

Italy – Digital Innovation

A growing set of results supported by strategic acquisitions

1st April 2022

FY-21 RESULTS RELEASE

RIC: NSP.MI
BBG: NSP IM

Neosperience reported growing 2021 results, showing double-digit growth in terms of top line and a more than proportional progression in margins. NSP has made several acquisitions in recent years aimed at strengthening the group's know-how mainly in the field of Artificial Intelligence. Regarding M&A, NSP is still looking for companies capable of enriching the group's offer.

Rating:

Buy

Price Target:

€ 10.70 (€ 10.50)

Upside/(Downside): 116.6%

Last Price: € 4.94

Market Cap.: € 44.8m

1Y High/Low: € 6.88 / € 4.39

Avg. Daily Turn. (3M, 6M): € 48k, € 69k

Free Float: 57.2%

Major shareholders:

Neos Srl 36.2%



Stock price performance

	1M	3M	12M
Absolute	-1.6%	-12.4%	-15.7%
Rel.to FTSE IT Growth	-4.5%	-2.9%	-36.2%
Rel.to Sector	-6.3%	4.1%	-35.8%

Analysts:

Luca Arena
+39 02 30343 395
luca.arena@cfosim.com

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Estimates fine-tuned. New DCF-based PT of € 10.70/s (€ 10.50), 116.6% upside. Buy

Neosperience reported a good set of 2021 results, characterised by growing revenues and margins, driven by good organic performance coupled with the consolidation of the companies acquired in recent years. On the back of the FY-21 results release, we have updated our model to factor in a fine-tuning related to growth rates as well as to the cost structure, in line with 2021 figures. The combined result is an average 5.0% reduction in Revenues and 8.7% increase in EBITDA in 2022-23. Moreover, we lowered our NFP forecasts following higher than expected NFP in 2021. CFO has updated the DCF valuation criteria, bringing the Free Risk Rate up-to-date and postponed the first valuation projection to 2022. As a consequence, we set a new DCF-based PT for NSP at € 10.70/s (€ 10.50), 116.6% upside to current price levels. We reiterate our Buy recommendation on the stock.

Double-digit sales growth and a more than proportional progression in margins

Revenues grew by 10.9% YoY to € 18.2m, slightly below our € 19.2m forecast. The increase was driven by the acquisition of new important customers, the consolidation of the companies acquired and the increasing sales stemming from SaaS solutions based on the Neosperience Cloud platform. EBITDA was € 5.9m, 28.7% margin (% on VoP), mainly thanks to the increased and improved use of internal resources coupled with reduced outsourcing. The figure came in better than our projection of € 5.1m, mainly as a result of lower than expected service costs related to outsourced activities. EBIT almost doubled YoY, totalling € 1.5m, 7.1% margin, despite increasing D&A stemming from the huge investments aimed at developing additional features of the Neosperience Cloud platform. As a consequence of rising EBITDA and EBIT, Net Profit reached € 0.6m, 2.9% margin.

Net Debt soared to € 7.0m due to significant intangible capex and the increase in NWC

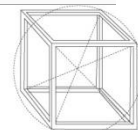
Net debt soared to € 7.0m (1.2x NFP/EBITDA) from € 5.4m at end-20, following 1) € 3.5m of Op.CF, 2) total investments of € 11.3m and 3) a € 4.3m cash-in stemming from warrant conversion. The difference with respect to our € 0.8m forecast, is mainly related to underestimated intangible capex and a higher than expected NWC.

Consolidation of competitive positioning coupled with international expansion

The group's strategy is based on the following pillars: 1) Consolidation of the group's competitive positioning in the reference market thanks to the state-of-the-art highly scalable Neosperience Cloud platform; 2) International expansion, by expanding the group's business to the US, the German-speaking area and the Asia-Pacific region; 3) M&A opportunities, such as the acquisition of companies with cutting-edge proprietary software solutions able to enrich the group's offer and companies operating in one or more geographical areas not yet covered by Neosperience; 4) Establishment of start-ups in selected promising niches, such as Healthcare, Fintech, Insuretech, Legaltech, Sportech and Industry 4.0.

Neosperience, key financials and ratios

€ m	2020	2021	2022e	2023e	2024e
Revenues	16.4	18.2	25.5	31.7	37.4
Value of Production	19.6	20.7	28.2	34.4	40.0
EBITDA	4.8	5.9	8.2	10.1	12.0
EBIT	0.8	1.5	3.2	5.1	7.0
Net Profit	0.3	0.6	1.7	3.1	4.3
NFP (cash)/debt	5.4	7.0	4.4	0.1	(5.7)
EBITDA margin	24.7%	28.7%	29.0%	29.5%	30.0%
EBIT margin	4.2%	7.1%	11.2%	15.0%	17.4%
EPS stated FD €	0.03	0.07	0.19	0.34	0.48
EPS growth	-72.3%	119.4%	173.8%	82.0%	39.7%
ROCE	2.7%	3.7%	7.5%	11.3%	13.9%
NWC/Sales	21.2%	26.8%	24.2%	22.9%	21.6%
Free Cash Flow Yield	-8.8%	-16.3%	5.8%	9.7%	12.8%
PER x	153.1	74.3	26.6	14.6	10.5
EV/Sales x	2.31	2.48	1.74	1.31	0.98
EV/EBITDA x	9.4	8.6	6.0	4.4	3.3
EV/EBIT x	55.6	34.7	15.6	8.7	5.6

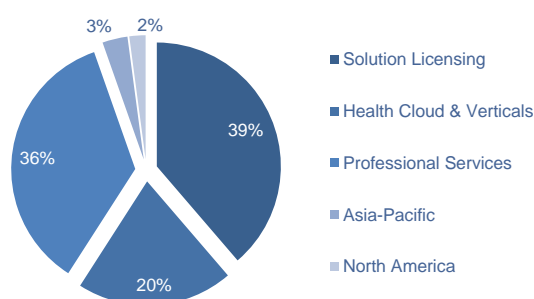


The Company at a Glance

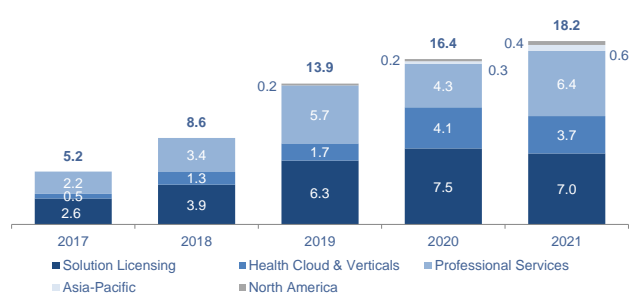
Set up in Brescia by Dario Melpignano and Luigi Linotto in 2006, today Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. Thanks to its deep knowledge of software and app development, the group internally designed Neosperience Cloud, an innovative cutting-edge Customer Data Platform based on Artificial Intelligence helping businesses to acquire new customers and increase the value of existing ones. Neosperience's 'empathy in technology' vision perfectly explains the distinctiveness of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their customers with a customised and optimised experience based on their personality.

The company reported a 36.5% sales CAGR₁₇₋₂₁ mainly driven by the increase in sales of solutions based on its proprietary Neosperience Cloud platform as well as by the strategic acquisition of a few small companies operating in the digital customer experience arena. FY-21 figures show revenues of € 18.2m, value of production of € 20.7m, EBITDA of € 5.9m, 28.7% margin and Net Profit of € 0.6m. Net Financial Position was € 7.0m, corresponding to 1.2x NFP/EBITDA.

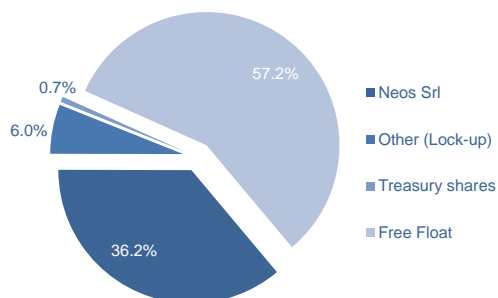
2021 Revenues breakdown by business line



Top line 2016-21 evolution



Shareholder structure



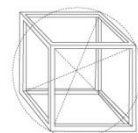
Peer group absolute performance

%	1D	1W	1M	3M	6M	YTD
Accenture PLC	(0.4)	3.7	5.7	(18.5)	5.4	(18.7)
Adobe Inc	(1.0)	5.4	(0.8)	(20.1)	(20.9)	(19.7)
Alkemy SpA	(1.4)	0.3	1.4	(19.6)	1.4	(19.6)
Be SpA	(0.3)	(0.2)	0.0	18.2	50.2	18.2
Digital360 SpA	0.2	6.8	11.5	(8.5)	(7.0)	(8.5)
dotDigital Group	(0.1)	(6.0)	21.6	(57.0)	(65.7)	(58.2)
Gartner Inc	(1.4)	0.4	6.6	(10.6)	(2.1)	(11.0)
Growens SpA	(0.4)	1.6	13.0	2.4	15.0	2.4
HubSpot Inc	(6.0)	0.1	(4.9)	(28.4)	(29.8)	(27.9)
Kaleyra Inc	(1.6)	(11.9)	(15.2)	(38.7)	(45.7)	(40.4)
Maps SpA	(1.7)	(1.7)	(1.2)	(12.7)	(17.3)	(12.7)
Reply SpA	(1.4)	1.8	5.7	(16.1)	(5.9)	(16.1)
Salesforce.Com Inc	(1.2)	(0.8)	3.7	(16.8)	(21.7)	(16.5)
TechTarget Inc	(0.3)	(0.8)	12.1	(16.2)	(1.4)	(15.0)
Median	(1.1)	0.2	4.7	(16.5)	(6.4)	(16.3)
Neosperience SpA	(3.9)	5.1	(1.6)	(12.4)	(23.1)	(12.4)

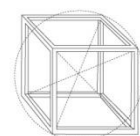
Peer group multiples table

Price & EV multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Accenture PLC	f	3.13	18.8	16.8	22.9	20.4	32.0	28.6
Adobe Inc	12.05	10.30	24.7	21.0	26.9	22.7	33.7	28.8
Alkemy SpA	1.14	0.99	9.9	8.1	12.6	10.0	16.0	13.1
Be Shaping the Future SpA	1.65	1.47	9.8	8.4	15.7	12.8	29.3	24.8
Digital360 SpA	2.47	1.75	12.2	9.2	21.1	15.2	30.6	22.7
dotDigital Group PLC	3.22	2.91	9.9	9.2	14.4	13.3	21.2	20.2
Gartner Inc	4.90	4.36	24.2	21.5	31.0	28.2	41.1	35.2
Growens SpA	0.95	0.82	10.0	7.9	25.7	17.0	31.4	21.1
HubSpot Inc	12.58	9.66	98.3	71.6	139.1	94.7	181.2	124.9
Kaleyra Inc	0.89	0.74	10.3	8.4	n.m.	n.m.	n.m.	n.m.
Maps SpA	1.84	n.a.	7.1	5.0	12.3	n.a.	15.8	11.3
Reply SpA	3.10	2.74	18.4	16.3	22.5	19.8	33.4	29.9
Salesforce.Com Inc	6.41	5.20	21.2	17.6	31.7	24.6	43.6	34.3
TechTarget Inc	7.94	6.68	20.2	16.3	23.6	18.9	30.1	24.8
Median	3.16	2.91	15.3	12.7	22.9	19.4	31.4	24.8
Neosperience SpA	1.74	1.31	6.0	4.4	15.6	8.7	26.6	14.6

Source: CFO Sim, Thomson Reuters Eikon



Income statement (€ m)	2020	2021	2022e	2023e	2024e
Revenues	16.4	18.2	25.5	31.7	37.4
Value of Production	19.6	20.7	28.2	34.4	40.0
Raw material and processing	(0.5)	(0.6)	(0.7)	(0.7)	(0.8)
Services	(7.1)	(6.9)	(9.9)	(11.7)	(13.6)
Personnel expenses	(5.7)	(7.0)	(8.6)	(11.0)	(12.6)
Other opex	(1.4)	(0.3)	(0.8)	(0.9)	(1.0)
EBITDA	4.8	5.9	8.2	10.1	12.0
D&A	(4.0)	(4.5)	(5.0)	(5.0)	(5.0)
EBIT	0.8	1.5	3.2	5.1	7.0
Financials	(0.1)	(0.4)	(0.4)	(0.3)	(0.3)
Re/(Devaluation) of financial assets	0.2	0.0	0.0	0.0	0.0
Forex gain/(loss)	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	0.9	1.1	2.8	4.8	6.7
Income taxes	(0.5)	(0.3)	(0.8)	(1.5)	(2.0)
Minorities	(0.1)	(0.2)	(0.3)	(0.3)	(0.4)
Net Profit	0.3	0.6	1.7	3.1	4.3
Balance sheet (€ m)	2020	2021	2022e	2023e	2024e
Net Working Capital	4.1	5.6	6.8	7.9	8.7
Net Fixed Assets	18.0	24.3	22.3	20.3	18.3
Equity Investments	1.0	1.3	1.3	1.3	1.3
Other M/L Term A/L	(1.0)	(0.9)	(1.1)	(1.4)	(1.6)
Net Invested Capital	22.1	30.3	29.3	28.1	26.6
Net Financial Debt	5.4	7.0	4.4	0.1	(5.7)
Minorities	0.7	0.6	0.9	1.2	1.6
Group's Shareholders Equity	16.0	22.6	24.1	26.8	30.7
Financial Liabilities & Equity	22.1	30.3	29.3	28.1	26.6
Cash Flow statement (€ m)	2020	2021	2022e	2023e	2024e
Total net income	0.3	0.6	1.7	3.1	4.3
Depreciation	4.0	4.5	5.0	5.0	5.0
Other non-cash charges	2.0	0.4	0.2	0.3	0.2
Cash Flow from Oper. (CFO)	6.2	5.4	6.9	8.4	9.5
Change in NWC	(2.3)	(1.4)	(1.3)	(1.1)	(0.8)
FCF from Operations (FCFO)	3.9	4.0	5.6	7.3	8.7
Net Investments (CFI)	(7.9)	(11.3)	(3.0)	(3.0)	(3.0)
Free CF to the Firm (FCFF)	(3.9)	(7.3)	2.6	4.3	5.7
CF from financials (CFF)	8.9	9.3	0.0	0.0	0.0
Free Cash Flow to Equity (FCFE)	4.9	2.0	2.6	4.3	5.7
Financial ratios	2020	2021	2022e	2023e	2024e
EBITDA margin	24.7%	28.7%	29.0%	29.5%	30.0%
EBIT margin	4.2%	7.1%	11.2%	15.0%	17.4%
Net profit margin	1.3%	2.9%	6.0%	8.9%	10.7%
Tax rate	55.7%	29.2%	30.0%	30.0%	30.0%
Op NWC/Sales	21.2%	26.8%	24.2%	22.9%	21.6%
Interest coverage x	7.78	3.90	8.11	16.51	22.34
Net Debt/EBITDA x	1.12	1.17	0.54	0.01	n.m.
Debt-to-Equity x	0.34	0.31	0.18	0.00	n.m.
ROIC	1.2%	2.0%	5.7%	10.9%	16.1%
ROCE	2.7%	3.7%	7.5%	11.3%	13.9%
ROACE	3.4%	4.2%	7.7%	11.7%	14.5%
ROE	1.6%	2.6%	7.0%	11.4%	13.9%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2020	2021	2022e	2023e	2024e
Number of shares # m	7.51	8.72	9.00	9.00	9.00
Number of shares Fully Diluted # m	8.45	9.00	9.00	9.00	9.00
Average Number of shares Fully Diluted # m	8.33	8.72	9.00	9.00	9.00
EPS stated FD €	0.03	0.07	0.19	0.34	0.48
EPS adjusted FD €	0.03	0.07	0.19	0.34	0.48
EBITDA €	0.58	0.68	0.91	1.13	1.33
EBIT €	0.10	0.17	0.35	0.57	0.77
BV €	1.98	2.59	2.77	3.12	3.59
FCFO €	0.47	0.46	0.62	0.81	0.97
FCFF €	(0.47)	(0.84)	0.29	0.48	0.64
FCFE €	0.59	0.23	0.29	0.48	0.64
Dividend €	0.00	0.00	0.00	0.00	0.00

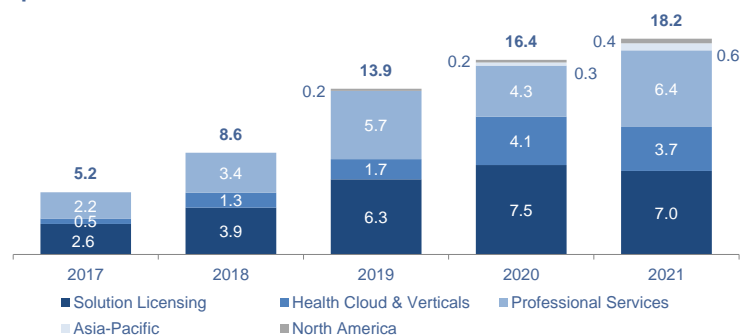


1. Neosperience in a Nutshell

Set up in Brescia by Dario Melpignano and Luigi Linotto in 2006, today Neosperience is a **leading software vendor operating in the digital customer experience & customer analytics sector**. Neosperience was recently mentioned by Gartner among the top six most innovative software companies worldwide, alongside Salesforce and SAS. Thanks to its deep knowledge of software and app development, the group internally designed **Neosperience Cloud**, an innovative cutting-hedge **Customer Data Platform based on Artificial Intelligence** helping businesses to acquire new customers and increase the value of existing ones. Neosperience's **'empathy in technology'** vision perfectly explains the distinctiveness of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their customers with a customised experience based on their personality.

Today Neosperience serves **over 750 customers in several different industries**, namely fashion & luxury, consumer goods, retail & distribution, energy, automotive, healthcare, travel & transportation, financial services, etc.. The group has **about 150 employees** and operates through several branches in Italy and a subsidiary in US. The company reported a **36.5% sales CAGR₁₇₋₂₁** mainly driven by the increasing sales of solutions based on the Neosperience Cloud proprietary platform as well as by the strategic acquisition of a few small companies operating in the digital customer experience arena.

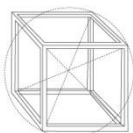
Chart 1 – Neosperience, 2017-21 revenues evolution



Source: CFO SIM elaboration on company data

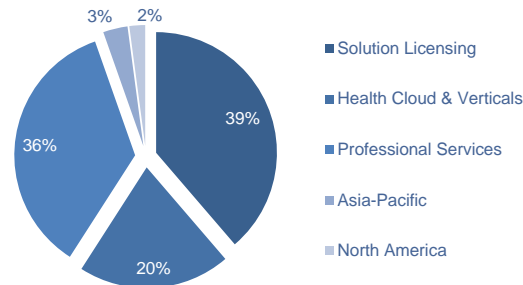
As of today, Neosperience's turnover can be divided into five different categories:

- 1) **Solutions Licensing:** the Neosperience Cloud platform is sold in SaaS mode, namely via **user licences** with three different configurations: 1) single modules with an annual price of € 14,800 each, 2) Standard platform at € 59,200 per year and 3) Enterprise platform at € 118,400 per year. The group also provides its clients with **personalised, ready-to-use solutions**. They are based on the standard version of the Neosperience Cloud platform upgraded with some modules that fit the needs of specific industries (i.e. fashion & luxury, banking, retail). This business model is highly scalable: once Neosperience has developed a specific application solution for a certain client, it can also offer the same solution to other clients, thus taking advantage of several economies of scale.
- 2) **Health Cloud & Verticals:** Neosperience has identified three promising industries where the Digital Customer Experience is a crucial competitive edge: Healthcare, Fintech and Industry 4.0. The group plans to develop three specific vertical solutions for the aforementioned sectors. In particular, in 2020 the group launched Neosperience Health Cloud, the first online platform dedicated to AI-assisted screening and health improvement.
- 3) **Professional Services** include several types of activities such as platform integration with clients' systems or the development of *ad-hoc* projects based on specific client needs. This type of activity, even if less scalable than the previous one, is strategic for the group as it allows Neosperience **to capture knowledge of specific sectors useful to develop new innovative application solutions** and to improve the Neosperience Cloud platform.



- 4) **Asia-Pacific:** Neosperience started to expand its business in the Asia-Pacific region (mainly China) where the software solutions market supporting digital transformation is buoyant. In particular, in China, the group plans to develop the activities of its subsidiary Value China, namely 1) providing Chinese businesses with successful digital products able to expand their activities in Europe, 2) helping European companies to understand the distinctive digital dynamics of the Chinese market in order to expand their activities in the Asia-Pacific area and 3) promoting Chinese tourism in Italy by using an innovative digital approach based on the Neosperience Tourism Cloud platform.
- 5) **North America** refers to the business carried out in the US, mainly via strategic partnerships with system integrators and software vendors in order to be well visible among big international businesses searching for software solutions to improve their Digital Customer Experience.

Chart 2 – Neosperience, 2021 top line breakdown by business line

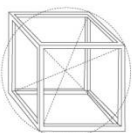


Source: Company data

FY-21 figures show **revenues of € 18.2m**, value of production of € 20.7m, **EBITDA of € 5.9m**, **28.7% margin** and Net Profit of € 0.6m. **Net Financial Position was € 7.0m**, corresponding to 1.2x NFP/EBITDA.

The Neosperience Cloud suite is composed of **nine ready-to-use solutions**, each of which responding to a specific customer need, from the implementation of an e-commerce platform to lead generation, from the creation of user insights to gamification. **Every solution is made up of different modules** which fit together like Lego bricks. Most of the solutions are developed internally, while only a few of them are developed by companies acquired by Neosperience, such as RubinRed and Lead Champion. As mentioned before, the complete platform as well as the single modular solutions are sold in **SaaS mode via user licences** which generate recurring fees, thus giving a high-degree of visibility to the group's turnover. Neosperience caters to both SMEs and large enterprises with a go-to-market strategy based on **three sales channels**: 1) a **direct** channel, with a salesforce of 15 catering to medium/large enterprises, in the domestic and international arenas, as well as in the private and public sectors; 2) an **indirect** channel, whereby Neosperience enters into partnership agreements with consulting firms, system integrators and digital agencies in order to promote and market the group's platform and solutions; 3) a **community** of professionals operating in the Digital Customer Experience field worldwide, which is an important source of new business opportunities.

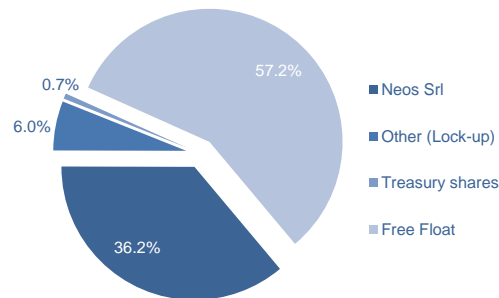
Furthermore, in 2020 the group launched **Neosperience Health Cloud**, the first online platform dedicated to AI-assisted screening and health improvement. The platform offers a **direct and constant connection between patients, specialists and general practitioners, nurses and caregivers**, and ensures direct access to information and screening processes and support for diagnosis and prognosis. One of the most promising applications is in the diagnosis of Covid-19. The platform is able to **analyse thoracic x-rays and echocardiographic exams** in order to identify Covid-19-related pathologies with an accuracy of almost 90%, thus preventing the onset of severe symptoms. In addition, in 2021 **the platform was upgraded in order to identify a Covid-19 infection by listening to breathing and coughing as well as the heartbeat**. By analysing a brief conversation or some coughing, the system can determine if the patient has Covid-19-related symptoms.



2. IPO and Group Structure

Neosperience went public on Euronext Growth Milan on **20-Feb-19** with a **market cap of € 22.1m and a free float of 18.7%**. The IPO encompassed a **primary offering for a total amount of € 4.1m** (€ 3.42/share in addition to 1 warrant per share). Pre-IPO shareholders have an 18-month lock-up. Furthermore, on **20-May-19**, Neosperience closed an **additional capital increase for a total amount of € 3.8m** (€ 7.00/share without any warrant).

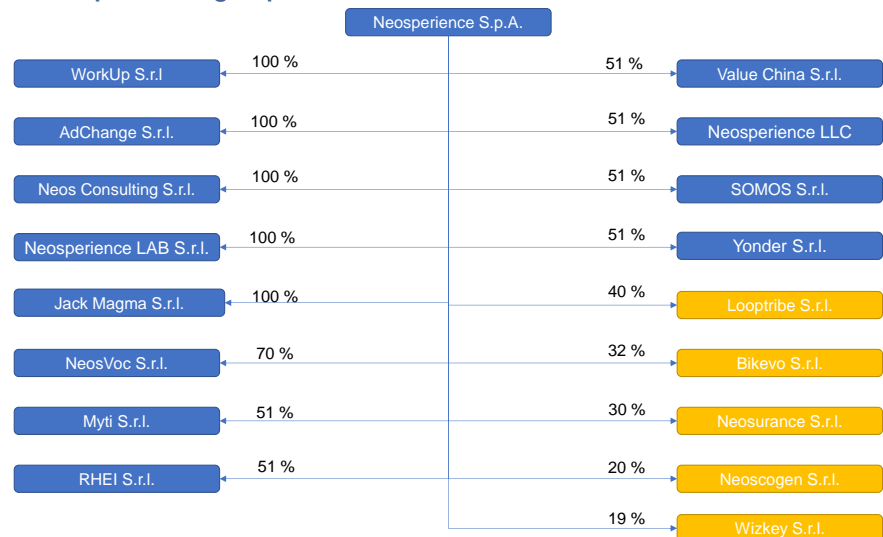
Chart 3 – Neosperience, current shareholder structure



Source: CFO Sim elaboration on Company data

At the same time as the capital increase of € 4.1m, **1,206,500 warrants** were assigned free of charge, one for every share subscribed. The warrant exercise periods run from 15-Nov up to, and including, 30-Nov in 2019, 2020 and 2021, respectively. The exercise price was € 3.77/s for the first exercise period, € 4.15/s for the second one and € 4.57/s for the third one, with a conversion ratio of 1 share for each warrant held. As of today, **no warrants are still outstanding**.

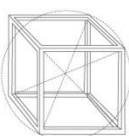
Chart 4 – Neosperience, group structure



Source: Company data

The consolidation scope includes Neosperience SpA (the Issuer) and its subsidiaries:

- **Neosperience LLC** is the group's US-based branch, offering Neosperience solutions to foreign clients, mainly in the USA and Canada.
- **Neosperience Lab Srl** focuses on **R&D activities**, developing innovative solutions dedicated to process and product innovation. The company helps SMEs to run digital innovation and digital transformation projects in order to better compete in the new digital world.



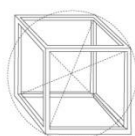
- **Neos Consulting Srl** operates in the "enterprise" segment, providing its clients with professional services for the implementation of *ad-hoc* projects aimed at integrating innovative digital solutions in the business processes.
- **WorkUp Srl**, acquired in 2020, is **the Italian leader in providing e-commerce platforms**. The company developed **RubinRed**, an e-commerce platform entirely customisable and embeddable in all the major ERP and CRM systems. WorkUp caters to both large enterprises and SMEs wanting to have a directly-managed online sales channel.
- **Myti Srl**, acquired in 2020, has over 10 years of experience in the "enterprise" segment. The company developed **Declaro**, a cutting-edge product configurator embeddable in all the major ERP and CRM systems.
- **SOMOS Srl** (Smart Oriented Mobility Solutions) is an academic spin-off of the University of Calabria, offering innovative solutions for mobility management, transportation and logistics. The company develops high-tech products and services aimed at improving the public and private mobility.
- **AdChange Srl**, acquired in 2020, internally developed "Lead Champion", a software for lead generation to support marketing activities and B2B sales.
- **House of Key Srl**, acquired in 2019, controls Mikamai, LinkMe and JackMagma. **Mikamai** develops machine learning and deep learning highly scalable cloud-based solutions. **LinkMe** (merged into Mikamai in 2020) makes digital products for the web and mobile devices based on serverless technologies. **JackMagma** provides service design activities focused on user experience and on the Design Thinking methodologies. In 2021 House of Key Srl was merged into Neosperience SpA.
- **Value China Srl** is a leading cross-cultural company based in Italy helping domestic companies that wish to work on projects with China.
- **NeosVoc Srl** markets NeosVoc, a new platform developed by Neosperience helping companies to deeply understand the voice of customers by identifying their needs all along the customer journey.
- **Rhei Srl**, acquired in 2021, is a software company specialised in designing and implementing digital solutions with a focus on the development of innovative Customer Relationship Management solutions.

The board of directors is composed of 6 members, one of whom is an independent director.

Table 1 – Neosperience, Board of Directors

Name	Role
Dario Melpignano	Founder, Chairman and CEO
Luigi Linotto	Founder and Executive Vice President
Lorenzo Scaravelli	Director, Investor Relator and Corporate Development Manager
Matteo Linotto	Director
Laura Patrini	Director
Severino Meregalli	Independent Director

Source: CFO SIM elaboration on Company data



3. The Reference Market: Digital Transformation

Digital transformation is the practice of **using digital technologies to create new business processes**, culture, and customer experiences to meet changing business and market requirements. Digital transformation enables organisations to improve their operational performance, customer experience, brand reputation, and customer retention ratios. Starting from 2020, **digital transformation experienced an unprecedented acceleration** to satisfy remote working and education needs and new social norms stemming from the rapid spread of Covid-19.

In 2021, the **global IT spending is anticipated to grow by 6.2%, reaching over \$ 3,900bn**. All IT spending segments are forecast to return to growth in 2021. Enterprise software is expected to have the strongest rebound (up by 8.8%) as remote work environments have expanded and improved, followed by the devices segment (up by 8.0%).

Table 2 – Neosperience, global IT spending

\$ m	2020	% YoY	2021	% YoY	2022	% YoY
Data Center Systems	214,985	0.0%	228,360	6.2%	236,043	3.4%
Enterprise Software	465,023	-2.4%	505,724	8.8%	577,406	10.2%
Devices	653,172	-8.2%	705,423	8.0%	714,762	1.3%
IT Services	1,011,795	-2.7%	1,072,581	6.0%	1,140,057	6.3%
Communication Services	1,349,891	-1.7%	1,410,745	4.5%	1,456,637	3.3%
Overall IT	3,694,867	-3.2%	3,922,833	6.2%	4,104,906	4.6%

Source: Gartner – January 2021

According to the Assinform report “Il Digitale in Italia 2021”, **in 2021, the Italian digital economy is expected to grow by 5.5% to € 75.4bn** from € 71.5bn reported in 2020. Furthermore, the market is expected to grow at a **5.0% CAGR₂₁₋₂₄ reaching € 87.3bn in 2024** (excluding the potential impact of the National Recovery and Resiliency Plan).

Table 3 – Neosperience, Italian Digital Economy

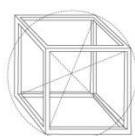
€ bn	2020	2021e	2022e	2023e	2024e	CAGR ₂₁₋₂₄
Content & digital advertising	12.5	13.6	14.6	15.6	16.6	6.8%
Network services	19.4	18.6	18.1	17.8	17.5	-2.0%
ICT services	12.7	13.7	14.8	16.0	17.1	7.7%
Software & ICT solutions	7.5	8.1	8.7	9.3	9.9	6.7%
Devices & Systems	19.4	21.4	23.1	24.7	26.3	7.1%
Total	71.5	75.4	79.3	83.3	87.3	5.0%

Source: Assinform - Il Digitale in Italia 2021

The **digital economy market** comprises several segments, namely content & digital advertising, network services, ICT services, software & ICT solutions and devices & systems. The **most promising niches** within the different segments of the Italian digital economy market are **Internet of Things, Cyber Security, Cloud, Big Data and Analytic Solutions**, that is to say the catalysts of the digital economy.

Neosperience operates mainly in the Software & ICT solutions and ICT services segments, which are anticipated to grow with a **CAGR₂₁₋₂₄ of 6.7% and 7.7%, respectively**.

The reference market is a growing arena with expected further acceleration in coming years, also considering that the gap between the domestic market and the rest of the world can be closed thanks to the huge resources stemming from the **National Recovery and Resilience Plan - NRRP**. In particular, about **€ 40bn will be dedicated to the digital transformation of businesses and the public administration, almost € 30bn of which should be invested by 2024**. The report “Il Digitale in Italia 2021” outlines **two scenarios** with regard to the impact of the NRRP on the digital economy in Italy: in the **best-case scenario**, the Italian digital economy is expected to grow with a **CAGR₂₁₋₂₄ of 6.9%** while in the **worst-case scenario** with a **CAGR₂₁₋₂₄ of 6.0%**.



3.1. Marketing Technology

In detail, **Neosperience operates in the marketing technology sector (MarTech)**. It is composed of an ecosystem of cloud solutions and technological applications used by companies to develop and improve their digital marketing strategies. **In 2021, the global MarTech industry is anticipated to be worth \$ 344.8bn** (source: MarTech Alliance).

The marketing technology landscape is growing fast and is populated by a lot of small-medium players, often focused on a specific niche or segment, as well as a few large companies providing a vast range of products and services. **In 2021, the application solutions belonging to the MarTech sector is expected to exceed 9,500**, vs. 8,000 at end-19 and only 150 in 2011 (source: Statista).

Neosperience is a vertically-integrated player offering its clients a wide range of solutions, with particular focus on **digital customer experience**, a relatively young and highly fragmented niche of the MarTech sector. As of today, customers expect to be treated as individuals and no longer as numbers and statistics as used to be the case in mass production. Thus, the improvement of customer experience has become extremely important both for B2B and for B2C companies in order to increase sales, build a strong brand identity and strengthen customer loyalty. **An outstanding digital customer experience is no longer just nice-to-have. It's a mission-critical differentiator for every business.** Brands that combine three essential elements, namely great products, powerful digital experiences, and memorable human connections, have customers who are more engaged, more satisfied, and more loyal. The new **customer-centric approach** has revolutionised the marketing activity, which is no longer based only on promotion, sales and advertising but is now focused on big data, customer analytics, artificial intelligence and omni-channel approaches.

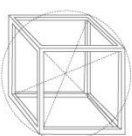
3.2. Customer Data Platform

A remarkable driving trend of the MarTech industry is the sharp growth of **Customer Data Platforms (CDPs)**, defined by the CDP Institute in 2013 as "packaged software that maintains a unified, persistent customer database that is accessible to external systems". This definition describes several types of marketing systems that shared the ability to build a unified customer database (very unusual at the time). The industry has grown quickly as marketers recognised the need for unified data and the shortcomings of alternatives such as data warehouses, data lakes, CRM tools, and DMPs. European growth was further boosted by CDP features that help companies to comply with the General Data Protection Regulation (GDPR, introduced in May-18). The **Customer Data Platforms industry segment** is estimated to hit \$ 1.2bn in 2021 and is expected to grow with a **CAGR₂₁₋₂₈ of 25.0%**, reaching \$ 5.5bn in 2028 (source: Fortune Business Insight).

Neosperience is well positioned to benefit from the CDP segment's growing trend thanks to the Neosperience Cloud platform, an innovative cutting-edge Customer Data Platform based on Artificial Intelligence helping businesses to acquire new customers and increase the value of existing ones.

3.3. Market Trends post Covid-19 pandemic

The **Covid-19 pandemic has significantly impacted businesses worldwide**. The major challenge for the global economy in 2020 was to ensure business continuity amid social distancing norms, lockdowns, work-from-home policies, and other operational challenges. The unavailability of digital strategies, tools, or infrastructure exacerbated the challenges for several organisations that were required to suddenly push operations online or enable employees to work remotely from their homes. The pandemic led to a **significant increase in awareness about the pressing need for digital transformation** across most industries and helped open a few growth opportunities for the market.



Organisations are increasingly learning the benefits of digital transformation, especially regarding remote work that requires a business to enable its workforce to seamlessly collaborate and carry out organisational functions remotely. As such, businesses and enterprises are increasingly opting for digitisation, digitalisation and digital transformation. **The application of advanced technology is helping businesses to enhance efficiency and productivity** and is offering them an opportunity to further implement digital transformation across their processes.

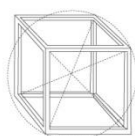
Artificial intelligence (AI), machine learning (ML), data analytics and business intelligence technologies are unquestionably **key enablers for digital innovation** and digital business acceleration. Multiple usage of cloud-based applications in various industries such as medicine, online retail, production, banking, finance and insurance, coupled with the rising complexity of cyber-crimes, offers **exciting opportunities to expand the utilisation of artificial intelligence in several industries**. In particular, the medical industry is projected to benefit considerably from AI applications: in clinical healthcare procedures, AI will help to improve the precision and efficacy of diagnosing the disease, suggesting treatments, and predicting results. In this field, in 2020 Neosperience developed and launched **Neosperience Health Cloud**, the first online platform dedicated to AI-assisted screening and health improvement, which was also used in the diagnosis of Covid-19.

In the post-Covid world, the new awareness of technology as an enabler for response and resilience, has increased the importance of the Chief Information Officer role in all organisations, whether they are large enterprises or SMEs. CIOs have to keep the good momentum of digital transformation going, pursuing digital initiatives at accelerated speed, and seizing the opportunity, created by the Covid-19 disruption, to foster digital business acceleration. There are **five fundamental digital capabilities needed to succeed in a post-Covid environment**:

- 1) Delivering an **excellent Customer Experience** by combining data analytics with emotions, thanks to cutting-edge AI-enabled customer intelligence solutions.
- 2) **Improving business operations by using data, statistics and analytics**, collected and elaborated by AI-based software solutions in order to provide useful insights and information to make decisions.
- 3) Investing in **reskilling and upskilling employees** and reimagining the way they work, also by listening to the employee's experience, not only to the customer's.
- 4) A business model based on a **multi-sided platform strategy** able to improve the specific capabilities of a company thanks to technology.
- 5) A cutting-edge **digital IT infrastructure** with advanced back-end systems coupled with software applications able to collect and process a huge amount of data.

Disruption caused by Covid-19 has created several business opportunities to be seized by IT service providers from today until 2024. According to Gartner, **global IT spending is projected to increase by \$ 1,300bn in the 2020-24 period**. The key growth areas have been identified with:

- **Hybrid IT compute** acceleration (\$ 61bn), focusing on data centres & hosting and Infrastructure-as-a-Service solutions.
- **Cloud-to-digital business consulting** offerings (\$ 194bn), namely cloud consulting and digital business consulting.
- **Cloud-to-digital business migration** offerings (\$ 297bn), focusing on cloud migration and digital business migration.



3.4. The Competitive Arena

The MarTech segment is vast, complex and extremely interconnected. In this competitive arena, a lot of start-ups and micro/small companies coexist with a few giants such as Adobe, IBM, Oracle, Salesforce and SAP. Smaller companies are generally managed by their founders and operate within a specific market niche, while the biggest players cover multiple diversified segments at the same time.

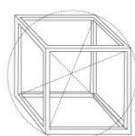
The market is relatively young and is growing promisingly, so it has not reached a stable structure yet. Furthermore, **the competitive arena is undoubtedly highly fragmented**. In 2021, the MarTech sector experienced an unprecedented spike in M&A activity with 166 deals, nearly doubling the figure recorded in 2020. Among the main operations that have been announced or finalised recently, we note the following:

- Salesforce – Slack: \$ 27.7bn, c. 26x EV/Sales
- Intuit – Mailchimp: \$ 12.0bn, c. 20x EV/Sales
- Twilio – Segment: \$ 3.2bn, valuation multiple not available
- Citrix – Wrike: \$ 2.25bn, c. 12x EV/Sales
- Twilio – Zipwhip: \$ 850m, valuation multiple not available
- Cisco – IMLmobile: \$ 730m, c. 3x EV/Sales and 22x EV/EBITDA

Within the Italian MarTech arena, the most relevant deal was the **acquisition of a majority stake in Jakala by the private equity fund Ardian in Feb-21, valuing the company almost € 500m** (source Reuters). With a turnover of almost € 300m and over 1,000 employees, Jakala is a leading MarTech player in Europe. The group provides its clients, mainly large enterprises, with software solutions and advisory services supporting the digital transformation in the sales & marketing field.

Neosperience is unquestionably well positioned in the domestic MarTech arena, as the group provides its clients with an extensive range of services and software solutions able to help businesses in their digital transformation. Neosperience's offer is based on the highly scalable Neosperience Cloud platform, which is entirely modular and customisable on specific customer needs. Neosperience offers its products and services both to large enterprises and to SMEs, thus competing with different players. In particular:

- **Large accounts** typically work with big advisory firms, such as Deloitte Digital or Accenture, on ad-hoc digital transformation projects, or with international software providers, like Salesforce, Adobe, SAS or HubSpot, on specific software solutions. However, **Neosperience has the advantage of being more flexible and open to customisation**. Furthermore, as the Neosperience Cloud platform is offered as a SaaS solution, Neosperience's clients can rely on a **constantly updated product**, without the need to invest additional money in order to customise or improve an ad-hoc solution originally adopted.
- **SMEs** are increasingly focusing on digital transformation, looking for the right partner to face a sort of business revolution. System integrators, web agencies or small players providing specific solutions may be potential competitors of Neosperience in this market segment. However, **Neosperience's competitive advantage is the ability to offer a wide range of services and ready-to-use solutions**, helping SMEs to build a new innovative data-driven and customer-centric business model. Furthermore, the **modularity of the Neosperience Cloud platform** allows customers to choose only the solutions they need, with the chance to add others at a later date.



4. Business Model

Neosperience is a **leading Italian software company**, providing its clients with several software solutions aimed at helping businesses to acquire new customers and increase the value of existing ones. Neosperience's **'empathy in technology'** vision perfectly explains the distinctiveness of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their customers with a customised and optimised experience based on the customer personality. In this way, companies adopting Neosperience's solutions are able to understand and engage their customers as well as to increase customer loyalty and, consequently, increase their brand value, revenues and margins.

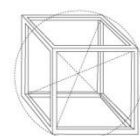
The group's offer is based on **Neosperience Cloud, a highly scalable Artificial Intelligence-based Customer Data Platform** dedicated to Digital Customer Experience. The platform is a suite offering several entirely modular and customisable solutions on the back of specific client needs. The Neosperience Cloud platform is serverless, cloud-based and sold in **Software-as-a-Service mode**, namely via user licences with three different configurations: 1) single modules with an annual price of € 14,800 each, 2) Standard platform at € 59,200 per year and 3) Enterprise platform at € 118,400 per year. Neosperience's offer is composed of **nine ready-to-use solutions** based on the Neosperience Cloud platform. The solutions are **modular and entirely customisable** and each of them responds to a specific client need, from the implementation of an e-commerce platform to lead generation, from the creation of user insights to gamification. Every solution is made up of different modules which fit together like Lego bricks.

As mentioned before, the complete platform as well as the single modular solutions are sold in **SaaS mode via user licences** which generate recurring fees, thus giving a high-degree of visibility to the group's turnover. Neosperience caters both to SMEs and to large enterprises: as of today, the group serves **over 750 customers in several different industries**.

Thanks to the API-first paradigm and serverless microservices architectures, Neosperience Cloud is highly scalable and can be used to develop **vertical applications dedicated to the most promising industries**, such as Healthcare, Fintech, Insurtech, Legaltech and Industry 4.0.

In 2020, the group launched **Neosperience Health Cloud**, the first online platform dedicated to AI-assisted screening and health improvement. The platform offers a **direct and constant connection between patients, specialists and general practitioners, nurses and caregivers**, and ensures direct accessibility to information and screening processes and support for diagnosis and prognosis. In particular, Neosperience Health Cloud 1) collects data and biometric parameters on an ongoing basis from personal devices (e.g. smartwatches), 2) analyses data by aggregating information into clusters and identifying patterns, and 3) uses Artificial Intelligence algorithms to produce real-time results, thus improving diagnostic and prognostic processes.

Moreover, in May-21 Neosperience launched **"Sofia", the first empathic virtual assistant** based on the Neosperience Cloud platform and on GPT-3, the natural language processing technology developed by OpenAI, one of the main non-profit companies in the field of Artificial Intelligence worldwide. Sofia is able to speak 51 different languages, facing an extensive range of topics thanks to an embedded strong machine learning model. **Sofia's 3D-avatar is completely customisable**, also in terms of gender and race. The avatar is able to adapt its body language, facial expressions and hand movements to what it is saying. Furthermore, the avatar understands the personality and the mood of its interlocutor and consequently elaborates dynamic, hyperrealist and customised answers. Sofia can be used for a number of applications, namely in the healthcare, bank & insurance and art & culture industries as well as in back office or customer support activities.



5. M&A deals

Neosperience has a proven track record in acquisitions and in their integration in a fragmented, fast-growing arena, as shown by **a few strategic M&A deals made since the IPO**. Thanks to the proceeds collected with the IPO in 2019 and the further capital increase in the same year for a combined consideration of € 7.9m, the group was able to almost double its size and to enlarge its selling proposition in terms of new products/services provided. In particular:

- In **Dec-21**, Neosperience bought 51% of **Rhei Srl**, a software company specialised in designing and implementing CRM solutions. **The price paid for 51% of the company was € 951k**, € 476k of which in cash and the remainder through the assignment of 78,000 newly-issued NSP shares to the sellers. After the approval of FY-21 financial statements, the selling shareholders will be granted an **earn out, valuing 6.0x EBITDA₂₁**. A Put & Call option has been set on the remaining 49% of Rhei, to be exercised by Jun-22. The remaining 49% will be valued at 6.0x EBITDA₂₁ and the amount will be paid in newly-issued NSP shares.

Rhei Srl is a software company specialised in designing and implementing digital solutions with a focus on the development of innovative **Customer Relationship Management systems**. Since 2017 the firm has been a **Diamond Partner of HubSpot**, one of the leading CRM platforms in the world. In 2021, Rhei is expected to reach sales to the tune of € 1.8m, with an EBITDA margin in excess of 20% and a Net Financial Position of € 0.6m (cash).

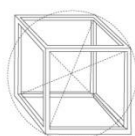
The integration of HubSpot-based solutions developed by Rhei will strengthen Neosperience's offer, giving life to **the first empathic CRM tool worldwide**. In particular, the **deal rationale** lies in 1) enlarging the client base, 2) strengthening the group's international presence, 3) reinforcing the management team and 4) comprehensively supporting clients in reinforcing their brand reputation.

- In **Oct-20**, Neosperience acquired **51% of Myti Srl**, a software company based in Brescia (Lombardy) helping SMEs in their digital transformation. **The price paid for 51% of the company was € 700k**, € 175k of which paid in cash and the remainder through 102,000 NSP shares. In addition, an **earn-out of € 626k** was recognised in Jul-21 based on 2020 EBITDA. Moreover, **a further consideration of € 399k will be paid to the sellers in six six-monthly instalments in the 2021-23 period**. On the remaining 49% of Myti's share capital a Put & Call option was set to be exercised by Jun-24 based on the average adjusted EBITDA in the 2022-23 period. The acquisition of the remaining 49% of Myti's share capital will be financed through NSP newly-issued shares.

Set up in Brescia in 2007, Myti developed several **software solutions dedicated to the digital transformation of SMEs**. In particular: *Declaro*, a cutting-edge product configurator embeddable in all the major ERP and CRM systems; *Bleen*, a search engine able to connect and simplify all enterprise processes; *Elibra*, a management system specific for the legaltech and advanced tertiary sectors. At the time of the closing, the group had turnover to the tune of € 2.0m with an EBITDA margin in excess of 20% and a neutral NFP.

The deal allows Neosperience to 1) increase its knowledge in highly specialised niches, such as machine learning, data analytics and big data, 2) expand its client portfolio, thus exploiting cross-selling and up-selling opportunities and 3) strengthen its management team.

- In **Aug-20**, Neosperience acquired **51% of AdChange Srl**, a Turin-based company with a consolidated experience in developing solutions for **lead generation**. **The price paid for 51% of the company was € 255k**, € 145k of which paid in cash and the remainder through 21,500 NSP shares. On the remaining 49% of AdChange's share capital a Put & Call option was set. In **Oct-21**, Neosperience exercised the option by acquiring the **remaining 49% of the**



company for € 500k, € 59k of which in cash and the remainder through 81,000 NSP newly-issued shares.

Founded in Turin in 2019, AdChange developed Lead Champion, a **software solution based on Artificial Intelligence and Machine Learning** able to provide users with an in-depth analysis of all the views on different digital touchpoints, i.e. websites, apps and chatbots. In its first 12 months of activity, the company generated revenues of € 370k, with an EBITDA of € 90k (24% margin) and a net cash position of € 100k.

The **deal rationale** includes the enlargement of the group's selling proposition, by adding a software solution for the lead generation as well as the opportunity to make the most of several cross-selling and up-selling opportunities.

- In **Jun-20**, Neosperience acquired **51% of WorkUp Srl**, a leading player in the digital commerce segment. The price paid for 51% of the company was **€ 1.1m**, € 376k of which paid in cash and the remainder through 113,050 NSP shares. On the remaining 49% of WorkUp's share capital a Put & Call option was set to be exercised by Jul-22. At the beginning of 2022, Neosperience exercised the call option, acquiring **the remaining 49% of the company for c. € 1.0m**, almost entirely paid through NSP newly-issued shares.

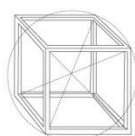
Originating in 1996 in Bassano Del Grappa (Vicenza, Veneto), today WorkUp is an 'Innovative SME' developing **software and digital services dedicated to e-commerce**. Thanks to the proprietary platform *RubinRed*, WorkUp is able to provide its clients, both large enterprises and SMEs, with a turn-key solution to directly manage their online sales channels. At the time of the closing, the company had turnover of over € 2.0m with an EBITDA margin in excess of 18%.

The **integration of WorkUp allows Neosperience to** 1) enlarge its offer in the digital commerce niche, by adding the *RubinRed* platform to the group's product portfolio, 2) expand its client portfolio, thus taking advantage of cross-selling and up-selling opportunities and 3) strengthen its management team.

- In **Oct-19**, Neosperience acquired **51% of House of Key Srl for € 672k**, € 505k of which paid in cash and the remaining € 167k paid through 18,500 NSP shares. A Put & Call option was set on the remaining 49% of House of Key. In **Oct-20**, Neosperience bought the **remaining 49% of the company for € 949k**, € 147k of which in cash and the remainder through 130,500 NSP newly-issued shares.

The House of Key group includes Mikamai, LinkMe and JackMagma. **Mikamai** develops machine learning and deep learning highly scalable cloud-based solutions. **LinkMe** (merged into Mikamai in 2020) makes digital products for the web and mobile devices based on serverless technologies. **JackMagma** provides service design activities focused on user experience and Design Thinking methodologies. At the time of the closing, the group had turnover to the tune of € 3.0m with an EBITDA margin in excess of 10%.

The **deal rationale** lies in 1) the opportunity to strengthen the group's know-how in developing innovative products, 2) the expansion of its client portfolio with consequent cross-selling and up-selling opportunities and 3) the strengthening of the management team.



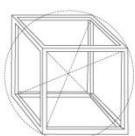
6. Strategy

On the back of the solid growth path recorded since its establishment and especially in the last five years (CAGR₁₇₋₂₁ of 36.5%), Neosperience is now aiming to continue its development, consolidate its competitive positioning in the reference market and expand geographically. The **group's development strategy** is based on **organic growth**, continuous **investments in R&D**, **international expansion** and **new acquisitions**.

Consistently with its growth path, Neosperience's principal strategy is focused on:

- **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. The group is expanding the platform's fields of applications, by developing further modules and solutions. In this way, Neosperience will be able to cater to a plethora of different industries thanks to a wide portfolio of ready-to-use solutions.
- **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. In particular, in China, the group plans to develop the activities of its subsidiary Value China, namely 1) providing Chinese businesses with successful digital products able to expand their activities in Europe, 2) helping European companies to understand the distinctive digital dynamics of the Chinese market in order to expand their activities in the Asian-Pacific area and 3) promoting Chinese tourism in Italy by using an innovative digital approach based on the Neosperience Tourism Cloud platform. In the other areas, the goal is to establish strategic partnerships with system integrators and software vendors in order to be well visible among big international businesses searching for software solutions to improve their Digital Customer Experience.
- **M&A opportunities:** the reference market is highly fragmented with a plethora of micro and small-sized actors. The group has a solid track record in acquisitions and in their integration, having closed several deals since the IPO: House of Key, WorkUp, AdChange, Myti and Rhei. Neosperience is looking for M&A opportunities among companies with proprietary cutting-edge software solutions able to enrich the group's offer. Moreover, potential targets could be identified among companies operating in one or more geographical areas not yet covered by Neosperience.
- **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. The strategy is to establish business units dedicated to specific niches and consequently identify one or more partners with a strong know-how in those fields. Therefore, Neosperience will be providing its technological expertise, whereas its partners will be offering their commercial networking and sector-specific know-how. The final goal is to sell these start-ups in order to possibly generate a capital gain for Neosperience.

Just to give some examples: **Neosurance**, founded in 2016, offers a bespoke insurance policy in a few seconds through a mobile app developed with the Neosperience Cloud platform; **Bikevo**, established in 2017, offers a mobile app based on Neosperience Cloud able to provide cyclists with customised training proposed by a virtual coach that incorporates the skills of a professional trainer; **WizKey**, founded in 2018, is a web-based application platform aimed at innovating the trade in credits using the blockchain.



7. SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business that give it an advantage over others.
- **Weaknesses:** characteristics that place the business at a disadvantage vs. others.
- **Opportunities:** elements that the project could use to its advantage.
- **Threats:** elements in the environment that could cause harm or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the 60s/70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ **Leading software vendor** in the digital customer experience & customer analytics sector
- ❑ Proprietary **AI-based Customer Data Platform**, internally developed: Neosperience Cloud
- ❑ SaaS-based business model: a **huge slice of revenue is recurring**
- ❑ **Low client concentration:** over 750 clients

WEAKNESSES

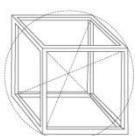
- ❑ **Limited international presence**
- ❑ Few key people representing a **vital asset** for the company
- ❑ **Sizeable intangible assets** (c. 80% of total assets)

OPPORTUNITIES

- ❑ **Consolidation opportunities** in a highly fragmented reference market
- ❑ **Wider use of data and AI-based** software solutions in several niches (MarTech, HealthTech, ...)
- ❑ **MarTech sector is expected to keep growing significantly** in the coming years

THREATS

- ❑ Fast technological development may increase **competitive pressure**
- ❑ **International expansion** may erode margins in the short term
- ❑ **Profit margin dilution** stemming from the acquisition campaign



8. FY-21 Results

Neosperience reported growing 2021 results, showing double-digit growth in terms of top line and a more than proportional progression in margins. FY-21 results are broadly aligned with CFO SIM's projections with respect to revenues, while margins came in significantly better mainly as a result of lower than expected service costs related to outsourced activities. On the other hand, NFP was considerably higher than our projection, on the back of underestimated intangible capex and a higher than expected cash absorption with regard to NWC.

Table 4 – Neosperience, FY 2021-20 results summary

€ m	2021	2020	% YoY	2021e	% diff.
Revenues	18.2	16.4	10.9	19.2	(5.3)
Increase in finished products	1.9	2.1		3.0	
Other revenues	0.7	1.1		0.0	
Value of Production	20.7	19.6	5.9	22.2	(6.6)
Raw material and processing	(0.6)	(0.5)		(0.6)	
Services	(6.9)	(7.1)		(8.8)	
Personnel expenses	(7.0)	(5.7)		(6.2)	
Other opex	(0.3)	(1.4)		(1.6)	
EBITDA	5.9	4.8	23.1	5.1	17.2
% margin	28.7	24.7		22.9	
D&A	(4.5)	(4.0)		(4.2)	
EBIT	1.5	0.8	82.0	0.9	64.3
% margin	7.1	4.2		4.1	
Financials	(0.4)	(0.1)		(0.2)	
Pre-Tax profit	1.1	0.9	19.2	0.7	66.7
% margin	5.3	4.7		3.0	
Income taxes	(0.3)	(0.5)		(0.2)	
Tax rate	29.2%	55.7%		30.0%	
Minorities	(0.2)	(0.1)		(0.2)	
Net Profit	0.6	0.3	n.m.	0.3	n.m.
% margin	2.9	1.3		1.3	
Net Financial Position	7.0	5.4	29.5	0.8	n.m.
Net Equity	23.3	16.7	39.1	21.3	9.2

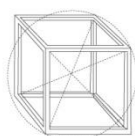
Source: Company data, CFO SIM analysis

Revenues grew by 10.9% YoY to € 18.2m, slightly lower compared to our forecast of € 19.2m. The increase was driven by the acquisition of new important clients, the consolidation of the companies acquired and the increasing sales stemming from SaaS solutions based on the Neosperience Cloud platform.

EBITDA was € 5.9m, 28.7% margin (% on VoP), mainly thanks to the increased and improved use of internal resources coupled with the reduction of outsourcing. The figure came in better than our projection of € 5.1m, mainly as a result of lower than expected service costs related to outsourced activities.

EBIT almost doubled YoY, totalling € 1.5m, 7.1% margin, despite increasing D&A stemming from the huge investments aimed at developing additional features of the Neosperience Cloud platform. As a consequence of rising EBITDA and EBIT, **Net Profit reached € 0.6m**, 2.9% margin.

Net Financial Position soared to € 7.0m debt (1.2x NFP/EBITDA) from € 5.4m debt at end-20, after 1) Op. CF of € 3.5m, 2) total investments of € 11.3m and 3) a cash-in of € 4.3m stemming from warrant conversion. The difference with respect to our forecast of € 0.8m, is mainly related to underestimated intangible capex and a higher than expected cash absorption with regard to NWC.



9. Estimates, Valuation & Risks

Neosperience reported a good set of 2021 results, characterised by growing revenues and margins, driven by a good organic performance coupled with the consolidation of the companies acquired in recent years, which aim at strengthening the group's know how in the fields of the Artificial Intelligence and Healthtech.

On the back of FY-21 results release, **we have updated our model** in order to factor in a fine-tuning with regard to growth rates as well as to the cost structure, in line with 2021 figures. The combined result is a **5.0% reduction in Revenues and an 8.7% increase in EBITDA on average in 2022-23**. Moreover, **we lowered our Net Financial Position forecasts** on the back of higher than expected NFP in 2021.

Table 5 – Neosperience, 2022e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	28.2	29.3	(3.9)	(1.2)
EBITDA	8.2	7.2	12.8	0.9
% margin	29.0	24.7		
EBIT	3.2	3.0	3.7	0.1
% margin	11.2	10.4		
Net Profit	1.7	1.7	(2.4)	(0.0)
% margin	6.0	5.9		
Y/E net debt/(cash)	4.4	(1.2)	n.m.	5.6

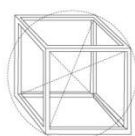
Source: CFO SIM

Table 6 – Neosperience, 2023e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	34.4	37.1	(7.3)	(2.7)
EBITDA	10.1	9.7	4.5	0.4
% margin	29.5	26.2		
EBIT	5.1	5.5	(6.3)	(0.3)
% margin	15.0	14.8		
Net Profit	3.1	3.4	(8.9)	(0.3)
% margin	8.9	9.1		
Y/E net debt/(cash)	0.1	(4.0)	n.m.	4.1

Source: CFO SIM

CFO SIM has updated the DCF valuation criteria, bringing the Free Risk Rate up-to-date and postponed the first valuation projection to 2022. As a consequence, we set a **new DCF-based PT for NSP at € 10.70/s** (€ 10.50), **116.6% upside** to current price levels. We reiterate our **Buy** recommendation on the stock.



9.1. DCF

In our DCF-based valuation, we assess explicit estimates until 2026 and assume a long-term growth rate of 2.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 7 – WACC derived from:

Interest costs, pre-tax	2.0%
Tax rate	30.0%
Int. costs, after taxes	1.4%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	1.05%
Beta levered (x)	1.00
Required ROE	10.0%

Sources: CFO SIM, Thomson Reuters Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all concerns and disquiet an investor might have in relation to the Euronext Growth Milan market segment. **Beta** has been prudentially set **at 1.00**, taking into account the lower liquidity of the company. Indeed, the 5Y Beta calculated by reference to the peer group is 0.94x. The WACC is computed using a sustainable 30:70 debt/equity balance-sheet structure.

Table 8 – Neosperience, DCF model

€ m	2022e	2023e	2024e	2025e	2026e	Term. Val.
EBIT	3.2	5.1	7.0	8.2	9.5	
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	
Operating profit (NOPAT)	2.2	3.6	4.9	5.7	6.6	
Change working capital	(1.3)	(1.1)	(0.8)	(0.5)	(0.3)	
Depreciation	5.0	5.0	5.0	3.5	2.0	
Investments	(3.0)	(3.0)	(3.0)	(2.5)	(2.0)	
Free Cash Flows	3.0	4.5	6.1	6.2	6.4	119.1
Present value	2.8	4.0	5.0	4.7	4.5	84.7
WACC	7.5%	7.5%	7.5%	7.5%	7.5%	
Long-term growth rate	2.0%					

Source: CFO SIM

Table 9 – Neosperience, DCF derived from:

€ m	
Total EV present value € m	105.8
	<i>thereof terminal value</i>
	80.1%
NFP last reported	(7.0)
Pension provision	(1.3)
Minorities (valued at 2.8x P/BV)	(1.7)
Equity value € m	95.8
#m shares (excl. treasury shares)	8.94
Equity value €/s	10.70
<i>% upside/(downside)</i>	<i>116.6%</i>

Source: CFO SIM

The outcome of our DCF model generated an equity value of € 95.8m for Neosperience, € 10.70/s (€ 10.50).

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value of **€ 9.51-12.31/s (perpetuity range between 1.25% and 2.75%)**, while, 2) if compared to changes in the free risk rate, it produces an equity value of **€ 9.65-12.00/s (free risk range between 1.80% and 0.30%)** and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 8.76-13.60/s (risk premium range between 10.5% and 7.50%)**.

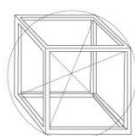


Table 10 – Neosperience, equity value sensitivity to changes in terminal growth rate

€ m	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
Present value of CF	21.1	21.1	21.1	21.1	21.1	21.1	21.1
PV of terminal value	73.9	77.2	80.8	84.7	89.0	93.7	98.9
Total value	95.0	98.3	101.9	105.8	110.0	114.8	120.0
NFP last reported	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Pension provision	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Minorities (valued at 2.8x P/BV)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Equity value	85.0	88.3	91.8	95.8	100.0	104.8	110.0
Equity value/share €	9.51	9.88	10.28	10.70	11.19	11.72	12.31

Source: CFO SIM

Table 11 – Neosperience, equity value sensitivity to changes in free risk rate

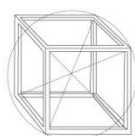
€ m	0.30%	0.55%	0.80%	1.05%	1.30%	1.55%	1.80%
Present value of CF	21.4	21.3	21.2	21.1	21.0	20.9	20.8
PV of terminal value	95.9	91.9	88.2	84.7	81.4	78.3	75.5
Total value	117.3	113.2	109.4	105.8	102.4	99.2	96.3
NFP last reported	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Pension provision	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Minorities (valued at 2.8x P/BV)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Equity value	107.3	103.2	99.3	95.8	92.4	89.2	86.3
Equity value/share €	12.00	11.55	11.12	10.70	10.34	9.98	9.65

Source: CFO SIM

Table 12 – Neosperience, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	21.7	21.5	21.3	21.1	20.9	20.7	20.5
PV of terminal value	109.9	100.2	91.9	84.7	78.3	72.8	67.8
Total value	131.6	121.7	113.2	105.8	99.2	93.5	88.3
NFP last reported	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Pension provision	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Minorities (valued at 2.8x P/BV)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Equity value	121.6	111.7	103.2	95.8	89.2	83.4	78.3
Equity value/share €	13.60	12.50	11.55	10.70	9.98	9.34	8.76

Source: CFO SIM



Market Multiples

Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. The group helps businesses to design their digital transformation process by optimising the digital experience for each customer's personality.

In order to run a market multiple valuation, we set up a list of comparable companies in the **global digital transformation arena**. The list includes both players operating as digital transformation consultants as well as software companies providing their clients with digital technologies able to turn a traditional business into a digital business.

Accenture PLC is a multinational organisation offering management and strategic consulting services as well as technology services and outsourcing solutions in a vast array of industries.

Adobe Inc is a software company offering products and services used by professionals, marketers, knowledge workers, application developers, enterprises and consumers for creating, managing, measuring, optimising and engaging with compelling content and experiences. Its Digital Experience segment provides solutions and services for how digital advertising and marketing are created, managed, executed, measured and optimised.

Alkemy SpA is an Italy-based company engaged in the digital marketing sector. The Company focuses on the development of digital transformation technologies. Its offer comprises the creation of digital and omnichannel strategies, data analytics and CRM tools, the design of online stores, online content production, the development of cross-channel campaigns, social media management, user experience (UX) design, the execution of websites and mobile applications, search engine optimisation (SEO), retargeting, as well as integrated channel planning, among others.

Be Shaping the Future SpA offers supports to the banking and insurance sectors in redesigning models, performance management, and other related fields. Thanks to a combination of specialist skills, advanced proprietary technologies and considerable experience, the group works with leading financial, insurance and industrial clients to create value and boost business growth.

Digital360 SpA is a leading Italian B2B player in the digital innovation arena, offering support to companies and the public administration in understanding and implementing digital innovation processes. Established in 2012, the company runs a match-making platform for the demand for and supply of digital innovation.

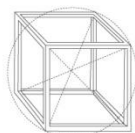
dotDigital Group PLC provides software, service technology and tools for digital marketing. Furthermore, it offers Software as a Service (SaaS) technologies, email marketing consultancy and managed services for businesses.

Gartner Inc provides research and analysis on the computer hardware, software, communications, and related information technology industries. The company's business segments include research, consulting, measurement, events, and executive programs

Growens SpA is a leading international scaleup company in the European Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 23,000 clients in 115 countries with a wide range of solutions.

HubSpot Inc provides a cloud-based marketing and sales software platform. The company offers integrated applications that help in lead generation and social marketing.

Kaleyra Inc provides cloud communication services. The company manages integrated multi-channel communication services using messages, push notifications, e-mail, instant messaging, voice, and chat bot services. Kaleyra serves customers worldwide.



Maps SpA is an Italy-based IT company, which provides data management solutions. The company develops technological solutions for the acquisition of information by extracting it from unstructured data and turning it into usable knowledge.

Reply SpA is a highly specialised group, supporting leading industrial firms in defining and developing business models to optimise and integrate processes, applications and devices, using new technology and communication paradigms, such as Big Data, Cloud Computing, Digital Communication, Internet of Things, Mobile and Social Networking.

Salesforce.Com Inc focuses on customer relationship management (CRM) technology. The company's Customer 360 platform delivers a source which connects customer data across systems, applications and devices to help companies sell, service, market and conduct commerce from anywhere.

TechTarget Inc operates a portfolio of industry-specific portals. The company focuses on portals that deliver resources to information technology professionals within specific vertical market segments.

Based on CFO SIM estimates, Neosperience shows **higher-than-median Sales, EBITDA, EBIT and EPS CAGR as well as EBITDA margin.**

Table 13 – Neosperience, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	% EBITDA margin	% Sales CAGR ₂₁₋₂₄	% EBITDA CAGR ₂₁₋₂₄	% EBIT CAGR ₂₁₋₂₄	% EPS CAGR ₂₂₋₂₄ /EBITDA	NFP
Accenture PLC	UK	201,891	56,120	10,391	18.5%	16.1%	20.8%	17.2%	10.8%	n.m.
Adobe Inc	USA	194,560	16,005	7,813	48.8%	14.1%	19.0%	21.7%	15.9%	n.m.
Alkemy SpA	IT	105	107	12	11.6%	10.7%	21.5%	26.3%	19.3%	1.4
Be Shaping the Future SpA	IT	445	255	43	16.8%	-0.4%	-7.2%	9.6%	14.8%	n.m.
Digital360 SpA	IT	87	34	7	20.2%	26.1%	28.0%	41.4%	34.0%	n.m.
dotDigital Group PLC	UK	293	75	24	32.4%	9.4%	6.3%	7.5%	5.7%	n.m.
Gartner Inc	USA	22,121	4,807	975	20.3%	11.6%	6.0%	5.6%	14.1%	1.5
Growens SpA	IT	78	82	8	9.5%	22.6%	39.5%	56.7%	53.5%	0.1
HubSpot Inc	USA	20,418	1,558	199	12.8%	29.2%	n.m.	n.m.	49.8%	n.m.
Kaleyra Inc	USA	229	354	30	8.6%	30.9%	n.m.	n.m.	n.m.	2.8
Maps SpA	IT	40	24	6	25.8%	n.a.	44.5%	n.a.	26.5%	0.7
Reply SpA	IT	5,658	1,727	290	16.8%	12.9%	10.2%	10.6%	10.8%	n.m.
Salesforce.Com Inc	USA	189,965	28,940	8,742	30.2%	19.6%	49.8%	165.8%	26.8%	n.m.
TechTarget Inc	USA	2,180	276	108	39.4%	14.8%	47.2%	65.3%	19.3%	0.1
Median		1,313	315	76	19.4%	14.8%	21.1%	21.7%	19.3%	1.1
Neosperience SpA	IT	45	28	8	29.0%	24.6%	26.3%	67.6%	59.4%	0.5

Sources: CFO SIM, Thomson Reuters Eikon

Table 14 – Neosperience, peer group EV multiple table

EV multiples x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Accenture PLC	3.47	3.13	2.84	18.8	16.8	15.1
Adobe Inc	12.05	10.30	8.91	24.7	21.0	18.2
Alkemy SpA	1.14	0.99	0.86	9.9	8.1	6.8
Be Shaping the Future SpA	1.65	1.47	1.88	9.8	8.4	14.7
Digital360 SpA	2.47	1.75	1.46	12.2	9.2	7.2
dotDigital Group PLC	3.22	2.91	2.53	9.9	9.2	8.2
Gartner Inc	4.90	4.36	4.05	24.2	21.5	19.7
Growens SpA	0.95	0.82	0.50	10.0	7.9	4.4
HubSpot Inc	12.58	9.66	7.57	98.3	71.6	48.6
Kaleyra Inc	0.89	0.74	0.54	10.3	8.4	5.0
Maps SpA	1.84	n.a.	n.a.	7.1	5.0	4.0
Reply SpA	3.10	2.74	2.38	18.4	16.3	14.5
Salesforce.Com Inc	6.41	5.20	4.15	21.2	17.6	14.6
TechTarget Inc	7.94	6.68	5.76	20.2	16.3	13.1
Median	3.16	2.91	2.53	15.3	12.7	13.8
Neosperience SpA	1.74	1.31	0.98	6.0	4.4	3.3
% premium/(discount) to median	(44.7)	(55.2)	(61.4)	(60.7)	(65.3)	(76.3)

Sources: CFO SIM, Thomson Reuters Eikon

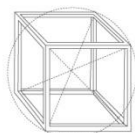


Table 15 – Neosperience, peer group EV & price multiple table

EV & Price multiples x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Accenture PLC	22.9	20.4	18.3	32.0	28.6	26.0
Adobe Inc	26.9	22.7	19.2	33.7	28.8	25.1
Alkemy SpA	12.6	10.0	8.2	16.0	13.1	11.3
Be Shaping the Future SpA	15.7	12.8	12.5	29.3	24.8	22.3
Digital360 SpA	21.1	15.2	10.7	30.6	22.7	17.1
dotDigital Group PLC	14.4	13.3	11.5	21.2	20.2	19.0
Gartner Inc	31.0	28.2	24.5	41.1	35.2	31.5
Growens SpA	25.7	17.0	10.2	31.4	21.1	13.3
HubSpot Inc	139.1	94.7	56.9	181.2	124.9	80.7
Kaleyra Inc	n.m.	n.m.	n.m.	n.m.	n.m.	n.a.
Maps SpA	12.3	n.a.	n.a.	15.8	11.3	9.9
Reply SpA	22.5	19.8	17.5	33.4	29.9	27.2
Salesforce.Com Inc	31.7	24.6	18.3	43.6	34.3	27.2
TechTarget Inc	23.6	18.9	14.8	30.1	24.8	21.1
Median	22.9	19.4	16.2	31.4	24.8	22.3
Neosperience SpA	15.6	8.7	5.6	26.6	14.6	10.5
% premium/(discount) to median	(32.1)	(55.0)	(65.2)	(15.4)	(41.2)	(53.0)

Sources: CFO SIM, Thomson Reuters Eikon

We applied a **25.0% discount** to the peer multiple median in order to factor in the smaller size of Neosperience and the lower liquidity of the NSP stock, on the back of its listing on the Euronext Growth Milan market. On the other hand, Neosperience unveils higher-than-median Sales, EBITDA, EBIT and EPS CAGR as well as EBITDA margin, thus reducing the potential discount applicable. By applying the peer group EV/EBITDA multiple median (discounted by 25.0%) to Neosperience's metrics, we get an **appraisal of Neosperience to the tune of € 9.80/s** (€ 12.20), using 2022 estimates and multiples.

Table 16 – Neosperience, equity value assessment, 1#3

Neosperience Equity Value € m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Median Peers (x)	3.16	2.91	2.53	15.3	12.7	13.8
Neosperience metric	28.2	34.4	40.0	8.2	10.1	12.0
NFP	(4.4)	(0.1)	5.7	(4.4)	(0.1)	5.7
Minorities (valued at 2.8x P/BV)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Neosperience Equity Value	60.6	73.3	79.9	87.8	95.1	127.9
Neosperience Equity Value/share €	6.79	8.20	8.94	9.80	10.64	14.31
% upside/(downside)	37.4	66.0	81.0	98.9	115.4	189.8

Sources: CFO SIM, Thomson Reuters Eikon

Table 17 – Neosperience, equity value assessment, 2#3

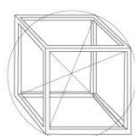
Neosperience Equity Value € m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Median Peers (x)	22.9	19.4	16.2	31.4	24.8	22.3
Neosperience metric	3.2	5.1	7.0	1.7	3.1	4.3
NFP	(4.4)	(0.1)	5.7			
Minorities (valued at 2.8x P/BV)	(1.7)	(1.7)	(1.7)			
Neosperience Equity Value	48.2	73.0	88.3	39.7	57.1	71.5
Neosperience Equity Value/share €	5.40	8.17	9.88	4.45	6.39	8.00
% upside/(downside)	9.2	65.4	100.1	(10.0)	29.4	62.0

Sources: CFO SIM, Thomson Reuters Eikon

Table 18 – Neosperience, equity value assessment, 3#3

€/s	FY1	FY2	FY3
EV/EBITDA	9.80	10.64	14.31
Weighting	100.0%	0.0%	0.0%
Equity Value	9.80		
% upside/(downside)	98.4%		

Sources: CFO SIM, Thomson Reuters Eikon



9.3. Peer Stock Performance

Neosperience was listed on Euronext Growth Milan on **20th February 2019 at € 3.42/share**, corresponding to a post-money **market capitalisation of € 22.1m**. Neosperience now trades well above the IPO price, +44.4% since the IPO. The stock reached a 1Y intraday maximum price of € 6.88/s on 18-Aug-21 and a minimum price of € 4.39/s on 07-Mar-22.

Table 19 – Neosperience, peer group and indexes absolute performance

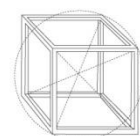
%	1D	1W	1M	3M	6M	YTD	1Y
Accenture PLC	(0.4)	3.7	5.7	(18.5)	5.4	(18.7)	22.1
Adobe Inc	(1.0)	5.4	(0.8)	(20.1)	(20.9)	(19.7)	(4.2)
Alkemy SpA	(1.4)	0.3	1.4	(19.6)	1.4	(19.6)	82.5
Be Shaping the Future SpA	(0.3)	(0.2)	-	18.2	50.2	18.2	112.4
Digital360 SpA	0.2	6.8	11.5	(8.5)	(7.0)	(8.5)	76.0
dotDigital Group PLC	(0.1)	(6.0)	21.6	(57.0)	(65.7)	(58.2)	(50.5)
Gartner Inc	(1.4)	0.4	6.6	(10.6)	(2.1)	(11.0)	62.9
Growens SpA	(0.4)	1.6	13.0	2.4	15.0	2.4	18.2
HubSpot Inc	(6.0)	0.1	(4.9)	(28.4)	(29.8)	(27.9)	4.6
Kaleyra Inc	(1.6)	(11.9)	(15.2)	(38.7)	(45.7)	(40.4)	(57.6)
Maps SpA	(1.7)	(1.7)	(1.2)	(12.7)	(17.3)	(12.7)	54.5
Reply SpA	(1.4)	1.8	5.7	(16.1)	(5.9)	(16.1)	39.0
Salesforce.Com Inc	(1.2)	(0.8)	3.7	(16.8)	(21.7)	(16.5)	0.2
TechTarget Inc	(0.3)	(0.8)	12.1	(16.2)	(1.4)	(15.0)	17.0
Median	(1.1)	0.2	4.7	(16.5)	(6.4)	(16.3)	20.1
Neosperience SpA	(3.9)	5.1	(1.6)	(12.4)	(23.1)	(12.4)	(15.7)
MSCI World Index	(1.4)	0.4	3.8	(5.7)	1.5	(5.5)	8.6
EUROSTOXX	(1.3)	1.1	4.7	(9.3)	(4.2)	(9.2)	0.6
FTSE Italia All Share	(1.2)	2.5	4.4	(8.8)	(3.1)	(8.8)	1.8
FTSE Italia STAR	(1.8)	1.9	3.4	(15.1)	(7.8)	(15.1)	12.1
FTSE Italia Growth	(1.2)	(0.0)	2.9	(9.5)	(3.9)	(9.5)	20.5

Source: Thomson Reuters Eikon

Table 20 – Neosperience, relative performances

%	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	(2.5)	4.7	(5.4)	(6.7)	(24.6)	(6.9)	(24.3)
to EUROSTOXX	(2.6)	4.0	(6.3)	(3.1)	(18.9)	(3.2)	(16.3)
to FTSE Italia All Share	(2.7)	2.6	(6.0)	(3.6)	(19.9)	(3.6)	(17.5)
to FTSE Italia STAR	(2.1)	3.2	(5.0)	2.7	(15.2)	2.7	(27.8)
to FTSE Italia Growth	(2.7)	5.1	(4.5)	(2.9)	(19.2)	(2.9)	(36.2)
to Peer Median	(2.8)	4.9	(6.3)	4.1	(16.6)	3.8	(35.8)

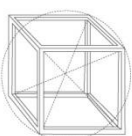
Source: Thomson Reuters Eikon



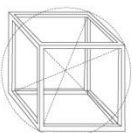
9.4. Risks

The principal investment **risks** associated with Neosperience include:

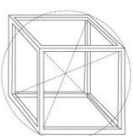
- Fast technological development increasing competitive pressure
- Possible ICT malfunctions;
- Profit margin dilution stemming from the acquisition campaign;
- Impact on the profit & loss and balance sheet profiles triggered by a deep decline in global economic growth and/or geopolitical instability;
- Departure of one, or a few, of the key people;
- M&A execution being hampered by potential consolidating actors in the industry with huge firepower.



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DATE	TARGET PRICE	RATING
01/04/2022	€10.70	BUY
15/12/2021	€10.50	BUY
30/09/2021	€10.00	BUY
29/07/2021	€10.00	BUY

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- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/-15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated

