		47,4%
Total sales		**100%**

Revenues Growth (€ m)
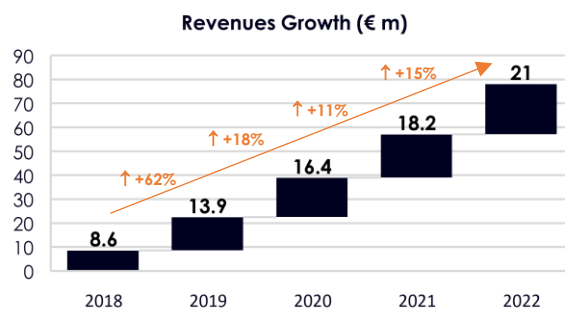
Source: Company Data and PMI Capital Research Elaboration

Estimate revision – Euro m

Euro m		21A	22A	23E Old	23E New	24E Old	24E New	2025E
Revenues		**20.7**	**25.2**	34.1	**26.8**	39.8	**31.0**	**38.9**
	yoy	+6%	+22%	+25%	+6%	+17%	+15%	+26%
EBITDA		**5.9**	**6.4**	10	**7.4**	12.4	**8.7**	**11.4**
	margin	29%	26%	29%	28%	31%	28%	29%
EBIT		**1.5**	**1.5**	5.2	**2.1**	7.5	**3.4**	**6.0**
	margin	7%	6%	15%	8%	19%	11%	16%
Net Profit		**0.8**	**0.9**	3.3	**1.3**	5.0	**2.1**	**3.8**
	yoy	89%	13%	+94%	+45%	+69%	+63%	+83%
EPS		**0,04**	**0,04**	0,17	**0,06**	0,26	**0,11**	**0,20**

Euro m	21A	22A	23E Old	23E New	24E Old	24E New	2025E
Net Working Capital (NWC)	5.5	7.0	7.2	6.8	8.7	7.6	9.4
Fixed net assets	26.2	39.0	28.4	39.6	26.6	37.9	29.5
Funds	(1.3)	(1.8)	(1.3)	(1.8)	(1.6)	(2.0)	(2.0)
Net Capital Employed	**30.3**	**44.1**	34.3	**44.7**	33.7	**43.4**	**36.9**
Net Debt (Cash)	**7.0**	**11.6**	6.0	**10.9**	0.4	**7.6**	**(1.9)**
Equity	**23.3**	**32.5**	28.3	**33.8**	33.3	**35.9**	**38.8**
Sources	**30.3**	**44.1**	34.3	**44.7**	33.7	**43.4**	**36.9**

Source: Company Data and PMI Capital Research Estimates

Strategies & Recent Developments

After the close of FY2022, Neosperience continued to enhance the Neosperience Cloud platform by integrating emerging technologies, including Large Language Models and, in particular, **GPT-4**.

Already in early 2023, the availability of these advanced language models resulted in a significant acceleration in the enhancement of Neosperience Cloud's functionality. This has enabled the company to deliver more personalized, sophisticated, and engaging user experiences due to its ability to understand and generate predictions in a more accurate and contextualized manner.

In addition, GPT-4 integration is already enabling Neosperience customers to increase operational efficiency by simplifying content creation and analysis, while having already helped optimize customer interactions with the solutions offered.

This technological advancement has further increased the value generated for customers, reinforcing Neosperience's position as a leader in the field of AI applied to customer experience and operational processes, confirming the company's commitment to adopting the most innovative technologies to deliver extraordinary results for customers.

In the first months of 2023, technology and business development initiatives continued in healthcare, in collaboration with leading pharmaceutical companies, universities, research centers and reference entities in the hospital world. In particular, the acquisition of 100% of the company Revoo srl was completed.

In these, as in other innovative projects under development, Neosperience employs sophisticated Machine Learning techniques that are gradually being incorporated into the Neosperience Health Cloud platform. The latter, thanks in part to support from the PNRR plan, is set to make a key contribution to the world of public and private healthcare, assisting remote diagnosis and AI-assisted telemedicine, as well as improving the care of chronic patients and the elderly, reducing costs for the community.

Neosperience has identified several promising sectors where Digital Customer Experience is a crucial competitive advantage, such as *"HealthTech"*, *"LegalTech"*, *"Tourism"* and *"Security & Safety"* creating dedicated spin-offs as a result.

- *Neosperience Health Cloud* is the first online platform dedicated to AI-assisted screening and health improvement. It offers a direct and constant connection between patients, specialists and primary care physicians, nurses and caregivers, and provides direct accessibility to screening information and processes and support for diagnosis and prognosis. Specifically, Neosperience Health Cloud 1) collects data and biometric parameters on an ongoing basis from personal devices (e.g., smartwatches), 2) analyzes data by aggregating information into clusters and identifying patterns, and 3) uses artificial intelligence algorithms to produce real-time results, thereby improving diagnostic and prognostic processes.

- *Elibra* is an innovative end-to-end management platform dedicated to professional firms, lawyers and accountants. It includes an ERP system, an AI-based knowledge management system and business intelligence tools that can optimize all activities of professional firms, improving their economic performance. Founded in 2017 as an innovative startup, Elibra reached €1.5 million in revenues in 2022, largely recurring.

- *Neosperience Tourism Cloud* is the tourism-focused version of the Neosperience Cloud platform. Specifically, this platform is dedicated to hospitality and culture operators and was developed with an investment of more than 6.0 million euros, thanks in part to the support of the Ministry of Economic Development. The platform enables tourism professionals to improve lead generation, create a community of customers through a dedicated Customer Data Platform, and personalize the customer experience through AI. The platform was chosen as the technology partner of Milan Cortina 2026.

VALUATION UPDATE

Based on our updated estimates and peers' multiple re-rating since our last update in October 2022, we set a new target price of Euro 3.35 p.s. (4.30 pr.) providing for an upside on the current stock price of 91%. Our valuation was obtained by weighing equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY23E/24E EV/EBITDA multiples of 10.2x and 8.7x.

Our DCF model is based on a three-stage model with explicit estimates for 2023-26E, 5 years to 2031 with growth normalizing at 5% and terminal value discounted at 9.35% WACC and 1% growth.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, P/E 23/25 Tech. and EGM Peers	50%	3.41	66.31
DCF (WACC 9.35% and g 1.0%)	50%	3.29	62.17
Target Price	**100%**	**3.35**	**64.24**

Source: PMI Capital Research Estimates

DCF Model

DCF Valuation		
Euro m		
WACC	9,35%	
g	1%	
Sum of PV 2023-26 FCFs	12.2	16,3%
Discounted terminal value	62.5	83,7%
Enterprise Value	**74.7**	
Net Cash (FY22)	11.6	
Equity Value	**63.1**	
N. of outstanding shares (m)	19,183	
Fair Value p.s.	**3.29**	

Source: PMI Capital Research Estimates

Multiples Comparison

Following our peers and comparables analysis, we evaluated the company by using the 2023E–25E EV/EBITDA and P/E market multiples of the peers considered, both International and Italian (with a specific EGM's panel).

We also considered FY22 Net Debt at Euro 11.6 m, and we end up with our NEOSPERIENCE's equity value of Euro 66.31 m for EV/EBITDA and P/E.

International Peers

International Peers	Ticker	Market Cap	Price	Sales 2023E	EBITDA 2023E %	2023E-2025E CAGR			
						Sales	EBITDA %	EBIT %	Net Income
Adobe Inc.	ADBE-US	145,197.0	316.5	17,516.9	48.6%	11.8%	11.4%	12.3%	12.4%
Salesforce.Com Inc.	CRM-US	179,521.2	179.5	31,390.0	35.1%	11.9%	11.6%	19.3%	19.8%
Gartner Inc.	IT-US	21,800.6	275.8	5,261.0	23.5%	9.3%	8.6%	6.8%	5.8%
Digital360	DIG-IT	94.5	4.6	86.9	19.3%	10.0%	13.1%	13.9%	31.3%
Hubspot	HUBS-US	20,033.6	403.6	1,896.4	16.8%	23.3%	33.9%	38.3%	35.2%
Reply SpA	REY-IT	3,928.2	105.0	2,171.1	15.8%	10.3%	10.3%	11.6%	11.7%
Appier Group, Inc.	4180-JP	1,000.7	9.9	173.8	8.7%	27.8%	83.1%	175.9%	143.9%
Sidetrade SA	ALBFR-FR	190.9	131.5	43.0	10.8%	15.1%	-1.4%	25.7%	22.0%
Sema4 Holdings	SMFR-US	198.8	7.8	189.8	54.6%	18.8%	-58.4%	-19.0%	-24.8%
Sikri Holding AS	SIKRI-NO	89.1	0.7	101.6	20.4%	7.4%	18.5%	29.7%	63.7%
Average		**37,21**	**143**	**5,88**	**14,4%**	**14.6%**	**13.1%**	**31.4%**	**32.1%**
NEOSPERIENCE		**33.76**	**1.75**	**24,03**	**27.7%**	**22.4%**	**24.0%**	**68.2%**	**72.9%**

Source: FactSet data as of May 8th, 2023, and PMI Capital Research Estimates for Neosperience

International Peers	EV/EBITDA			P/E		
	23E	24E	25E	23E	24E	25E
Adobe Inc.	17.2	15.5	13.9	22.5	19.8	17.4
Salesforce.Com Inc.	16.3	14.9	13.2	27.8	22.3	19.0
Gartner Inc.	19.6	17.8	16.6	30.4	27.3	23.6
Digital360	5.2	4.3	4.0	12.7	10.4	9.2
Hubspot	59.4	47.1	33.1	92.3	73.4	53.1
Reply SpA	11.2	10.1	9.2	19.5	17.4	15.6
Appier Group, Inc.	61.2	33.0	18.3	183.4	59.5	30.9
Sidetrade SA	5.9	26.4	41.1	47.2	32.2	31.2
Sema4 Holdings Corp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sikri Holding AS	7.5	6.2	4.6	15.2	10.6	6.3
Average	**22.6**	**19.5**	**17.1**	**50.1**	**30.3**	**22.9**
NEOSPERIENCE	**6.1**	**5.2**	**4.0**	**26.4**	**16.2**	**8.8**
Premium/Discount to Peers	*-73.0%*	*-73.3%*	*-76.8%*	*-47.3%*	*-46.7%*	*-61.5%*

Source: FactSet data as of May 8th, 2023, and PMI Capital Research Estimates for Neosperience

EGM Peers

EGM Peers	Ticker	Market Cap	Price	Sales 2023E	EBITDA 2023E %	2023E-2025E CAGR			
						Sales	EBITDA %	EBIT %	Net Income
Doxee	DOX-IT	76.32	8.85	33.8	21.8%	18.4%	34.3%	46.5%	68.6%
Expert.ai	EXAI-IT	43.89	0.70	34.8	15.8%	10.1%	48.9%	n.m.	170.2%
Relatech	RLT-IT	92.78	2.14	104.9	21.0%	10.5%	17.6%	17.9%	23.5%
Defence Tech Holding	DTH-IT	103.19	4.04	28.0	35.7%	n.a.	n.a.	n.a.	n.a.
Almawave	AIW-IT	137.60	4.69	56.2	19.3%	14.2%	25.3%	37.8%	37.5%
Average		**90.75**	**4.08**	**51.53**	**22.7%**	**13.3%**	**31.5%**	**34.0%**	**74.9%**
NEOSPERIENCE		**33.76**	**1.75**	**24.0**	**27.7%**	**22.4%**	**24.0%**	**68.2%**	**72.9%**

Source: FactSet data as of May 8th, 2023, and PMI Capital Research Estimates for Neosperience

EGM Peers	EV/EBITDA			P/E		
	23E	24E	25E	23E	24E	25E
Doxee	9.8	7.0	5.4	42.8	23.1	14.9
Expert.ai	8.6	4.7	3.9	n.a.	n.a.	23.2
Relatech	4.1	3.5	3.0	8.6	6.9	6.1
Defence Tech Holding SpA	n.a.	n.a.	n.a.	20.2	16.8	n.a.
Almawave SpA	11.4	8.0	7.3	24.5	17.1	14.5
Average	**8.5**	**5.8**	**4.9**	**24.0**	**16.0**	**14.7**
NEOSPERIENCE	**6.1**	**5.2**	**4.0**	**26.4**	**16.2**	**8.8**
Premium/Discount to Peers	*-28.1%*	*-10.6%*	*-18.9%*	*9.9%*	*1.1%*	*-39.8%*

Source: FactSet data as of May 8th, 2023, and PMI Capital Research Estimates for Neosperience

INDUSTRY COMPARISON

Neosperience Spa (NSP-IT): PMI Capital Research estimates and Factset Data

EGM Sector: average data for listed on EGM included in the Technology Services sub sector: Almawave, Circle, Cy4Gate, Cyberoo, Datrix, Defence Tech Holding, DHH, Digital Value, Digital360, DigiTouch, Doxee, e-Novia, Expert.ai, FAE Technology, Finanza.Tech, FOS, Franchetti, Growens, IDNTT, MAPS, Matica Fintec, MeglioQuesto, Neosperience, Neurosoft, Prismi, Redelfi, Reevo, Relatech, Reti, Sababa Security, SIAV, Softec, Spindox, Tecma Solutions, TPS, UCapital24, Vantea Smart, Websolute.

Industry Peers: average data for a selected group of industrial peers (see tables above)

Euronext Growth Milan: average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Growth Index.

	NSP-IT Neosperience	Technology Services EGM Sector	Peers Avg	XS0072 FTSE Italia Growth
Key Financials				
Revenues	21.0	53.8	3,472	38.3
EBITDA	6.4	6.7	818	6.1
EBITDA %	*30.5%*	*12.5%*	*23.6%*	*15.9%*
EBIT	1.5	3.3	953	2.7
EBIT %	*7.1%*	*6.1%*	*27.4%*	*7.1%*
Earnings	0.9	1.5	729	1.7
Earnings %	*4.2%*	*2.8%*	*21.0%*	*4.6%*
Net Debt	11.6	2.0	-49	3.6
ND/EBITDA	1.8	0.3	-0.1	0.6
Revenues Growth FY22 YoY	*17%*	*35%*	*45%*	*54%*
FY22-24 Revenues CAGR	*16%*	*21%*	*13%*	*16%*
Market Data				
Market Cap	33.8	69.4	20,716	51.9
EV	45.4	67.6	20,910	54.6
Free Float	18%	38.2%	61.8%	37.1%
ADTT YTD (Eu k)	18	64	3,623,986	57
Market Multiples				
EV/Sales 2022	2.2	2.0	3.9	1.4
EV/Sales 2023	1.9	1.5	3.8	1.1
EV/Sales 2024	1.6	1.2	3.1	1.1
EV/EBITDA 2022	7.1	10.9	26.4	16.1
EV/EBITDA 2023	6.1	7.0	20.9	11.0
EV/EBITDA 2024	5.2	6.2	15.4	6.8
EV/EBIT 2022	30.2	18.0	237.5	26.3
EV/EBIT 2023	13.3	10.3	41.8	12.3
EV/EBIT 2024	7.6	60.9	20.4	21.0
P/E 2022	43.3	37.7	581.2	33.5
P/E 2023	26.4	16.1	44.9	19.9
P/E 2024	16.2	38.0	24.7	19.3
Earnings Yield	2.3%	2.7%	0.2%	3.0%
Stock Performance				
1D	*0.8%*	*0.8%*	*1%*	*-0.6%*
1W	*-2.4%*	*-1.0%*	*0%*	*-0.8%*
1M	*-10.4%*	*-1.0%*	*-2%*	*-2.5%*
3M	*-2.9%*	*1.1%*	*-5%*	*-4.5%*
6M	*29.0%*	*5.6%*	*25%*	*2.2%*
YTD	*-0.9%*	*4.6%*	*10%*	*-1.0%*
1Y	*-17.8%*	*-10.5%*	*-1%*	*-8.3%*

FactSet and PMI Capital data as of May 8th, 2023, Group data and PMI Capital Research estimates for NEOSPERIEN

PMI CAPITAL research

NEOSPERIENCE IN BRIEF

Group Description

Neosperience is a leading Italian Tech Company specialized in Artificial Intelligence & Machine Learning applied to Customer Analytics, to assist and improving decision making. The Company was founded in Brescia in 2006 by Dario Melpignano and Luigi Linotto, currently holding the positions of Chairman & CEO and Executive Vice President respectively. Over the last decade Neosperience developed the first AI-based customer data platform that uses Machine Learning and Deep Learning models: Neosperience Cloud is based on several, scalable and ready-to-use proprietary solutions, each of which responds to a specific need in the customers' digital transformation process, using psychographics to improve customer engagement.

Thanks to an experienced team of approximately 180 people including engineers, psychologists, computer scientists and data scientists, with an investment of time and resources of over 100 years/man and over 20 years of experience in AI technologies, Neosperience support companies in their digital transformation with a proven set of technology solutions and services that are tailored to each client's needs and help to infuse empathy in relationship with customers, business partners distribution networks and thereby increase revenues and improves operations processes and profitability.

Innovation

• Over the last decade Neosperience has developed the first AI-based customer data platform that uses Machine Learning and Deep Learning models. Neosperience Cloud is based on several, scalable and ready-to-use proprietary solutions, each of which responds to a specific need in the customers' digital transformation process, using psychographics to improve customer engagement. The platform is offered to customers with an "as-a-service" licence, providing for an high level of recurring revenues and visibility. (c. Euro 10 m in FY20).

• Neosperience has decided to set up three distinct business units dedicated to Healthcare, Fintech and Industry 4.0 with focused staff. These units will be able to evolve into real autonomous companies if a partner expert in the specific sector is identified (like, i.e., "Neosurance Srl", "BikEvo Srl and WizKey Srl in 2018). Neosperience will be able to bring the technological knowledge and the partner will bring the know-how, the network of commercial contacts and the experience of the sector.

Strategy

• **Consolidation of the group's competitive positioning in the reference market**: as the Neosperience Cloud platform was developed on a state-of-the-art software architecture, it is strongly customisable and heavily scalable;

• **International expansion**: as of today, the group generates almost 100% of its revenues in Italy. Neosperience plans to expand its business mainly in the US, the German-speaking area and the Asia-Pacific region (mainly China) where the market of software solutions supporting digital transformation is buoyant;

• **M&A opportunities**: the reference market is highly fragmented with a plethora of micro and small-sized actors;

• **Establishment of start-ups in selected niches:** Neosperience has identified several promising industries where the Digital Customer Experience is a crucial competitive edge, such as Healthcare, Fintech, Insuretech, Legaltech, Sportech and Industry 4.0.

Management & Group Structure

The board of Directors is composed of 6 members, one of who is an independent director:

• **Dario Melpignano -** Founder, President and CEO
• **Luigi Linotto** - Founder and Executive Vice President
• **Lorenzo Scaravelli** - Investor Relations and Corporate Development
• **Severino Meregalli -** Independent Director
• **Matteo Linotto –** Director
• **Laura Patrini** - Director

Revenues breakdown by segment
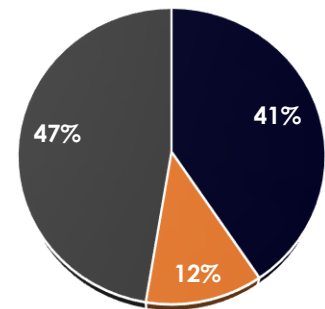
▪ Emp. Customer Exp.
▪ Emp. Process Innovation
▪ Emp. Business Transf.

Revenues & EBITDA evolution
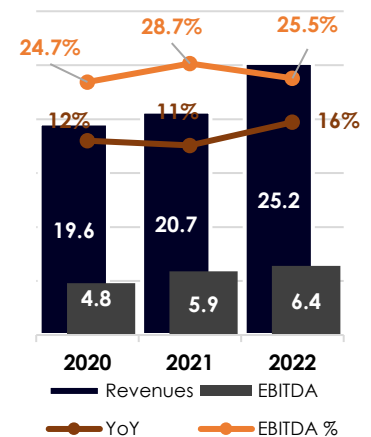
NEOSPERIENCE

NEOSPERIENCE ON EURONEXT GROWTH MILAN

IPO
Trading Market: Euronext Growth Milan
Date: February 20th, 2019
Price: Euro 3,42
Capital raised: Euro 4,1 m
Capitalisation: Euro 22,11 m

SHARES *(as of May 08th, 2023)*
Code: NSP
Bloomberg: NSP:IM
Reuters: NSP.MI
ISIN: IT0005351496
Shares: 19.183.322
Price: Euro 1.75
Performance from IPO: -49%
Capitalisation: Euro 33.76 m
Free Float: 49.02%
EGA: CFO Sim
Auditing firm: BDO Italia SpA

Shareholder	%
Neos S.r.l.*	34.37%
Management	11.83%
MI Chelverton European Select Fund	4.69%
Treasury Stock	0.08%
Free Float	49.02%
Total	**100.00%**

Source: Group website
*Company 50% owned by Dario Melpignano, 24.81% by Luigi Linotto and 25.19% by Matteo Linotto.

GROUP STRUCTURE
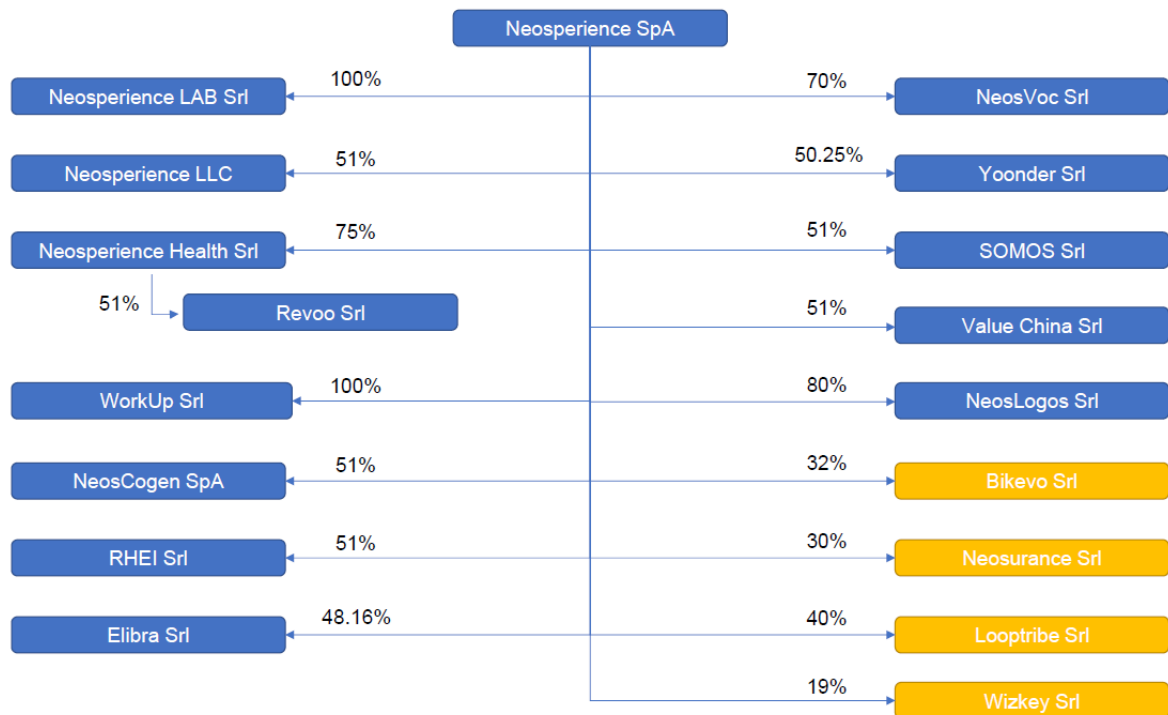
Source: Company Data

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Date	Target Price	Market Price	Validity Time
08 May 2023	3.35	1.75	12 months
10 October 2022	4.30	1.36	12 months
11 April 2022	5.88*	4.70	12 months
24 January 2022	5.83*	5.40	12 months

Target Prices before June 2022 were reparametrized, according to the stock split

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "EGM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio EGM", managed by IR Top and focused on research about performance of Companies listed on Euronext Growth Milan.
Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:
Edoardo Fumagalli (Analyst, AIAF Associated)

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