

# Project HUI

## Financial Analysis & Indicative Valuation

13 September 2024



Strictly private and confidential



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HUI Srl  
Attn. Mr. Luigi Rinaldi  
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71051 Isole Tremiti, Foggia (IT)

Dear Mr. Rinaldi,

**Subject: Project HUI - Financial Analysis and Indicative Valuation**

We report on HUI Srl (the 'Company') in accordance with our contract dated 21st of March 2024 (Appendix).

This report, which comprises 2 main sections (**Section 1: Financial Analysis**; **Section 2: Indicative Valuation**), has been prepared to support the envisaged listing of HUI Srl at the Direct Market segment of the Vienna Stock Exchange ("Direct Market Vienna").

Save as described in the contract or as expressly agreed by us in writing, we accept no liability (including for negligence) to anyone else or for any other purpose in connection with this report and it may not be provided to anyone else. It is also agreed that this report will only be used for your internal decision making process in connection with the envisaged listing, but it will not be shared with the Vienna Stock Exchange or used as part of any listing application documents.

Yours faithfully

PwC Transaction Services

A handwritten signature in blue ink, appearing to read "Günther Reiter".

ppa. Günther Reiter

A handwritten signature in blue ink, appearing to read "Eibisberger".

Gerald Eibisberger

# Contents

<b>Financial analysis</b>	<b>5</b>
1 Company overview	6
2 Key milestones	7
3 Business model	8
4 Business and social apps	9
5 Revenue generating channels	10
6 Pricing list	11
7 Related parties	12
8 Basis of preparation	13
9 Income statement	14
10 YTD24 Act vs. Bud	15
11 Headcount	16
12 Net assets	17
13 Net debt	18
14 Cash flow statement	19
<b>Indicative Valuation</b>	<b>20</b>
15 Valuation overview	21
16 Business Plan	22
17 Investment required	30
18 Venture Capital Method	31



# Contents

19	Financing Round Multiples Method	34
	<b>Appendix</b>	<b>36</b>
20	Contract	37
21	Top customers / suppliers	47
22	Balance sheet	48
	<b>Glossary</b>	<b>49</b>

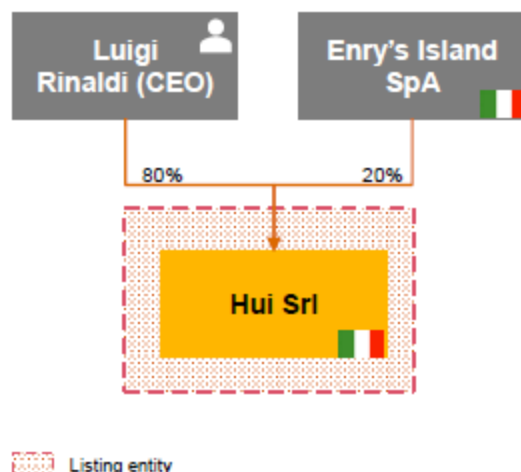


# Financial analysis

<b>Financial analysis</b>	<b>5</b>
1 Company overview	6
2 Key milestones	7
3 Business model	8
4 Business and social apps	9
5 Revenue generating channels	10
6 Pricing list	11
7 Related parties	12
8 Basis of preparation	13
9 Income statement	14
10 YTD24 Act vs. Bud	15
11 Headcount	16
12 Net assets	17
13 Net debt	18
14 Cash flow statement	19

**Company overview** – HUI Srl provides a digital platform with multiple Apps, which allows to plan, manage and monitor the key functions and business processes of Start-Up companies. The company plans to be listed on the Direct Market segment of the Vienna Stock Exchange ("Direct Market Vienna"), with the goal to secure further investments. HUI signed an investment commitment of up to €25m with the American venture capital fund 'Nimbus Capital'.

## Legal structure



## Company overview

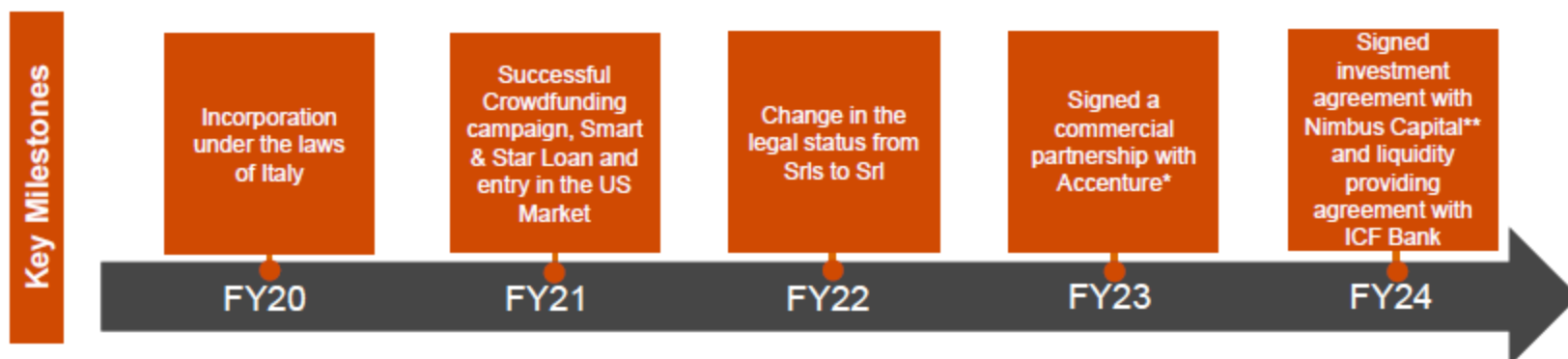
HUI Srl is an Italian company specializing in **technology and software solutions** for start-up founders. Their suite of tools include multiple apps with ERP (Enterprise Resource Planning) functionalities, which can help start-up founders efficiently manage various aspects of their business operations. HUI allows to plan, manage and monitor the **key functions and business processes** of Start-Up companies.

Moreover, Start-up founders can leverage the dedicated section of the platform to conduct research and establish **connections with potential investors, incubators and accelerators**. This feature enhances the likelihood of securing capital and expands the network of valuable connections, thereby increasing both the volume and value of opportunities.

On the other hand, investors have the possibility to conduct research, monitor, and **invest in any promising start-up** within the HUI Ecosystem through the dedicated section of the platform. This feature provides investors with a streamlined and efficient way to explore investment opportunities and actively participate in the growth of start-ups. At the same time it provides a platform for investors to access key strategic performance indicators (KPIs), in order to manage their entire investment portfolio.

The company is managed by the founder & CEO Luigi Valerio Rinaldi and the COO Gabriele Dadò.

**Key milestones** – The company is a limited liabilities company ("società a responsabilità limitata"), incorporated under the laws of Italy in FY20 and its headquarter is registered in Pescara (IT). It was incubated and supported by its minority shareholder Enry's Island SpA, which provided HUI with technical competencies, as well as monetary support and physical office spaces. The company will be changing its legal status to a joint stock company 'SpA' in order to issue shares prior to its listing on the Vienna Stock Exchange. HUI secured a €0.3m seed round in FY21 and signed a further investment commitment of up to €25m with the venture capital fund 'Nimbus Capital' recently.



**\* Accenture commercial partnership**

HUI Srl signed a commercial partnership with Accenture in Jul23. However so far no sales have been realised as management stated that the sales will only start once Hui 2.0. will be launched which is expected to be in 2H24.

**\*\* Up to €25m pre-commitment by Nimbus Capital**

HUI Srl signed an investment commitment with the venture capital fund 'Nimbus Capital', which allows the company to issue put options that can be exercised for a total value of up to €25m in exchange for shares in the company. The agreement does not include an obligation, but a right to sell HUI shares.

**Business model** – HUI addresses in particular two essential target groups with its platform and apps. On one hand, it directly targets professionals, entrepreneurs and start-ups and their specific needs (B2C), on the other hand, it aims to address incubators, accelerators, and investors (B2B). HUI intends to empower them to create their own 'ecosystem' for themselves and their investments and clients via social engagement apps.

### HUI Business model

HUI provides a digital Software as a Service (SaaS) platform with 14 Business Apps and 7 Social Engagement Apps, specifically designed to comprehensively manage the processes and needs of start-up companies. The Business Apps ('HUI Desk') are interconnected and support users manage their operations, as well as their fundraising activities. HUI Desk thereby serves as an integrated ERP system with its own accounting and controlling environment enhancing the capacity of monitoring the life cycle of individual projects of start-up companies thus guaranteeing efficient use and allocation of capital. By using HUI Desk, start-ups are furthermore enabled to launch and manage their fundraising campaign, including crowdfunding projects under Italian and US/Canadian capital market rules (i.e. Consob/Banca di Italia for Italy and Securities and Exchange commission for US/Canada).

The Social Engagement Apps ('HUI Play') work like a social network and are designed to connect all stakeholders. On the one hand, the target customers of HUI are startups who can manage their business functions on the platform, and on the other hand, also incubators and accelerators are addressed who provide key early stage services to startups, thereby essentially forming a whole start-up eco system.

In the Metaworld of HUI single individuals are called 'Islanders', start-ups and projects are called 'Islands' and the ecosystem provided by incubators, accelerators, and investors are called 'Archipelagos'. An Archipelago consists of several Islands, while an Island can comprise several Islanders. However, an Islander can have access to more than one Island and an Island can be part of more than one Archipelago.

Although Islanders, Islands and Archipelagos are planned to use the platform during an average 3-year time frame, Enry's Island entered into an agreement on the 21st of April 2020 for the use of HUI by Enry's Island for 20 years. However, we want to stress out, that Enry's Island is a related party.

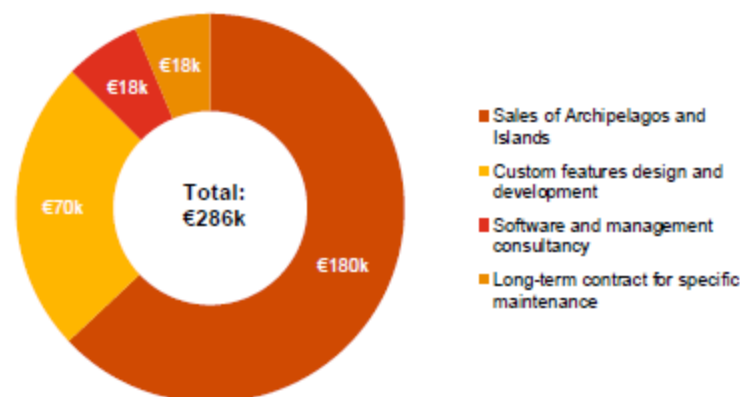


**Business and social apps** –The success model of HUI revolves around the integration of both business and social features within a single platform. Additionally planned AI functions will help to enhance the users experience.



**Revenue generating channels** – Sales in FY23 relate to **technical services** for custom features, consulting and maintenance to the related party Enry's Islands (€106k in FY23). **Operating revenues** relate to user subscriptions, in-app purchases and other transaction fees. The provided SaaS services are generally **pre-paid**. **Future growth drivers** are the expansion into international markets, continuous investments in R&D and product innovation (e.g. AI, HUI Meta with focus on the metaverse and videogames), fundraising and market listing (€25m commitment by Nimbus Capital and listing on the Vienna Stock Exchange), strategic partnerships (e.g. Accenture Spa, ICF Bank), as well as sustainability and corporate responsibility. Additionally, a proprietary coin 'HUI Coin' based on the Stellar blockchain was developed. Users earn HUI coins for actions performed on the platform. Only B2B users are able to monetize the coins through FIAT currency, but from FY24 also B2C users will be able to do so.

### Revenue Streams FY23 - HUI Srl



### Revenue generating channels

HUI Srl provides Software as a Service by means of a digital platform that encompasses multiple apps with ERP functionalities. Revenues are generally divided between operating (1.) and technical revenues from the related party Enry's Island (2.-4.):

1. **Sales of Archipelagos and Islands:** The main revenue sources are from subscriptions, in-app purchases, one-off fees for the facilitation of crowdfunding campaigns and transaction fees for the sale of third party services on the platform. This revenue channel includes €30k from related party sales to Enry's Island. Please refer to the following slides for an overview of the revenue channels, the pricing list and of the available business apps, as well as apps for the social engagement and communication.
2. **Custom features design and development** relates to software customizations for Enry's Islands in the amount of €70k in FY23.
3. **Software and management consultancy** relate to software analysis and consultancy services provided to Enry's Islands in the amount of €18k in FY23.
4. **Long-term contract for specific maintenance** relates to design, maintenance and support services to Enry's Islands in the amount of €18k in FY23.

The reconciliation difference in the amount of €16k between the revenue streams and the PL statement relates to a credit note from FY22.

The in-app purchases for various functionalities and/or credits are pre-paid (SaaS) through PayPal. All transactions are executed in EUR. Transaction fees for goods/services sold on the peer-to-peer marketplace are collected at the moment of the sale and simultaneous payment. For commission agreements from crowdfunding and fundraising activities, the payment terms are generally 15 days after a successful closing.

**Pricing list** – The pricing model is based on the company's target stakeholders (Islanders, Islands and Archipelagos), which mainly works on a subscription basis.

Islanders	Pricing
Peer to Peer Data Purchase transaction fee	from 0% to 20%
HUI Coins Package purchase	from €10 to €40k
HUI Parcel Purchase	from €2k

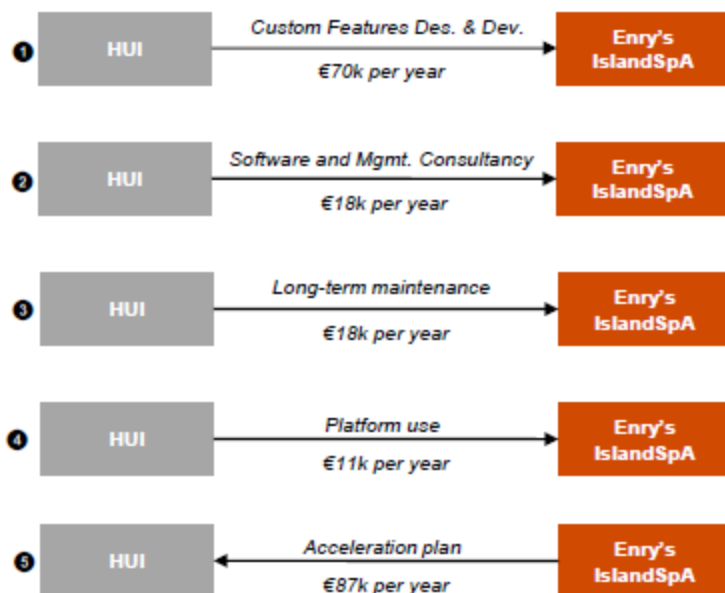
Islands	Monthly subscription	Yearly subscription
Basic	€ 29	€ 249
Silver	€ 49	€ 449
Gold	€ 99	€ 899
API& Automation Purchase	€ 99	
Peer to Peer Data Purchase transaction fee	from 0% to 20%	
HUI Coin Package Purchase	from €10 to €40k	
HUI Parcel Purchase	from €2k	

Archipelagos	Pricing
Archipelago Sales & customization	from €20k
HUI Coin Package Purchase	from €10 to €40k
HUI Parcel Purchase	from €2k

### Pricing models

- **Islanders** are the users of the platform, which can buy data, HUI Coins and Parcels (relate to HUI Coin packs, starting at 100 coins, with an exchange rate of 1 HUI Coin equal to €0.10).
- An algorithm allows to give a rate to the activities and skills of a user, in order to perform a qualitative and quantitative assessment and evaluation of the user.
- **Islands** refers to the individual startups, which usually subscribe to various apps and request multiple accounts. HUI offers 14 business apps and 7 social engagement apps. Please refer to the next page for an overview of the available apps on the platform.
- **Archipelagos** is the international corporates ecosystem, which combines various 'Islands'.

**Related parties**— The company has several agreements and transactions in place with its shareholder Enry's Island SpA, such as technical, financial and operational support. Enry's Island signed a 20-year agreement with HUI for the use of the platform for its entire ecosystem of over 30 portfolio entities. Therefore, HUI is currently strongly depended on the development of the related party company Enry's Island.



### Related parties

1. HUI provided **Custom Features Design & Development** services to Enry's Island SpA in the amount of €70k in FY23, which were related to software customizations.
2. HUI provided **Software and Management Consultancy** services to Enry's Island SpA in the amount of €18k in FY23, mainly related to software analyses.
3. HUI has a **long-term contract for specific maintenance** with Enry's Island SpA in the amount of €18k in FY23, mainly related to technical maintenance and support.
4. Enry's Island SpA signed a 20-year agreement with HUI for the use of the Company's **platform**. The yearly fee amounts to €11k.
5. Enry's Island SpA supports the ramp-up of HUI's operations with an **acceleration plan**. The total cost incurred by HUI in FY23 amounted to €87k.

**Basis of preparation** – The annual Financial Statements of the Company are prepared under Italian GAAP and are not subject to an audit. No monthly trial balances, intra-year and consolidated Financial Statements are prepared. Controlling and management activities are performed using the company own HUI platform, and mainly consist in reviewing industry relevant KPIs.

### Basis of preparation and financial reporting procedures

#### Financial reporting

The financials of the Target are prepared under Italian GAAP (OIC) and are expressed in EUR. The Target was not subject to an audit in FY22-23. We understand that there were no significant changes in accounting policies over the periods presented and costs and incomes have been accrued to the corresponding fiscal years. No monthly/quarterly reports were provided to us, as no monthly accounting procedures/management reports are prepared. HUI Srl is not part of a Group nor is it part of the consolidation circle of any other entity.

#### Finance team and internal accounting

HUI Srl is using its own platform for internal reporting/business management, No internal accounting reports are created on a recurring basis. Controlling and reporting procedures merely include the monitoring of key KPIs, development costs and the preparation of (unaudited) annual reports. Key financial and non-financial KPIs are mainly drawn from the P&L statement (e.g. revenue, gross profit, overheads, FTEs, etc.), as well as Islands, users, churn rates, active archipelagos, projects/open tasks and the active pipeline.

The Target has two employees, however receives support from the related party entity Enry's Island. The accounting department includes 1 headcount, with Emmanuelle Deba as Corporate Manager. The financial department is supported by external consultants to the extent required.

Accounting functions (e.g. bookkeeping, customer/supplier invoicing, etc.) are performed in-house, whilst payroll accounting, annual accounts, tax settlements, etc. are outsourced to local accountancy firms.

#### Basis of preparation

The financial information presented in this report is based on the unaudited annual reports for the years FY21/Dec21, FY22/Dec22 and FY23/Dec23 provided by the Target. We used the balance sheet (BS) structure of HUI Srl as shown in the individual annual report and reclassified the single line items to show it in a net assets statement structure. The mapping of the BS positions was based on the descriptions provided by management. We highlight that the NWC / ND classification is only indicative, and based on our view and understanding. Thus, there are differences between the BS as shown in the individual Financial Statements and our report. The shown P&L of the entity is based on the individual Financial Statements and some line items were reclassified according to the provided information and nature.

**Income Statement** – The reported net sales increased from €71k in FY22 to €269k in FY23, mainly driven by an increase in users and start-ups, as well as extraordinary technical support to the related party Enry's Island (€106k in FY23). EBITDA increased from €22k in FY22 to €0.1m in FY23, mainly due to top-line growth, which was partly off-set by ramp-up costs amounting to €87k (acceleration plan by Enry's Island).

#### Income statement - HUI

€ in thousands	FY21 Act	FY22 Act	FY23 Act	CAGR FY21-23	Var. % FY22-23
(1) Net sales	22	71	269	250.3%	277.2%
(2) Material expenses & purch. serv.	(5)	(17)	(94)	334.2%	443.9%
Gross profit	17	54	176	221.8%	224.3%
Other operating income	11	0	0	(97.3%)	(27.3%)
(3) Personnel expenses	(26)	(32)	(40)	24.3%	23.8%
(4) Other operating expenses	(1)	(1)	(12)	328.4%	1809.2%
EBITDA	2	22	125	754.8%	475.3%
(5) Depreciation	(0)	(7)	(8)	872.8%	10.8%
EBIT	2	15	117	748.4%	697.4%
Financial result	(0)	(1)	(0)	489.5%	(63.9%)
EBT	2	14	117	748.9%	746.3%
(6) Income taxes	-	(5)	(35)	n/a	580.8%
Net income	2	9	82	611.2%	843.8%
<b>KPIs</b>					
As % of net sales					
Gross profit	77.4%	75.9%	65.3%		
Personnel expenses	(116.9%)	(44.8%)	(14.7%)		
Other operating expenses	(2.9%)	(0.9%)	(4.4%)		
EBITDA	7.8%	30.3%	46.2%		
EBIT	7.4%	20.5%	43.3%		
Avg. FTEs	1.0	1.0	1.3	11.8%	25.0%
Personnel exp. / FTE (in €k)	(26)	(32)	(32)	11.2%	(0.9%)

- Net sales** increase (CAGR of +250.3%) is largely driven by an increase in portfolio and user volume, as well as extraordinary technical support services to the related party Enry's Island. The increased requirement for homeworking and collaborative, web-based working solutions caused by COVID-19 had a positive effect on the user and island growth. The main revenue streams in FY23 were the subscription fees for Islands and Archipelagos (€180k), custom feature designs and developments (€70k), software and management consultancy services (€18k) and long-term contracts for specific maintenance services (€18k). For further details please refer to the Sales & portfolio overview.
- Material expenses & purch. serv.** mainly include costs for the activation of an acceleration plan (ramp-up) for HUI by the related party Enry's Island SpA in the amount of €87k in FY23.
- Personnel expenses** increased between FY22-23 by 23.8% mainly due to the hiring of a new employee during 4Q23. Thus, the personnel expenses per FTE remained on a constant level of €32k in FY22-23.
- Other operating expenses** mainly relate to royalties for the use of the model from the related party Enry's Island.
- Depreciation** relates to the depreciation of intangible assets (€8k in FY23).
- Income Taxes** mainly relate to the corporate income tax 'IRES', which amounted to €35k in FY23.

**YTD24 Act vs Bud** – We understand that the 1H24 actual sales are behind the 1H24FC and also the cost ramp-up (e.g. hiring of employees) and other activities are behind the plan. However, management provided preliminary sales figures for July and August 2024, that indicated that the company was able to recover most of the sales short fall against budget in 1H24 during these months and it seems the sales trend per Aug24 is roughly in line with the YTD24 forecast (no trial balance or other P&L data was available per Aug24 to update the P&L analysis for YTD Aug24).

## YTD 24 Act vs Bud - HUI

€ In thousands	FY24				Var. % 1H24A vs. 1H24P
	1H24 Act	1H24 Plan	YTG24 FC	FY24 Plan	
Monthly Subscriptions	46	143	363	408	(68.1%)
Yearly Subscriptions	104	103	145	249	0.8%
API & Automations Purchase	9	16	27	36	(45.1%)
Archipelago Sales	-	189	378	378	(100.0%)
R2P Data Purchase	-	7	16	16	(100.0%)
Coins Purchase	98	8	(77)	21	>100%
Parcels Purchase	-	-	19	19	0.0%
[1] Net sales	257	467	870	1,127	(46.0%)
AI Development	-	(72)	(102)	(102)	(100.0%)
SPA Development	(10)	(198)	(260)	(270)	(95.1%)
Blockchain Development	(10)	(240)	(342)	(352)	(95.9%)
Product Maintenance	(22)	(15)	(21)	(43)	39.9%
Product	(41)	(525)	(726)	(767)	(82.2%)
Team Market	(42)	(88)	(133)	(175)	(51.8%)
Marketing Campaign	(8)	(49)	(98)	(106)	(83.0%)
Market	(50)	(136)	(231)	(281)	(82.8%)
Fundraising Unit Management	(18)	(18)	(17)	(35)	0.0%
Fundraising Specialist	(12)	(13)	(13)	(25)	(0.0%)
Fundraising	(30)	(30)	(30)	(60)	0.0%
Corporate	(25)	(155)	(231)	(256)	(83.8%)
[2] Total Costs	(146)	(846)	(1,217)	(1,364)	(82.7%)
EBITDA	110	(379)	(347)	(237)	(129.1%)
KPIs					
As % of net sales					
Product	(16.0%)	(112.6%)	(83.4%)	(68.0%)	
Market	(19.6%)	(29.1%)	(26.5%)	(25.0%)	
Fundraising	(11.7%)	(6.4%)	(3.4%)	(5.3%)	
Corporate	(9.7%)	(33.1%)	(26.5%)	(22.7%)	
EBITDA	48.0%	(81.2%)	(88.9%)	(21.0%)	
Run rates					
Net sales	22.8%	41.4%	77.2%	100.0%	
Total Costs	10.7%	62.0%	89.3%	100.0%	

1. **Net sales** generated in 1H24 Act were €210k behind Plan, mainly driven by a lack of Archipelago sales which were initially budgeted with €189k. Consequently, the company achieved only 22.8% of its FY24 Plan (1H24Plan 41.4%).
2. **Total costs** were €699k below the planned figures of €846k in 1H24. Specifically, product expenses were €484k less than the planned 1H24. The total costs for 1H24 represent a run rate of 10.7% compared to the FY24 plan, which is 51pp below the planned figures for 1H24.

**Headcount per category** – The increasing number of headcounts is driven by the ramp-up and expansion of business operations. HUI has 2 employees on payroll (Corporate) as per Dec23 and contracts additional professional services through its network on the platform.

### Headcount per category

	2020	2021	2022	2023
Corporate	1	1	1	2
Product	2	2	1	1
Fundraising	-	1	1	1
Market	-	-	1	2
<b>Total HC</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>6</b>
Labour costs & ext. serv. (in €k)	11	24	53	42

### Headcount per category

HUI constantly increased the number of Headcounts from 4 in FY21 to 6 in FY23. Only 1 employee was on payroll until FY23 and an additional FTE was hired in 4Q23 (Corporate). Additionally, the company is using professional services from other users (freelancers and collaborations) through its platform, which mainly relate to product developments, fundraising activities and market developments. The categorization of the headcount is based on the Activities from Enry's Island Model, which are Corporate, Product, Market and Fundraising.



**Net assets** – The net assets increase from €11k as per Dec22 to €1.5m as per Dec23 is driven by a valuation of the HUI software.

### Net assets - HUI

	31Dec21	31Dec22	31Dec23	31Mar24
€ in thousands	Act	Act	Act	Act
Intangible assets	0	28	1,447	1,447
[1] <b>Fixed assets</b>	<b>0</b>	<b>28</b>	<b>1,447</b>	<b>1,447</b>
thereof accounts receivable (customers)	n/av	n/av	374	n/av
Short term receivables	27	82	376	413
Short term liabilities	(26)	(98)	(273)	(345)
Severance provision	(0)	(1)	(3)	(3)
Deferred income	0	-	-	-
[2] <b>Reported net working capital (NWC)</b>	<b>2</b>	<b>(17)</b>	<b>100</b>	<b>65</b>
Subsidised loan by Invitalia MISE	-	-	(29)	n/av
Cash and cash equivalents	1	0	0	5
[3] <b>Reported net financial debt</b>	<b>1</b>	<b>0</b>	<b>(29)</b>	<b>5</b>
<b>Net assets</b>	<b>2</b>	<b>11</b>	<b>1,518</b>	<b>1,517</b>
<b>KPIs</b>				
Total assets	28	109	1,823	1,865
Equity ratio	8.6%	10.1%	83.3%	81.3%

- Fixed Assets** relate to intangible assets, which mainly include software (€1,4m at Dec23) and capitalised R&D costs (€22k at Dec23). The strong increase in software is due the valuation of the HUI Software which was recorded on balance sheet per 31Dec23 via an equity contribution by the shareholders. The entity aims to allocate around 15% of its cash inflows from its sales to R&D.
- Reported net working capital** increased by +€117k from 31Dec22 to 31Dec23, due to the increase in short term receivables, driven by accounts receivables (customers). This was offset by a strong increase of short-term liabilities from €98k as per Dec22 to €0.3m as per Dec23. Short-term liabilities include operating liabilities of €153k and €120k of fiscal debt as per Dec23. For more details we refer to the Net debt analysis in this report.
- Reported net financial debt** mainly relates to a subsidised loan by Invitalia MISE, as well as minor cash balances.

**Net debt**– The reported net financial debt as per Dec23 is with €2k minor. Additional debt-like items relate to a subsidies loan, which consists of an interest-free loan (€29k as per Dec23) and a future grant receivable (not yet accounted).

### Net financial debt - HUI

€ in thousands	31Dec21	31Dec22	31Dec23	31Mar24
	Act	Act	Act	Act
[1] Subsidised loan by Invitalia MISE	-	-	(29)	n/av
[2] Cash and cash equivalents	1	0	0	5
<b>Reported net financial debt</b>	<b>1</b>	<b>0</b>	<b>(29)</b>	<b>5</b>
<b>Debt-/cash-like items</b>				
[3] Severance provision	(0)	(1)	(3)	(3)
<b>Debt-/cash-like items</b>	<b>(0)</b>	<b>(1)</b>	<b>(3)</b>	<b>(3)</b>
<b>PwC adjusted net financial debt</b>	<b>0</b>	<b>(0)</b>	<b>(31)</b>	<b>3</b>

1. **Subsidised loan by Invitalia MISE** was obtained in relation to the program Smart & Start launched by the Italian government (Invitalia-MISE). The total amount that is expected to be received by HUI amounts to €40k, but only €29k (70%) will be repaid interest free. The remaining amount represents a non-repayable grant and is not yet reflected in the Balance sheet, as it becomes a right-only asset upon the repayment of the €29k interest-free loan. We treat any external financing items as debt-like items.
2. **Cash and Cash equivalents** relates to minor cash balances held in the company's bank account.

#### Debt-/cash-like items

3. **Severance provision** – The 'TFR' ('Trattamento di Fine Rapporto') amounts to €3k at Dec23 and relates to the 2 employees on payroll.

**Cash flow statement**— The companies operating cash flow was with -€82k negative in FY23, as the a strong increase in short-term receivables, exceeded the cash flow from operating profit and the increase in short-term liabilities.

### Cash Flow Statement - HUI

€ in thousands	FY22 Act	FY23 Act	1Q24 Act
EBIT	15	117	(1)
Income taxes	(5)	(35)	-
<b>NOPAT</b>	<b>10</b>	<b>82</b>	<b>(1)</b>
Depreciation	7	8	-
Δ short term liabilities	72	205	43
Δ short term receivables	(54)	(294)	(37)
Δ deferred income	0	-	-
<b>Operating CF</b>	<b>25</b>	<b>(82)</b>	<b>6</b>
Intangible assets *	(27)	-	-
Depreciation (P&L)	(7)	(8)	-
<b>Investing CF</b>	<b>(34)</b>	<b>(8)</b>	<b>-</b>
Other equity changes	0	6	0
Financial result	(1)	(0)	(0)
Provisions	0	2	-
<b>Financing CF</b>	<b>(0)</b>	<b>7</b>	<b>(0)</b>
<b>Variation in cash</b>	<b>(0)</b>	<b>(0)</b>	<b>5</b>
BoP	1	0	0
Variation in cash	(0)	(0)	5
EoP	0	0	5

\* FY23: The increase in intangible assets is based on a revaluation of the software in accordance with Italian GAAP, which was booked against equity, however, there is no direct cash impact.

The **operating CF** in FY23 is negative, due to the increase of short term receivables by +€0.3m at Dec23, which was offset by a rising EBIT performance.

The **investing CF** relates to Depreciation, which amounted to €8k in FY23.

The **financing CF** amounted to €7k in FY23, which is due to the other equity changes.

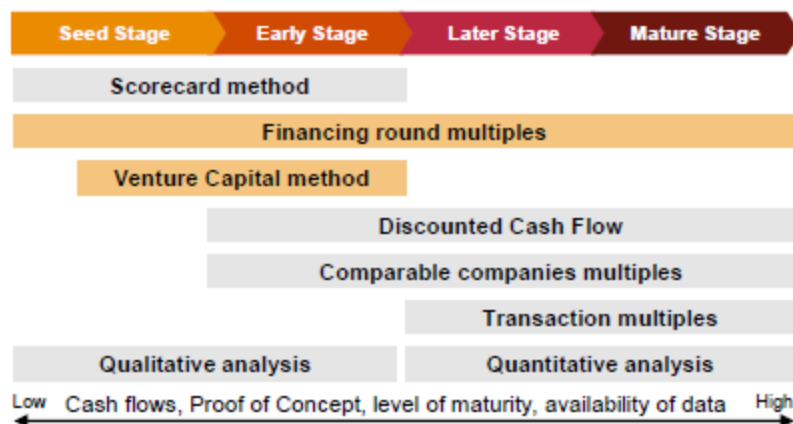


# Indicative Valuation

<b>Indicative Valuation</b>	<b>20</b>
15 Valuation overview	21
16 Business Plan	22
17 Investment required	30
18 Venture Capital Method	31
19 Financing Round Multiples Method	34

**Valuation overview** – The valuation of HUI was conducted within the framework of the underlying Start-Up valuation methods. Based on the stage of HUI and the information available, we selected the Venture Capital method and the Financing Round Multiples method to assess an indicative value range for 100% of the equity of HUI. As of 1H24, both sales and costs, as well as business ramp-up activities were behind plan. However, management provided preliminary figures for July and August 2024, that indicated that the company was able to recover during these months and stay roughly on the track to meet the FY24 sales forecast.

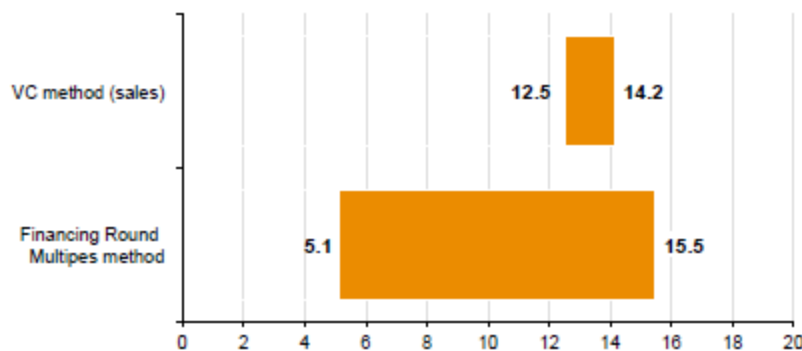
### Overview Start-Up valuation methods



- In practice, company valuations can be carried out using various valuation methods. When valuing a Start-Up, it must be questioned whether and which of the methods commonly used in practice are relevant and whether they can be applied due to the non-existent or very short history of the Start-Up.
- Based on the history and the stage of the target company as well as the information available, we deemed the Venture Capital (VC) method and the Financing Round Multiples method as appropriate and took them into consideration when assessing the value of the company.
- VC method: we derived the parameters in line with current studies, a qualitative company assessment, an exit horizon of 4 to 5 years as well as the planned revenues of the Target. Based on these, we estimate a range for the equity value for a 100% stake in HUI between

**€12.5m to €14.2m.**

### Pre-Money Equity value range of HUI as of 31 December 2023, €m



- Financing Round Multiples method: the value range for the Financing Round Multiples method was assessed based on financing rounds of comparable start-ups and results in a pre-money value range between

**€5.1m to €15.5m.**

**Business plan (Income Statement)** – The business plan provided includes an income statement and a balance sheet and consists of the forecast for FY24 and the planning period from FY25 to FY26. According to the management the business plan provided was prepared for regular internal procedures. The ramp-up and expansion of business operations displayed in the business plan provided is mostly driven by subscription and Archipelagos sales. The net income is expected to increase by ca. 272% during the planning period, amounting to €4,216k by FY26.

### Income statement - HUI Srl

€ in thousands	FY23 Act	FY24 FC	FY25 Plan	FY26 Plan	CAGR FY23-26
Monthly Subscriptions	n/a	408	1 546	2 435	n/a
Yearly Subscriptions	n/a	249	1 139	2 727	n/a
API & Automations Purchase	n/a	36	88	211	n/a
Archipelago Sales	n/a	378	1 312	2 994	n/a
P2P Data Purchase	n/a	16	76	608	n/a
Coins Purchase	n/a	21	55	448	n/a
Parcels Purchase	n/a	19	76	486	n/a
[1] Net sales	269	1 127	4 293	9 909	232.5%
[2] Material expenses & purch. serv.	(94)	(27)	(44)	(81)	(4.7%)
Gross profit	176	1 100	4 249	9 828	282.3%
Other operating income	0	-	-	-	(100.0%)
[3] Personnel expenses	(40)	(1 017)	(1 721)	(3 376)	340.0%
[4] Other operating expenses	(12)	(320)	(444)	(604)	271.4%
EBITDA	125	(237)	2 084	5 847	260.8%
[5] Depreciation	(8)	-	-	-	(100.0%)
EBIT	117	(237)	2 084	5 847	268.6%
Financial result	(0)	-	-	-	(100.0%)
EBT	117	(237)	2 084	5 847	268.8%
Income taxes	(35)	-	(581)	(1 631)	260.7%
[6] Net income	82	(237)	1 502	4 216	272.1%
<b>KPIs</b>					
As % of net sales					
Gross profit	65.3%	97.6%	99.0%	99.2%	
Personnel expenses	(14.7%)	(90.2%)	(40.1%)	(34.1%)	
Other operating expenses	(4.4%)	(28.4%)	(10.3%)	(6.1%)	
EBITDA	46.2%	(21.0%)	48.5%	59.0%	
EBIT	43.3%	(21.0%)	48.5%	59.0%	

Source: Management information, PwC analysis

The valuation of HUI was conducted based on the business plan provided which includes the planning period from FY24 FC to FY26. FY24 represents the forecast based on actual Q1 FY24 figures.

According to the management the business plan provided was prepared for regular internal procedures.

- [1] **Net sales**, consisting of monthly/yearly subscription sales, Archipelagos sales, API & automations purchases, P2P data purchases, coin purchases, and parcels purchases, are expected to increase significantly throughout the planning period, reflecting the ramp-up projected by the management. Generally, the management plans expansion of market activities, supported by additional liquidity expected under the investment agreement with Nimbus Capital and by the improved release of HUI V2.0. The updated version of the platform is expected to go live end of Jul24. For more details on the expected development of the revenue streams, please refer to the following pages.
- [2] **Material expenses** are calculated as 2% of the total costs for miscellaneous expenses. The expected decrease in material expenses in FY24 is due to the internalization of human resources, which resulted in an increase in personnel costs and a decrease in development costs. Similarly as with net sales, HUI's planned material expenses are projected to rise.
- [3] The planned growth in **personnel expenses** is due to an increase in the number of employees which are necessary for the projected ramp-up. According to the business plan, the number of employees in the "market team" shall rise from 2 in FY23 to 17 by FY26. The fundraising team, consisting of a unit manager and specialists, shall also grow (FY23: 1; FY26: 4). When considering the CEO and an

**Business plan (Income Statement)** – We understand that the 1H24 actual sales are behind the FY24FC and also the cost ramp-up (e.g. hiring of employees) and other activities are behind the plan. However, management provided preliminary figures for July and August 2024, that indicated that the company was able to recover and stay on the track as per financial planning for FY24.

### Income statement - HUI Srl

€ in thousands	FY23 Act	FY24 FC	FY25 Plan	FY26 Plan	CAGR FY23-26
Monthly Subscriptions	n/a	408	1 546	2 435	n/a
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Other operating expenses	(4.4%)	(28.4%)	(10.3%)	(6.1%)	
EBITDA	46.2%	(21.0%)	48.5%	59.0%	
EBIT	43.3%	(21.0%)	48.5%	59.0%	

Source: Management information, PwC analysis

administrative assistant the expected number of employees shall amount to 23 by FY26.

### Development of number of employees

	FY23 Act	FY24 FC	FY25 Plan	FY26 Plan
Market Unit Manager	1	1	1	1
Social Media Manager	-	2	4	5
Business Developer	1	2	3	4
Customer Support	-	1	3	5
Community Manager	-	1	1	2
<b>Team Market</b>	<b>2</b>	<b>7</b>	<b>12</b>	<b>17</b>
Fundraising Unit Manager	1	1	1	1
Fundraising Specialist	-	1	2	3
<b>Fundraising</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
CEO	1	1	1	1
Administrative Assistant	1	1	1	1
<b>Team Market</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Total # of employees</b>	<b>5</b>	<b>11</b>	<b>17</b>	<b>23</b>

Source: Management Information

- [4] Other operating expenses mostly include expenses for legal and business advisors, HQ rent, and expenses for extraordinary operations (technical listing, increase capital notary). All the expenses are expected to increase due to planned ramp-up of business activities of HUI.
- [5] No amortization is assumed for the intangibles in the business plan.
- [6] The management assumes net income to increase during the planning period significantly. The net income is expected to increase by ca. 272% during the planning period, amounting to €4,216k by FY26.

**Business plan (Income Statement Details)** – The main assumptions in the volume planning assumed in the business plan for the B2C business are based on key ratios observed in the market and include capital employed in marketing campaigns, costs per click and several conversion rates used in similar already established business models. However, due to the limited historical track record, these assumptions have yet to be verified for the business model of HUI.

### B2C approach – Subscriptions

		FY24	FY25	FY26	
1	Marketing campaign costs	SMM	€42.6k	€63.9	€113.2
		Digital PR	€35.5k	€53.2	€94.3
		SEM	€28.4k	€42.6	€75.5
2	Costs per click	SMM	€5.00	€4.50	€4.00
		Digital PR	€7.50	€7.00	€6.50
		SEM	€6.50	€6.00	€5.50
1 / 2 = 3	# of sessions	51.9k	84.9k	165.8k	
4	% of total sessions	4.0%	9.0%	11.0%	
3 * 4 = 5	# of users (= Islanders)	3.3k	11.0k	29.2k	
6	% of users	15.0%	16.0%	17.0%	
5 * 6 = 7	# of regular users	0.5k	1.8k	4.0k	
8	Conversion	/2	/2	/4	
7 / 8 = 9	# of regular startups	0.3k	0.9k	1.2k	
10	% of regular startups	75.0%	70.0%	70.0%	
11	# of subscriptions per month	5	6	6	
12	# of subscriptions per year	2	3	3	
9 * 10 * 11 = 13	# of monthly subscriptions total	6.9k	26.2k	41.3k	
9 * 10 * 12 = 14	# of yearly subscriptions total	0.5k	2.1k	5.1k	

### B2C assumptions in detail

The first step in HUI's B2C business model regarding subscriptions involves calculating the number of sessions on the HUI platform based on assumptions for the marketing budget and the cost per click.

In a second step, the management assumes that 4% of the total sessions in FY24, 9% in FY25, and 11% in FY26 will lead to the acquisition of new Islanders. Half of these new users are expected to represent Islanders. In particular, this means that in FY24, one Islander corresponds to 0.5 Islanders, or conversely, one Island equals two Islanders. For FY25 and FY26, the ratio is assumed to change such that one Islander equates to 0.33 Islanders, or one Island equals three Islanders.

The third step involves assuming that 15% of HUI users in FY24, 16% in FY25, and 17% in FY26 will become regular users. HUI defines regular users as those who log in at least three times per month.

In the final step, the management anticipates that 75% of regular HUI users in FY24 will purchase five subscriptions per month. This percentage slightly decreases to 70% in FY25 and FY26, with these users purchasing six subscriptions per month. Additionally, 25% of regular HUI users in FY24 are assumed to buy two yearly subscriptions, while in FY25 and FY26, 30% of regular users shall buy three yearly subscriptions.

Regarding pricing, the management projects that the average cost for a monthly subscription will be € 59, and the average cost for a yearly subscription will be € 532.



**Business plan (Income Statement Details)** – The volume planning in the business plan for the B2B business is based on the assumption that business developers (sales personnel) can convert their leads into actual sales by an assumed rate, which will increase over years.

### B2B approach – Archipelagos

	FY24	FY25	FY26
<b>1</b> Business developers (# of FTE)	2	3	4
Leads per month	50	75	90
<b>2</b> Leads per year	600	900	1,080
<b>1 * 2 = 3</b> # of total leads	<b>1,200</b>	<b>2,700</b>	<b>4,320</b>
<b>4</b> % of leads	7.0%	9.0%	11.0%
<b>3 * 4 = 5</b> # of prospects	<b>84</b>	<b>243</b>	<b>475</b>
<b>6</b> % of prospects	15.0%	18.0%	21.0%
<b>5 * 6 = 7</b> # of customers	<b>13</b>	<b>44</b>	<b>100</b>

### B2B approach explained

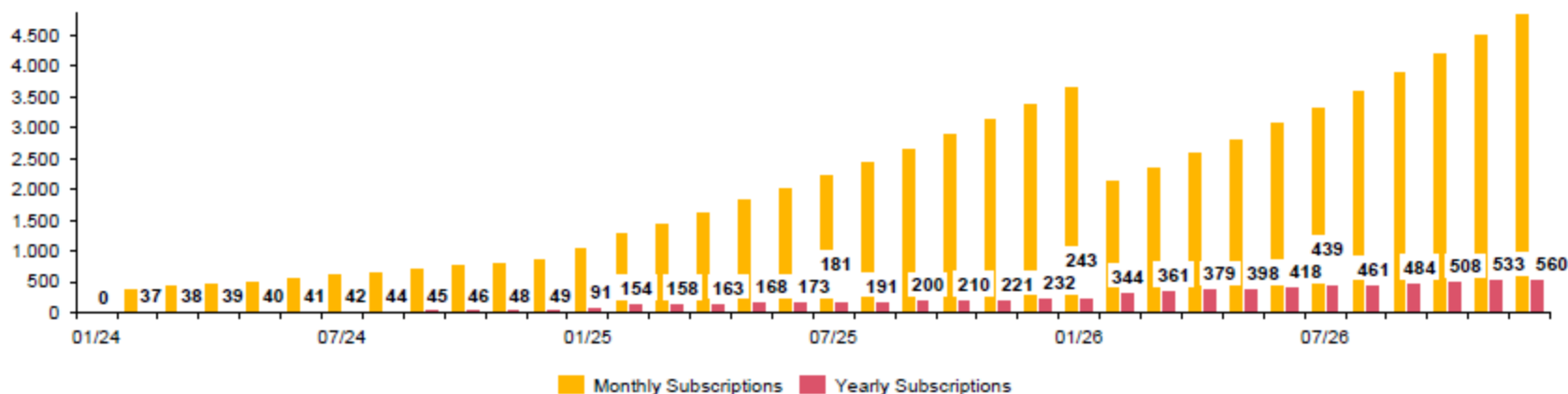
The business model assumptions regarding Archipelagos (B2B) are based on business developers. For FY24 2 full-time equivalent (FTE) business developers are projected, which shall increase to 3 in FY25 and 4 in FY26. These business developers generate customer leads for HUI. In FY24, they are expected to generate 50 leads per month. This number is expected to increase to 75 leads in FY25 and 90 leads in FY26.

The next step of the business model in this context is the conversion of leads into prospects. In FY24, 7% of the leads are assumed to become prospects. This percentage is estimated to increase to 9% in FY25 and 11% in FY26. The last step involves converting prospects into actual customers. In FY24 15%, in F25 18% and in FY26 21% of the prospects are assumed to become customers according to HUI's business plan.

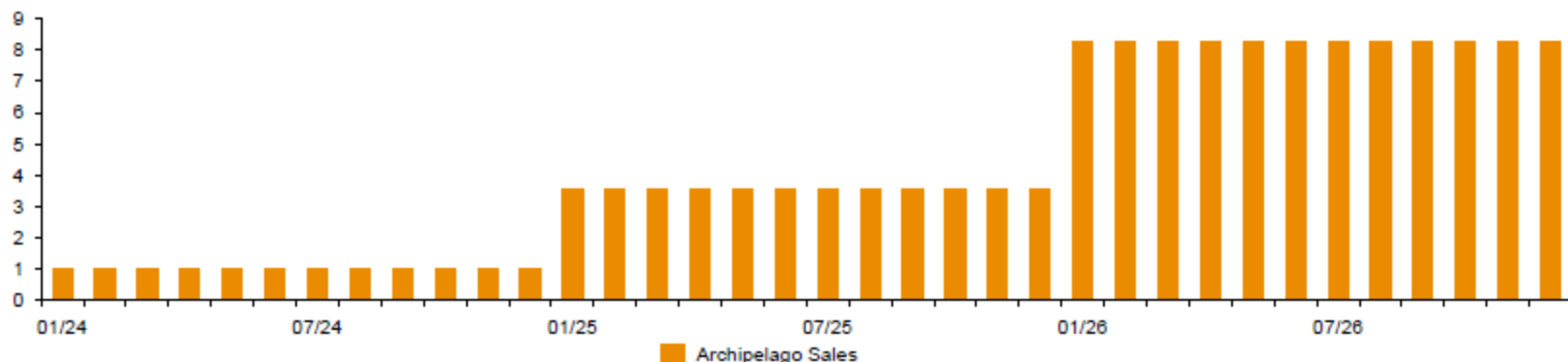
In terms of pricing, HUI plans to charge an average of € 30,000 per month for the use of Archipelagos.

**Business plan (Income Statement Details)** – Below the development of the projected monthly/yearly subscriptions and Archipelagos numbers are displayed. Until Jan26, HUI is expected to generate around 1.5k monthly and 0.1k yearly subscriptions on average. After that, 3.4k of monthly and 0.4k of yearly subscriptions are expected to be sold on average.

### Volume development for subscriptions on a monthly basis

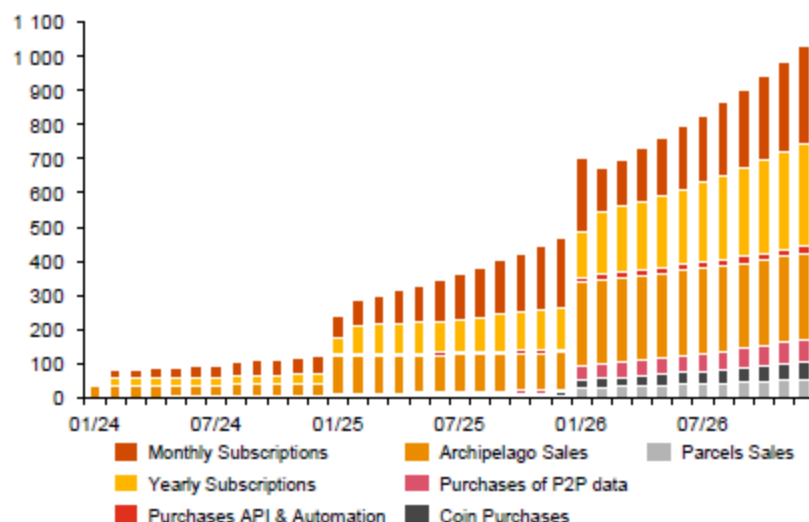


### Volume development for Archipelagos on a monthly basis



**Business plan (Income Statement Details)** – Sales streams of HUI consist of monthly/yearly subscription sales, Archipelagos sales, API & automations purchases, P2P data purchases, coin purchases, and parcels purchases. Net sales are expected to increase significantly throughout the planning period, displaying the expansion of business operations projected by the management.

### Sales split development on a monthly basis in €k



### Net sales – Projected development in detail

€ in thousands	FY23	FY24	FY25	FY26
	Act	FC	Plan	Plan
[1a] Monthly Subscriptions	n/a	408	1 546	2 435
[1a] Yearly Subscriptions	n/a	249	1 139	2 727
[1c] API & Automations Purchase	n/a	36	88	211
[1b] Archipelago Sales	n/a	378	1 312	2 994
[1d] P2P Data Purchase	n/a	16	76	608
[1e] Coins Purchase	n/a	21	55	448
[1f] Parcels Purchase	n/a	19	76	486
[1] Net sales	269	1 127	4 293	9 909

### Sales development

- [1a] **Sales of subscriptions:** On average around 60% of the projected sales during the planning period shall be generated through sales of subscriptions (monthly and yearly). Please refer to previous pages for more details on the planning.
- [1b] **Sales of Archipelagos:** The B2B related sales shall represent around 30% of the estimated sales on average. Please refer to previous pages for more details on the planning.
- [1c] **API (Application Programming Interface) & automations purchases:** This stream represents the smallest contribution to the projected sales of HUI. API and automations purchases mainly relate to sales generated through integration of bank accounts in HUI (e.g. PayPal) and access to sessions and visits tracking for startups.
- [1d] **P2P (peer-to-peer) data purchases:** This sales stream represents transaction fees generated by HUI when transactions between B2B partners are made. The management expects these sales to increase from around 1.4% of total sales in FY24 to 6.1% of total sales by FY26, consistent with assumed rising Archipelagos numbers in this period.
- [1e] **Coin purchases:** Coin purchases refer to HUI's own proprietary currency known as HUI Coin. This cryptocurrency is built on the "Stellar" blockchain. Users can earn HUI Coins by achieving certain milestones, such as uploading a list of 1,000 contacts on a specific date, or by purchasing them from the marketplace. HUI Coins can be used in the marketplace to buy products and services from other users or to activate various apps.
- [1e] **Parcels purchases:** Parcels refer to HUI Coin packs, starting at 100 coins, with an exchange rate of 1 HUI Coin equal to €0.10.

**Business plan (Income Statement Details)** – HUI's major planned operating expenses are primarily for personnel, with costs rising from €1,017k in FY24 to €3,376k in FY26, mainly due to product development involving AI, SPA, blockchain, and maintenance. Marketing campaign costs, starting at €7.5k per month in Jan24, are expected to grow incrementally, while fundraising expenses are projected to reach €110k by FY26. Corporate costs cover advisors, rent, and extraordinary items.

### Total cost development

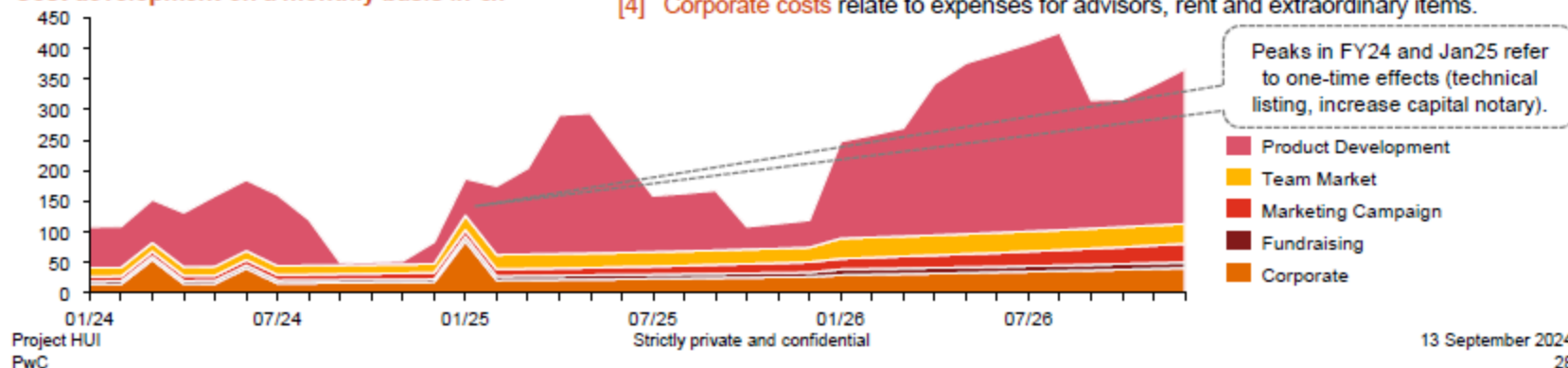
	FY24 FC	FY25 Plan	FY26 Plan
[1] Product Development	(767)	(1 336)	(2 856)
<b>Product</b>	<b>(767)</b>	<b>(1 336)</b>	<b>(2 856)</b>
[1] Team Market	(175)	(285)	(395)
[2] Marketing Campaign	(108)	(180)	(283)
<b>Market</b>	<b>(281)</b>	<b>(445)</b>	<b>(678)</b>
Fundraising Unit Manager	(35)	(35)	(35)
Fundraising Specialist	(25)	(50)	(75)
[3] Fundraising	(60)	(85)	(110)
[1] Team Corporate	(75)	(100)	(125)
Advisors	(80)	(143)	(257)
HQ Rent	(38)	(38)	(38)
Extraordinary Operations	(65)	(65)	-
[4] Corporate	(256)	(344)	(418)
<b>Total operating expenses</b>	<b>(1 364)</b>	<b>(2 209)</b>	<b>(4 061)</b>

Source: Management information

### Cost development

- [1] Most of HUI's planned operating expenses relate to **personnel expenses** (FY24: €1,017k; FY25: €1,721k; FY26: €3,376k) which include both own personnel on the payroll of HUI as well as contractors. Personnel expenses consist of costs for product development, team market and team corporate. Product development costs, in particular, consist of AI development, Single Page Application (SPA) development, blockchain development and product maintenance. The leaps in the business plan refer to fluctuations in the expected hours spent for development work and the expected costs per month. The fluctuations are subject to the product roadmap and its cycles for the different releases. While the costs for SPA and blockchain development are expected to decrease over the course of the business plan, product maintenance costs are expected to increase.
- [2] **Marketing campaign** costs relate to costs for SMM (Social Media Marketing) Pay of €3k, Digital PR of €2.5k and SEM (Search Engine Marketing) of €2.0k per month (base Jan24). The management expects these costs to increase by 3.0% starting in Feb24 and by 5.0% from Jun25 onwards.
- [3] **Fundraising** costs, consisting of costs for a unit manager and up to 3 specialists, shall increase to €110k by FY26.
- [4] **Corporate costs** relate to expenses for advisors, rent and extraordinary items.

### Cost development on a monthly basis in €k



**Business plan (Net assets)** – The management made simplified assumptions for most of the balance sheet line items in the business plan. The net assets development over the planning period is mainly characterized by the valuation of the HUI software and the cash increase due to the significant improvement of the earnings.

### Net assets - HUI Srl

€ in thousands	31Dec21	31Dec22	31Dec23	31Dec24	31Dec25	31Dec26
	Act	Act	Act	FC	Plan	Plan
Intangible assets	0	28	1 447	1 927	1 957	1 987
[1] Fixed assets	0	28	1 447	1 927	1 957	1 987
[2] Inventory	-	-	-	27	71	153
[3] Short term receivables	27	82	376	432	647	1 142
[4] Short term liabilities	(26)	(98)	(273)	(594)	(1 055)	(2 077)
Deferred income	0	-	-	-	-	-
Other working capital (OWC)	2	(16)	102	(162)	(409)	(935)
Reported net working capital (NWC)	2	(16)	102	(135)	(337)	(783)
Severance provision	(0)	(1)	(3)	(48)	(124)	(274)
[5] Financial liabilities			(29)	(28)	(25)	(23)
[6] Cash and cash equivalents	1	0	0	94	6 043	31 059
Reported net financial debt/cash	0	(0)	(31)	18	5 893	30 762
<b>Net assets</b>	<b>2</b>	<b>11</b>	<b>1 518</b>	<b>1 810</b>	<b>7 513</b>	<b>31 967</b>
<b>KPIs</b>						
Total assets	28	109	1 550	1 886	7 663	32 264
Equity ratio	8.6%	10.1%	98.0%	96.0%	98.0%	99.1%

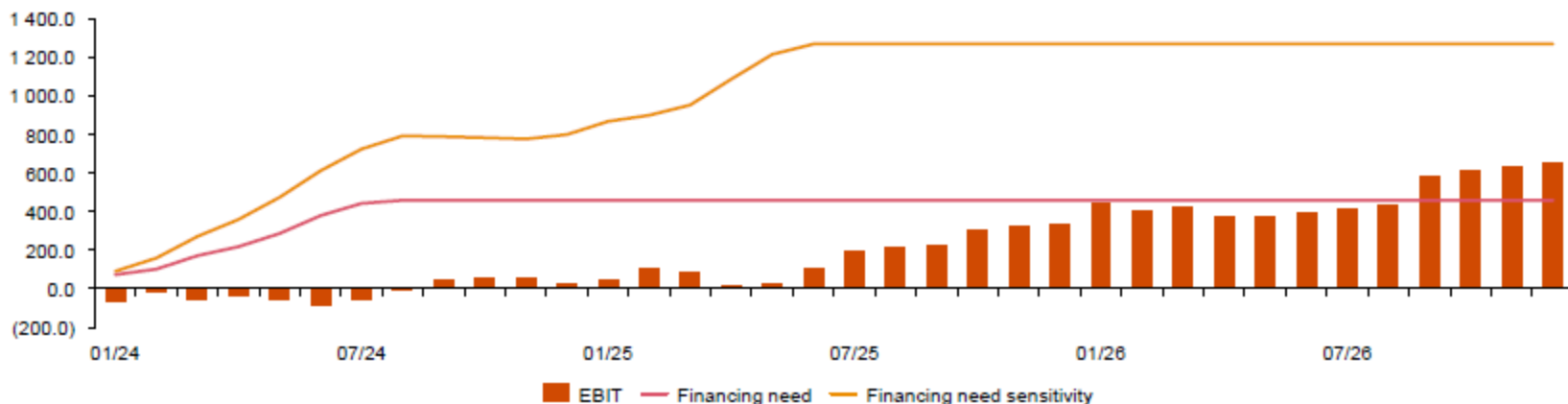
Source: Management Information

- [1] The projected development of **intangible assets** mainly relates to the HUI software (capitalization of development costs in FY24-26).
- [2] **Inventory** is projected as 2.0% of total costs according to the management.
- [3] **Short term receivables** are recognized as 5.0% of total revenue costs and added to the previous year's balance.

- [4] **Short term liabilities** mainly include accounts payable, employee related liabilities, and tax liabilities. Accounts payable are projected to increase from €414k as of Dec24 to €1,669k as of Dec26. This line item is recognized as 20.0% of total costs and added to the previous year's balance. Tax liabilities are planned constant at €121k throughout the planning period.
- [5] **Financial liabilities** include an interest-free €29k "Smart & Start Italia" financing loan which is expected to be repaid continuously over a period of 10 years. The organization Invitalia which is owned by the Italian Ministry of Economy supports the creation and growth of innovative startups all over Italy.
- [6] Due to the envisaged monthly injection of equity by the investor, the expected significant improvement of the earnings and its full retention, **cash and cash equivalents** are projected to increase drastically throughout the planning period.

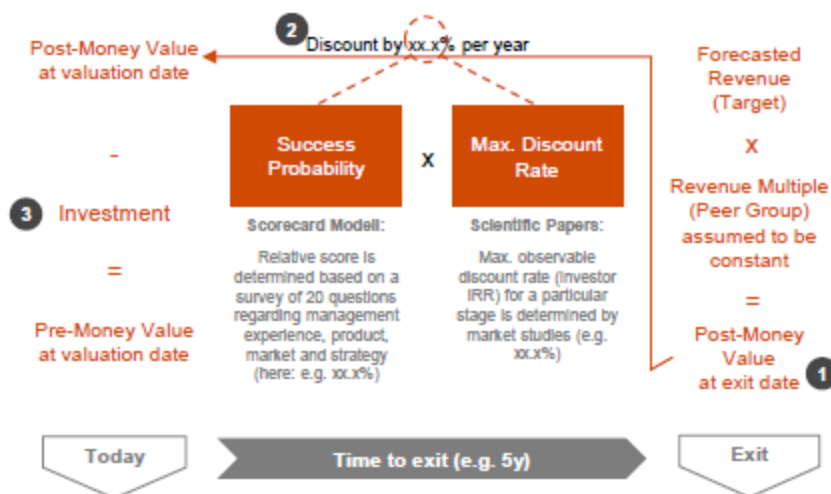
**Investment required** – The valuation of HUI (VC method and Financing Round Multiple method) was based on HUI's investment required. This financing need was calculated as the sum of preliminary losses (accumulated EBIT) until the company generates positive EBITs on a monthly basis.

### EBIT development on a monthly basis in €k



- According to the business plan, the financing requirement with respect to losses is ca. €500k (accumulated sum of EBITs until EBIT is positive; from Jan24 to Aug24). Due to the negative Working Capital and based on the assumptions in the business plan, Working capital does not need significant financing. According to the provided figures, sales funnel and our analysis, HUI is 50% behind it's revenue target for 1H24. Considering this when performing a sensitivity analysis for the sales in the business plan, it would result in a financing requirement of ca. €1.5m. Based on this calculation and an additional liquidity buffer of €1.0m, we have conservatively assumed an investment requirement of €2.5m.
- According to the management, this is a realistic funding goal and a reasonable assumption in order to initiate the projected growth path as of today.

**Venture Capital Method (1/3)** – The VC method is a common valuation method for Start-Up companies. It takes the prevailing market return expectations of venture capital companies into account.



$$\text{Pre-Money Value} = \frac{\text{Terminal Value}}{(1+ROI)^{\text{Time before exit}}} - \text{Value of investment}$$

- The VC method is particularly suitable for the valuation of Start-Ups that are in the seed and early growth stage and still generate negative but increasing cash flows, but where the key financial ratios can already be approximately estimated.

- The first step is to calculate the exit value of the Start-Up at a certain point in the future by applying the average industry-specific revenue multiplier to the projected revenue of the exit year.  
If several industries are relevant for the Start-Up, industry-specific multiples are taken into account on the basis of individual industry weights. The basis for the calculation of the multiples are the industry-specific multiples provided by a capital market information service provider (e.g. Capital IQ). By multiplication with the comparative value of the Start-Up, one arrives at the exit value at the time of the exit.
- The exit value is then discounted to the valuation date using a risk-adjusted discount rate. There are two possible approaches to the risk-adjusted discount rate. A purely quantitative approach considers a discount rate based on the weighted average cost of capital of comparable listed companies plus a VC premium. A second approach combines helpful qualitative criteria with the score card method, which uses a set of questions to produce a score based on 4 categories: Management Experience, Product, Market and Strategy.
- Finally, the investment of the financing round is deducted to arrive at the pre-money value at the valuation date.

Source: Management information, PwC analysis

## Venture Capital Method (2/3) – We based our value derivation according to the VC method on suitable sector sales multiples provided by Prof. Damodaran.

### Calculating the exit value: Derivation of industry-specific revenue multiplier

Industry Name	Number of firms	EV/Sales
Information Services	6	1.0x
Software (Internet)	28	2.3x
Software (System & Application)	339	5.0x
<b>Average</b>		<b>2.8x</b>

Source: "Revenue multiples by sector (EU)" by Prof. Damodaran, PwC analysis

### Sales development after FY26

€ in millions	FY24	FY25	FY26	FY27	FY28	FY29
Time to exit (in years)	1	2	3	4	5	6
Sales at exit	1.1	4.3	9.9	16.4	21.7	25.3
Sales YoY, %	n/a	280.9%	130.8%	65.4%	32.7%	16.4%

\* 50%      \* 50%      \* 50%

### VC method based on sales

- The typical holding period of a VC is between 3 and 7 years or the time with the highest growth rate expectations for a company. For the valuation of HUI we used the years FY27 to FY29 as possible exit dates. The time to exit is therefore 4 to 6 years.
- The management expects sales of €9.9m for FY26. For the period from FY27 to FY29, we assumed half of the YoY sales growth from the previous year, respectively. Thus sales shall increase up to €25.3m by FY29. Hence, the base values for our calculation are the sales estimated for FY27, FY28 and FY29.
- The underlying sales multiple of 2.8x was derived by analysing specific sector multiples for the EU by Prof. Damodaran. Using these sector multiples allows for a comparable valuation by leveraging market-based valuation metrics of similar companies. First, the industries that correspond best to the business model of HUI were identified. As HUI has a strong focus on providing data driven insights and conveying them in a user-friendly online application, three sectors were considered: "Information Services", "Software (Internet)" & "Software (System & Application)". These sectors cover a EV/Sales multiple range from 1.0x to 5.0x with an average of 2.8x and reflect the overall market expectations of the respective sectors.
- The future exit value range of the start-up was calculated by applying the average sales multiple of 2.8x to the projected sales at the time of the expected exit. This exit value range represents the expected market value of the company at a future sale or IPO.



**Venture Capital Method (3/3)** – We calculated one scenario for the VC method, based on sales projections and sales multiples. This results in a Pre-Money Equity Value range for 100% of HUI from around €12.5m to €14.2m.

### Venture Capital method as of 31 December 2023

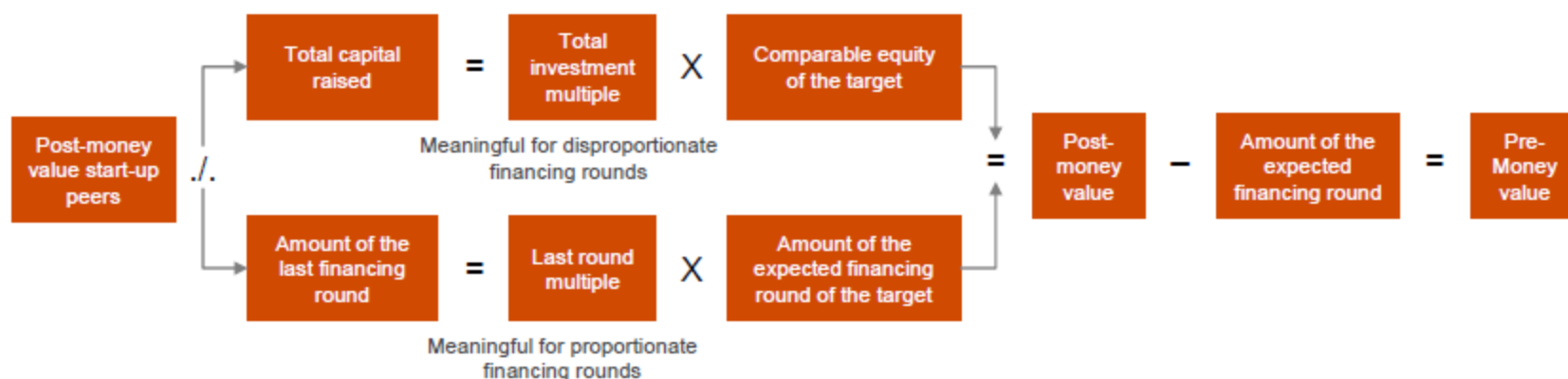
€ in millions	FY27	FY28	FY29
Time to exit (in years)	4	5	6
Sales at exit	16.4	21.7	25.3
Sales YoY, %	65.4%	32.7%	16.4%
Sales multiple	2.8x	2.8x	2.8x
<b>Value at exit</b>	<b>45</b>	<b>60</b>	<b>70</b>
VC Discount (Score x IRR)	29.5%	29.5%	29.5%
<b>Enterprise value</b>	<b>16.1</b>	<b>16.5</b>	<b>14.8</b>
+ Net cash as of valuation date	0.2	0.2	0.2
<b>Post-Money Equity Value as of 31Dec22</b>	<b>16.3</b>	<b>16.7</b>	<b>15.0</b>
- Investment needed	(2.5)	(2.5)	(2.5)
<b>Pre-Money Equity Value as of 31Dec22</b>	<b>13.8</b>	<b>14.2</b>	<b>12.5</b>

Source: Management information; Pw C analysis

- To determine the present value of the company, the calculated exit value range was discounted using an appropriate required rate of return for investors. This discount rate reflects the risk premium that investors demand for the specific start-up and its industry.
- The discount rate is based on a PwC Venture Capital market study from 2023 and amounts to 29.5%. The company specific VC discount rate that we used in our analysis to discount the Exit Values to the valuation date was calculated based on average IRR targets for early stage companies (31.0%) and growth stage (25.0%) companies. We weighted the early stage IRR of 31.0% with a weight of 75.0% and the growth stage IRR with a weight of 25.0%.
- This results in an Enterprise value range for 100% of HUI from €12.5m to €14.2m.
- Considering the net cash as of valuation date and the necessary investment of €2.5m (see page 29 for further details), we calculated a Pre-Money Equity Value range for 100% of HUI to be approx. €12.5m to €14.2m.

Source: Management information, PwC analysis

**Financing Round Multiples Method (1/2)** – The Financing Round Multiples method consists of determining how investors assessed comparable start-ups with the (implicit) valuation of financing rounds by calculating multiples from corresponding information.



- The Financing Round Multiples method consists of determining how investors assessed comparable start-ups with the (implicit) valuation of financing rounds.
- A multiple is to be calculated based on a (pre- or) post-money valuation of comparable start-ups, which is then applied to a comparative figure to calculate the (pre- or) post-money value of the target.
- The first rounds of financing often differ in their amount from the last rounds, i.e., if a lot of capital had already been secured, it may be that not as much capital is necessary in the upcoming financing round. Therefore, a distinction is made between two multipliers: the total investment multiple and the last round multiple.
- The last round multiple is only meaningful if one can assume that the historical and expected financing rounds are the same amount. The total investment multiple is to be used if the financing rounds are disproportionate.

**Financing Round Multiples Method (2/2)** – Based on the Financing Round Multiples method, the Pre-Money Equity Value range for 100% of HUI from around €5.1m to €15.5m.

### Financing Round Multiples method

€ in millions	Min	Median	Max
Seed round	0.3	0.3	0.3
Series A round	2.5	2.5	2.5
Aggregated investment volume	2.8	2.8	2.8
Multiple	2.7x	3.2x	6.4x
Post-Money valuation	7.6	9.0	18.0
- Series A round	(2.5)	(2.5)	(2.5)
Pre-Money valuation	5.1	6.5	15.5

### Financing Round Multiples method

- The comparable financing rounds of start-ups were chosen in such a way that the last round was a Series A round, based on which a post-money valuation exists.
- We used the seed round raised by HUI of €0.3m and the necessary investment of €2.5m (see page 29 for further details).
- Based on the total investment multiples, the value ranges from approx. €5.1m to €15.5m (range based on min and max values).

### Financing Round Multiples method – Multiple overview

Companies	Headquarter	Description	Currency	Total raised	Deal date	Deal type	Post-Money valuation	Total investment
73 Strings	Paris, France	Developer of a financial analysis platform intended to assist clients in understanding the importance of informed decision-making.	Euros (EUR)	10.8	12.07.2023	Series A	34.9	3.2x
Fintrx	Rockland, MA	Developer of a family office and registered investment advisor intelligence platform designed to offer asset-raising services.	US Dollars (USD)	9.0	29.11.2021	Series A	50.0	5.6x
Intellpro	Greenwich, CT	Developer of financial data and research platform intended to curate valuable information and updates from the financial market.	US Dollars (USD)	5.5	17.11.2021	Series A1	35.5	6.4x
Radicle	New York, NY	Operator of an insight and information platform intended to help companies make rapid decisions about investment in the future.	US Dollars (USD)	2.6	28.02.2020	Series A1	7.6	2.9x
QuantConnect	Seattle, WA	Developer of an operating algorithmic trading platform intended for research, backtest and trade investments.	US Dollars (USD)	9.7	17.01.2023	Series A2	26.5	2.7x
							Min	2.7x
							Median	3.2x
							Max	6.4x

Source: Pitchbook, PwC analysis

Project HUI  
PwC

Strictly private and confidential

13 September 2024

35



# Appendix

<b>Appendix</b>	<b>36</b>
20 Contract	37
21 Top customers / suppliers	47
22 Balance sheet	48

# Contract

## Our Proposal – Your Added Value

Proposal for  
Financial Due Diligence and Valuation Services

## Contents

1. Background and purpose.....	4
2. The Services .....	4
3. The PwC team selected for you.....	5
4. Timetable and fees .....	5
5. Terms of Business .....	7
6. Data protection .....	7
7. Client Feedback.....	8
8. Acknowledgement and acceptance .....	8
<b>Attachment I: Scope of Services.....</b>	<b>10</b>



# Contract (cont'd)



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www.pwc.at

## PRIVATE & CONFIDENTIAL

### HUI srl

Attn. Mr. Luigi Rinaldi  
Traversa delle prigioni 8  
71051 Isola Trazzini, Foggia, Italy

21 March 2024

## Proposal for Financial Due Diligence and Valuation Services

Dear Mr. Rinaldi,

We are pleased to send you our Proposal for Financial Due Diligence and Valuation Services related to your envisaged listing of Erry's Island S.p.A.'s portfolio company, HUI srl ("HUI", "Client" or "Target") on the Direct Market segment of the Vienna Stock Exchange ("Direct Market Vienna").

Note that this proposal is subject to completion of our standard client acceptance and risk management procedures.

If you have any questions or require further information, please simply contact us.

## 1. Background and purpose

You are evaluating the listing of HUI, an innovative ERP system and a portfolio company of Erry's Island S.p.A., on the Direct Market Vienna by June 2024. We understand that you have already prepared an Information Memorandum and that you had interactions with the Vienna Stock Exchange, but no formal listing application has been filed.

Based on this, HUI intends to engage PwC Transaction Services Wirtschaftsprüfung GmbH, Vienna, ("PwC" or "us") with Financial Due Diligence and Valuation Services as well as support in connection with the listing application process.

This Proposal includes the nature and scope of our services, the composition of the Project team, our fees, and the Terms of Business.

## 2. The Services

### Phase 1 – Limited Financial Due Diligence and Indicative Valuation

We will perform a high-level financial due diligence and indicative valuation and prepare a brief red-flag issue-based summary (the "Report") in English, addressed to you on financial affairs and value expectations of the Target. The areas our work will cover and the main procedures we will carry out are set out in Attachment I to this letter.

We understand that we will have access to the existing transaction documents of the Target (i.e. information memorandum prepared by your advisors involved in the envisaged listing), the historical financial records as well as the business plan including all underlying assumptions and planning details and full access to management through a Q&A process and/or by conference calls. We will not have access to the operations of the Target and will not visit any of the Target's locations.

Our Report is only addressed to you for the purposes of the preparation of a listing on the Direct Market Vienna and it will not be shared with the Vienna Stock Exchange or any other third party (eg potential investors or provider of debt) or will not be part of any listing application documents.

### Phase 2 – Support to submission of listing application

If after completion of Phase 1 a 'Go' decision is made to file an application for a listing on the Direct Market Vienna with a valuation that we can support, we would assist you with updating the existing information memorandum with a focus on the presentation of the valuation and equity story and the coordination of the interaction / filing process with the Vienna Stock exchange. We may also coordinate the process with your other advisors involved in the envisaged listing. Note that we will not rewrite the entire information memorandum but just amend the existing one. The information memorandum or any other documents submitted for the filing process will not be PwC branded and PwC will not be quoted in the information memorandum or other documents submitted for the filing process.

4



# Contract (cont'd)

Note that we cannot guarantee a successful listing and we take no liability in case of a rejected listing as the listing approval is at the sole discretion of the Vienna Stock Exchange.

#### Commitments regarding future services

Should you be contemplating imposing or accepting any contractual term that would commit you to provide or obtain any report from us, please consult with us first. We can advise on the scope of any such report and on the terms under which we would (or would not) undertake the work.

### 3. The PwC team selected for you

The professional support that you will enjoy is made possible through our client-oriented approach, staff with the right qualifications and efficient teamwork. With this in mind, we have selected the following team with the appropriate expertise necessary to deal with your most important requirements.

Our team will be led by Gerald Eibesberger, who will be the Engagement Partner responsible for the Services we are to provide to you. He will be assisted by Andreas Puz (Director) and Georg Schabetsberger (Senior Manager). If required, we will call upon the specific expertise of additional employees and contacts from the local or international PwC network.

### 4. Timetable and fees

#### Timetable

We will be able to start our work in the [REDACTED] and we currently assume that the [REDACTED] work, ie limited Financial Due Diligence and Indicative Valuation can be finalised within approximately [REDACTED] assuming all data has been provided to us at the start of our work.

We assume that the [REDACTED] work, ie update of Information Memorandum for filing application and interactions with the Vienna Stock Exchange until the submission of the filing application can be finalised within approximately [REDACTED] after completion of [REDACTED] and a subsequent 'Go' decision.

#### Fee agreement

Our estimated fees for the Services to be provided reflect the complexity of the engagement, the timescale for its completion, the calibre of staff engaged, and the added value that we provide. Our estimated fees will be based on the time spent by our staff at their rates.

Based on the scope of our work and the information currently available to us, our fee estimates for our work, including the preparation of our draft report, are as follows:

Fee estimate	EUR
[REDACTED]	[REDACTED]

The fee above covers all work necessary under normal circumstances. We are confident that our engagement can be kept within the proposed fee estimate if the conditions below are met. However, we are not responsible for factors beyond our control.

This fee is given by us in good faith on the condition that the assumptions set out below are met. The fee is based on the following assumptions:

- The financial DD and indicative valuation work will be done based on centrally available information and management Q&A, no travel and no involvement of financial teams abroad (i.e. outside of Austria) is required.
- Full cooperation and commitment from all key management team members and general availability over our working period.
- Availability of complete and documented reporting and further details and breakdowns thereon from the beginning of our working period.
- Prompt turnaround of information requests / questions arising from our analysis.
- Fee estimates are based on the defined Scope in Attachment 1 and for the estimated time (as outlined above, ie 3 weeks for the preparation of the financial due diligence issue-based summary and indicative valuation and another 3 weeks for the update of the Information Memorandum and coordination of the filing process with the Vienna Stock Exchange.) If the scope of work cannot be completed within the stated time frames, additional fees may incur.

Travel expenses, out-of-pocket expenses (including administrative services) and the applicable amount of VAT and local taxes, if applicable, will be charged in addition to our above-mentioned budget/fees. We will also include a charge of 3% technology and admin fee on top of the total fees cumulated.

We will update you regularly (i.e. on a weekly basis) about the development of our fee and will also notify you if it becomes reasonably apparent that the fee is likely to be materially exceeded. Additional services outside the defined scope will be charged separately on a time spent basis or separately provided fee quote. However, we would agree any additional work upfront with you.

Invoices rendered are due and payable as follows: The above-mentioned services can be provided only based on a full prepayment of the fixed fee [REDACTED] of the agreed variable fee [REDACTED] will be paid immediately after the confirmation of the listing of HUI at the Direct Market Vienna. The remaining [REDACTED] the variable fee [REDACTED] is to be paid [REDACTED] thereafter. For the

# Contract (cont'd)

avoidance of any doubt, we want to emphasize that the variable fee is payable regardless of actual trading volumes and prices of HUI shares after successful listing or any other conditions.

## 5. Terms of Business

The PwC Advisory Terms of Business (as amended 6 April 2011; see Attachment II) will be the basis for providing our services and for our responsibility also in relation to third parties. We particularly draw your attention to our limitations of liability.

Except as otherwise expressly stated herein, the services, deliverables and any advice or recommendations included therein do not consider nor incorporate potential implications or impact of the coronavirus (COVID-19), including but not limited to performance, operations, and/or results. PwC is not responsible nor liable for any consequences, impacts, implications, direct or indirect, of the coronavirus (COVID-19) arising from or related to the services, deliverables, advice, or recommendations provided by PwC in this engagement.

## 6. Data protection

In providing our services to you it is necessary that we process your personal data and if applicable also personal data of your customers, employees, participating companies or other third parties. If you provide us with such data, we will assume that you are entitled to do so.

In the course of our daily business, we predominantly use electronic forms of communication. Please bear in mind that communication is effected via non-encrypted e-mail and could involve servers outside the European Union. Kindly inform the partner responsible for your

account if you wish that communications with us necessary for carrying out your business or those relating to specific matters should not be conducted in electronic form or should exclusively be conducted in encrypted form.

As our client you acknowledge that the below-mentioned data will be processed by PwC and within the global PwC network. This processing extends in particular to the following data: name, address, available identification numbers (such as company register number, DUNS, VAT number, tax number), industry, group affiliation, contact details of the client, contact person with the client and his/her contact details, the nature and scope of services together with the calculation of the fees, duration of services.

You expressly agree in accordance with art. 80 sec. 1 para. 4 Item 2 WRBG 2017 (Austrian Certified Public Accountancy and Tax Advisory Professions Act) that the above-mentioned data may also be processed and passed on to other companies of the PwC network (including outside the European Economic Area) for your information and for the purpose of client relationship management ("CRM"), e.g. for sending information material or event invitations. We will not exercise this right if and to the extent to which exercising it is incompatible with our obligation to protect professional interests. In non-EU Member States a lower level of data protection may prevail than in EU Member States; however, the global PwC network observes certain guidelines that ensure an appropriate level of data protection within the network.

7



You may object to any such use of client related data in advance during the acceptance of a proposal or may revoke your approval in writing to datenschutz.austria@at.pwc.com at any later point in time.

As certified public accountants, we collect, process, and use personal data solely and exclusively in fulfillment of the contractual or quasi-contractual obligations entered into with you, or else in fulfillment of legal requirements. As a result of the laws governing our profession and our professional standards we must decide – independently and autonomously – on the purposes and means of processing the personal data of natural persons. We therefore process the personal data provided by you as controllers within the meaning of data protection provisions.

## 7. Client Feedback

As we wish to offer you service quality that best meets your requirements, a regular exchange of views and opinions will be crucial. As part of this, we look forward to receiving personal feedback from you once we have finished our work. This would give us the chance to ensure that we have understood your various decision-making criteria and that we have appropriately reflected these criteria in our work. We will assume that you would be prepared for us to contact you after the end of the project in relation to the above unless you tell us otherwise.

## 8. Acknowledgement and acceptance

This Proposal, together with the attached PwC Advisory Terms of Business and the receipt of a duplicate copy signed by you, forms the contractual basis ("Contract") between PwC and you. Please record your agreement to the terms of this Contract by signing the enclosed copy of this letter in the space provided and returning it to us.

Best wishes,

ppa. Günther Reiler                      Gerald Eibisberger  
PwC Transaction Services Wirtschaftsprüfung GmbH

## Attachments

Attachment I: Scope of Services

Attachment II: PwC Advisory Terms of Business (as amended 6 April 2011)

I have read the contract terms of this Proposal dated 21 March 2024 and its Attachments including the PwC Advisory Terms of Business (as amended on 6 April 2011).

I accept these contract terms on behalf of HUI srl and hereby confirm that I am authorised by HUI srl to do so.

8





# Contract (cont'd)

On behalf of HUI or

Signature:



Name in print:

Luigi Valerio Rinaldi

Position:

Ceo

Date:

28th March 2024

Signature:



Name in print: Mag. Gerald Eibisberger

Position: Partner

Date: 28.03.2024

## Attachment I: Scope of Services

Our work will cover the matters set out below (subject to the availability of information on them), but our Report will not necessarily cover all of these matters, because, in the interest of clearer reporting, we will not report on matters that we do not believe to be significant.

### A. Financial Due Diligence service (Phase 1.1)

#### 1. General

- Our analysis will be based on financial information of the Target in accordance with local GAAP. Our procedures will comprise essentially the analysis of underlying information made available by the management of the target.
- Our work on historical financial information will refer to the fiscal years ended 31Dec21, 31Dec22 and 31Dec23, to the extent made available to us.
- We will prepare an issue-based summary (the "Report") in English, addressed to you, on the business and financial affairs of the Target. Our work will cover the items set out below, but our report will not necessarily include detailed analysis and presentation of all the items within the Scope of Work because in the interest of a clearer reporting, we will only report on matters which we believe are significant and/or require confirmatory DD procedures.

#### 2. Business overview

- Analyse the activities of the Target and the legal structure
- Analyse key historical events in the historical periods and quantify the financial impact of these events, if possible
- Obtain understanding of previous funding rounds (incl. high-level review of underlying contracts (e.g., key terms, possible remunerations of directors)) and types of shares issued
- Analyse key suppliers and customers
- Analyse related party transactions/balances incl. side letter agreements of other partners

#### 3. Basis of preparation of financial information

- Obtain an understanding of the basis of preparation of the historical financial information and comment on the supporting documentation as well as regular financial reporting process
- Analyse accounting policies used for the preparation of the financial information including assessment

#### 4. Historical Trading

- Analysis of historical financial performance for the last three years (FY21, FY22, FY23) and summarise the key trends of the business.



# Contract (cont'd)

- Analysis of development of revenues by customer / revenue streams as well as any other underlying revenue related KPIs
- Analysis of key operating cost categories (e.g. personnel and other operating expenses, etc.), incl. analysis of the FTE development.
- Analysis of historical (public) subsidies including nature and accounting treatment
- Analysis of items below EBITDA (e.g. financial income and expenses, any other main costs recorded below EBITDA such as exceptional items, etc.).

## 5. Balance sheet and net assets

- Review and commentary on the significant components of net assets including but not limited to any material and/or unusual balances, significant trends/movements
- Analysis of Net Financial Debt, including cash / (debt)-like items, incl. loans, finance leases, receivable grants & subsidies (warranties, declared dividends, factoring, severance payments, risk provisions, litigation, restricted cash, etc.)
- Analysis of other assets and liabilities, including provisions and off-balance sheet items

## 6. Cashflow

- Analysis of trade receivables and trade payables ageing (incl. quality of debtors); enquiry on provisioning and write-off policies for receivables (incl. recoverability issues)
- Summary of historical cash flow
- Summary of historical cash runway and cash movements
- Analysis of historical cash-burn rate and liquidity development

## 7. High-level analysis of BP

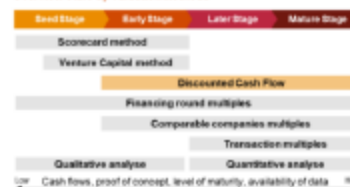
- High level analysis of Target's business plan (e.g., assumptions used, reasonableness / robustness of projected costs, historical budgeting accuracy as an indicator of business plan achievability) (we will not perform a commercial / top line assessment of the business plan).

## B. Indicative valuation (Phase 1.2)

### 1. General

- The valuation object was incorporated in 2020 and is still in a ramp-up phase.
- In practice, business valuations are based on different valuation approaches. In case of high-growth (Start-Up) companies, the relevant valuation methods have to be defined, based on the development of the valuation object and the historical performance.

### Overview Start-Up valuation methods



## 2. Scope of Work

- We assess the value of HUI based on the Discounted Cash Flow method and perform a plausibility check of the results based on a second suitable method. The DCF method is based on the business plan provided and considers a survival rate that is derived based on empirical statistical data. The second method will be chosen by us based on the results from the DCF method and the availability of required data.

Based on a DCF-method, we will provide the following services:

### a. Selected analysis of the past and business plan

- In the first step, we will analyse the past financial results and business plan of HUI on the basis of the already performed steps in the Financial Due Diligence.

### b. Determination of the sustainable business result

- In light of the analyses previously undertaken, we will deduce a sustainable result that goes beyond the planning figures available. In order to show major planning uncertainties and to be able to carry out the modelling activities accordingly, we will define specific scenarios and/or sensitivities.

### c. Deduction of Free Cash Flows (FCF)

- We will carry out our valuation on the basis of the internationally accepted Discounted Cash Flow method. In doing so, we determine the discounted FCF and carry out any analysis and adjustments required (e.g. Working Capital or investment requirements).

### d. Determination of cost of capital

- In order to be able to discount the determined FCF, we establish the company-specific, risk-adjusted cost of capital (WACC) on the basis of industry-specific key performance indicators.

### e. Deduction of an appropriate survival rate

# Contract (cont'd)

- Based on the derived survival rate, we consider the default probability of a high-growth company in the ramp-up phase. The survival rates are based on several studies and on statistical data provided by the U.S. Bureau of Labor Statistics.

#### f. Determination of an enterprise value range

- In order to reflect the impact of potential different developments of HUI (scenários/alternativas), we express the enterprise value in the form of a value range.

#### g. Plausibility check using a second valuation method

- In order to conduct a plausibility check of the enterprise values determined through the DCF method, we additionally determine the value of the valuation object using a second appropriate method.

### C. Support to submission of listing application (Phase 2)

Phase 2 will include the following steps:

- Perform a kick-off meeting with the Vienna Stock Exchange
- Coordinate filing process and communication with Vienna Stock Exchange for a listing on the Direct Market Vienna and coordinate input from other workstreams and advisors to the extent needed

#### Process and key assumptions

- In essence, the basis for our valuation will be the annual financial statements of the past three financial years as well as the current business plan of HUI for the coming five financial years. We will inform you in advance or send you a list of any documentation and information which we may additionally require to conduct our analysis and plausibility checks.
- We will conduct our valuation as at the date to be agreed upon with you that is as current as possible. Please note that we will require a balance sheet as well as a profit and loss account of HUI as at the valuation date covering the period up to the valuation date.
- Please note that we do not conduct a full-scale expert opinion according to KPSBWW 1 (Professional Guidelines of the Expert Committee on Business Administration and Organization of the Institute for Business Economics, Tax Law and Organization of the Austrian Chamber of Public Accountants and Tax Advisors for the Valuation of Businesses, as issued on 26 March 2014). We will, however, in principle determine the indicative value in line with the requirements of KPSBWW 1.

13



### Specific matters not to be covered by the Due Diligence and indicative valuation services

We will not carry out any work with regard to the following areas/issues:

- Commercial, tax or operational due diligence work
- Any tax advice relating to tax structuring and any other tax advisory and regulatory advisory services
- Financial Due Diligence work on prospective financial information (i.e. top-line assessment)
- The provision of legal advice or legal due diligence services; we make no representation concerning questions of legal interpretation
- An audit of any financial statements of the company or verification procedures of any information
- Assessment, impact, and quantification of political risks, if any, associated with this Transaction
- The external marketplace (market size), market segmentation, growth trends, the competitive environment (key competitors, market shares)
- The Target's strategy and positioning
- The appropriateness or sufficiency of the Target's insurance arrangements
- The review of adequacy/quality of management information systems, IT systems, and internal controls
- The review systems and controls over operational measures which determine the accuracy of revenues earned
- The actual valuation of the Target's pension or other employees' benefits arrangements
- Any environmental exposures of the Target or the adequacy of the Target's system for identifying and controlling such exposures

Expert advice from specialist consultants is to be sought if these issues are a matter of concern for you.

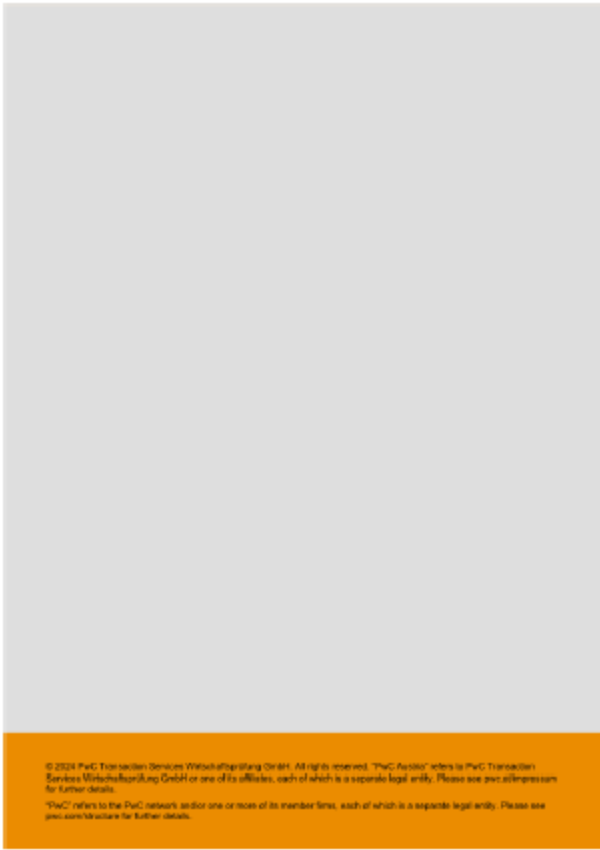
14



# Contract (cont'd)

Attachment II: PwC Advisory Terms of Business (as amended 6 April 2011)

15



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\*PwC refers to the PwC network or for one or more of its member firms, each of which is a separate legal entity. Please see [pwc.com/structure](#) for further details.

# Contract (cont'd)



**Terms of Business for Advisory**

**Introduction, Scope and Purpose**

For the purposes of these Terms of Business, "PwC" means the Company located in Dublin being part of the PricewaterhouseCoopers network that is mentioned in the respective Engagement Letter.

A "PricewaterhouseCoopers firm" is any entity (including incorporated or not) serving and business under a name containing the name PricewaterhouseCoopers or PwC or otherwise part of the PricewaterhouseCoopers network for which is affiliated with a unique belonging in this network or that is a corresponding office of the worldwide PricewaterhouseCoopers network.

These Terms of Business will apply to all transactions between PwC's Client (the "Client") and PwC and each respective firm mentioned herein by PwC.

These Terms of Business will also apply to all future contractual relations between PwC and the Client with regard to the provision of Services by PwC, even where an explicit indication is given that this is not the case. The scope, extent of the time the Confidentiality Agreement is concluded will be applicable.

Any conflicting General Terms and Conditions on the part of the Client will be voided unless they have been explicitly accepted in writing by PwC.

Engagement Letters in which PwC fulfills Services to the Client are voided for those months following the date of issue, unless explicitly stated therein to the contrary.

These Terms of Business and the Engagement Letters together with the signed form will form the Confidentiality Agreement between PwC and the Client (the "Confidentiality Agreement").

**1 Services**

1.1 PwC shall perform the Services described in the Engagement Letter (the "Services"). The Services will be provided to assist the Client in the project described in the Engagement Letter (the "Project").

1.2 Changes and adjustments made to the scope of Services are to be agreed upon in writing on a separate basis, including re-assessing charges to the fee as well as any time-lapse. All additional work ordered by PwC in connection with the Services engages the fee, whether or not it is to be subject to the conditions set out in the Confidentiality Agreement, unless otherwise specifically agreed upon in writing.

1.3 PwC will engage suitably qualified staff to provide the Services. The duration regarding which staff members are to be assigned to provide the Services for within the sole discretion of PwC. In particular, PwC retains the right to replace staff or persons named in the Engagement Letter who are assigned to provide the Services with other (similarly) suitably qualified staff at any stage.

1.4 PwC is not obliged to open the accounts, whether in print or in full, of other PricewaterhouseCoopers firms or other subsidiaries (the "Subsidiaries") in such business segment of the Client/network in a situation for PwC. The contractual relationship between the Client and the Subsidiaries will allow for a wider of understandings.

1.5 The Services will cover the scope set out in the Engagement Letter. PwC's liability is not responsible for reasons that the Client were aware of matters of importance for the Client. The Client shall be responsible for determining whether the work to be provided by PwC and the scope of Services will be appropriate to its needs.

1.6 The Services will be based on information provided to PwC by the Client or information which is publicly available. Except to the extent otherwise stated in the final report (the "Report"), PwC shall provide the Services on the assumption that such information is accurate, complete and not misleading. PwC shall not verify it or check the information in any other way. Unless

otherwise agreed upon in the Engagement Letter, the Services are not intended to avoid fraud or other, undetectable or不可避免 information.

1.7 Where a feasible to agreed upon, each Party shall use all reasonable efforts to carry out its respective obligations in accordance with the Contract. However, unless specifically agreed upon otherwise in writing, time and effort shall be contained in the fee-basis as intended for planning and proper management in terms of time and cost not binding.

1.8 Where the Services include contributions of financial information about the future (prospective) financial information ("FIT") for the Client, PwC shall advise the Client accordingly that while concluding PIT such as future profitability and such flows, it is the Client's responsibility to provide suitable PwC's estimates and make its own decisions based on the information made available.

1.9 Beyond events and circumstances beyond its control as well as reasons, there will usually be differences between predicted and actual results. Such differences may be material. Thus, PwC accepts no responsibility for predicted results.

1.10 Where the Services include operational services, PwC's observations will be provided in the light of PwC's business experience of operational matters, but will not necessarily be based on direct experience of operations in the Client's or the Target's specific industry or business sector. Such observations may (or might) represent the optimal operational solution and they may be subject to change. Thus, the actual results will depend upon the Client's implementation of the plan and on the way in which relevant operational improvements are implemented. PwC does not accept any responsibility for any adverse or unintended consequences with respect to the achievement of predicted operational improvements.

1.11 The Services do not include the provision of legal advice or legal due diligence services. To the extent that our advisory work may also include legal services involving the interpretation of laws, PwC shall report or advise on the basis of PwC's understanding of the proper interpretation of law, legislation, most documents, regulations and interpretations of the law applicable to the fact stated in PwC's Report of advice (or, if such date is stated, the date on which PwC's Report of advice and observations is signed) (the "Effective Date"). Changes in legislation after PwC's advice is issued may not be taken into account. PwC cannot be held responsible for changes in the law to interpretation which occur after the Effective Date.

1.12 The Services will not include an audit conducted in accordance with generally accepted auditing standards.

1.13 For the avoidance of doubt, where PwC acts as a PricewaterhouseCoopers firm in the context of the Client or the Target, PwC's obligations under the Confidentiality Agreement are not to be separated from the role as auditor of the Client, the Target or any other company, and to be extended any other way or in any manner.

1.14 PwC will not verify or substantiate and capital markets will continue and other financial indicators but also to be limited upon standards. PwC will not perform any analysis which would constitute false standards or omissions, or unless if there is a reasonable danger that a violation of these obligations would constitute the independence of PwC or any PricewaterhouseCoopers firm in the capacity in which it is engaged to perform PIT without delay at any such applicable standards or obligations as well as any changes in interpretation which may affect the assessment of adherence to these obligations or standards. Where necessary, the Client shall ensure that any information provided to PwC is accurate, complete and not misleading, and confirm to PwC the accuracy of such information in writing.

1.15 With the consent of the provision of Services, PwC shall only provide non-confidential data for reasons of safety regarding possible conflicts and otherwise in particular, the Services do not



**Terms of Business for Advisory**

contain investment or financing decisions. However, relating to the exercise of action to be taken and monitored on the sole responsibility of the Client. Where there is a legal requirement, PwC shall only be obliged to deal with the authorities. If this has been explicitly agreed upon, PwC shall only act in this capacity on behalf of and upon assignment of the Client and, not in a separate and always based.

1.16 The Client accepts that PwC may provide services other than those set out in this contract with the Client or, where allowed, may assist with the Client's own. In no event shall PwC be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions.

1.17 The Client accepts that PwC may provide services other than those set out in this contract with the Client or, where allowed, may assist with the Client's own. In no event shall PwC be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions.

1.18 The Client accepts that PwC may provide services other than those set out in this contract with the Client or, where allowed, may assist with the Client's own. In no event shall PwC be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions.

1.19 The Client accepts that PwC may provide services other than those set out in this contract with the Client or, where allowed, may assist with the Client's own. In no event shall PwC be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions. PwC shall only be held liable for any loss or damage caused by the Client's own or other third parties' actions or omissions.

**2 Client's Duties**

2.1 Where PwC provides Services to the Client's premises, the Client shall, at its own expense, promptly ensure that staff and all other resources that are reasonably necessary for the proper performance of the Engagement are available in a premises for the duration of the Engagement. In particular, the Client shall provide PwC with all material resources - including information, but not limited to confidential information - that are necessary for the proper performance of the Services in accordance with the Confidentiality Agreement.

2.2 The Client shall duly provide PwC with all information which is required by PwC to perform the Services in accordance with the Confidentiality Agreement. The Client shall ensure PwC's ability to carry out its obligations in accordance with the Confidentiality Agreement is not materially affected by the Client's actions or omissions.

2.3 Upon request by PwC, the Client shall provide confirmation in writing of the accuracy and completeness of the information that is supplied.

2.4 The Client shall also inform PwC in detail about potentially conflicting or other relevant ongoing projects, including those in other areas of cooperation.

**3 Reports**

3.1 Subject upon the Client's Agreement, PwC shall provide the Report, writing on the findings of the Services and make the material available to the Client.

3.2 In the course of providing the Services, PwC may provide oral comments or drafts of reports, correspondence, memoranda, calculations or other data. As these reports, data or memoranda are not final PwC's definitive findings, PwC does not assume any liability in respect of them. The final results established in connection with the Services will only be contained in the final Report, if applicable.

3.3 The Client agrees to retain all oral and written comments as well as drafts or final documents together in hard copy or electronic form as provided in the Client's agreement with the Services (including the "Report") in confidence, and not to use the Reports for any reason other than the purpose mentioned in the Confidentiality Agreement.

3.4 The Reports are exclusively prepared for the Client in accordance with the Confidentiality Agreement and the Client's obligations in respect of the Services. The Reports are other persons, publishing or disclosing the Reports to third parties requires the explicit written approval of PwC. Such approval will not be provided due to irregularities, disclosure. Under of use and liabilities on the part of PwC, research third parties are not able, even upon approval by PwC of the disclosure to third parties of the information of the reports; disclosure to the Client that is included in the Reports. The Client shall ensure PwC's ability to carry out its obligations in accordance with the Confidentiality Agreement is not materially affected by the Client's actions or omissions.

3.5 The Client agrees to indemnify and hold PwC harmless, and shall also indemnify and hold PwC harmless, from and against all claims, damages, losses, expenses and other costs which may be incurred in connection with any third party claim behavior or liability, but including negligence or intentional neglect, out of or in connection with the Services.

3.6 The Client may make copies of its Reports available to its managing directors, their employees directly involved in the management of the Project, professional advisors, provided that such use of the Client's Reports remains subject to ensure that they remain confidential.

3.7 The Reports are confidential and may not be disclosed to any other person without PwC's explicit written consent.

3.8 Confidentiality of the Reports shall be maintained for the duration of the Client's engagement with PwC.

3.9 PwC accepts no liability or duty of care to be imposed in respect of any loss or damage caused by the Client's actions or omissions.

3.10 With respect to personal data they are required to comply with the applicable Data Protection Act.

The Client will bear liability for any engagement to include or exclude information, regardless of whether it is stated by the Client or PricewaterhouseCoopers firm.

The Client shall duly provide PwC with all information which is required by PwC to perform the Services in accordance with the Confidentiality Agreement. The Client shall ensure PwC's ability to carry out its obligations in accordance with the Confidentiality Agreement is not materially affected by the Client's actions or omissions.

# Contract (cont'd)



### Terms of Business for Advisory

#### 4 Confidentiality and Data Protection

4.1 The Parties shall treat confidential information ("Confidential Information") as confidential. Confidential information means information or documents which PwC reviews or produces for the purpose of providing the Services. However this does not include any information which:

- (a) is or becomes generally available to the public other than as a result of a breach of an obligation under this Clause; or
- (b) is known to PwC prior to when it started providing the Services; or
- (c) is received from a third party who owes an obligation of confidence in respect of the Confidential Information.

4.2 PwC shall expressly release from using Confidential Information for the advantage of other clients. Similarly PwC shall not use for the Client's advantage information received in confidence in connection with other engagements.

4.3 PwC will be entitled to disclose Confidential Information to subsidiaries as well as other PwC member companies from time to time (including its affiliates and any other entities controlled by or under the common control of the PwC member companies). PwC may disclose Confidential Information if required to do so by law due to capital markets regulations, rules of professional conduct or orders made by the authorities.

4.4 PwC will inform the British Landmarking Department of the United Kingdom Patent Office of all instances where it may attempt any trademarking activities, where PwC files trade marks in respect to which PwC practices to assist the Client to trademark the marks with it.

4.5 Subject to Clause 4.6 above, and once the Project is no longer confidential, PwC may cite the name of the Client under the Client and its main group or parent or as well as the performance of the Services as a reference in its materials.

4.6 Both Parties hereby undertake to observe obligations under the American Data Protection Act and to keep personal data confidential and secure. In respect of any personal data that the Client provides that will be processed with the Services, the Client warrants that the processing of such data will be in accordance with the Confidentiality Agreement and will not be in breach of the American Data Protection Act. The Client agrees to hold PwC and PwC member companies (PwC Entities) in relation to such issues.

#### 5 Electronic Communication

5.1 The Client hereby agrees to the electronic transmission of any information, data and documents via email, by file in the Client's cloud or as an attachment. The Client is aware of various internet risks such as loss, interception or tampering with data transmitted as well as viruses and other such malware data protection. The Parties acknowledge that the Client is PwC's user of the confidential services. PwC is not and will not be an appropriate system administrator. The Client shall bear all risks and liability for damages related thereto as well as adverse effects inherent to transmission of data made. PwC shall not be held liable for any risks, incidents of damage or other such drawbacks.

5.2 In the event that the Client sends information, messages or other files not covered by PwC, such as any of original source or where content, data and definition, the Client shall inform PwC of any telephone and any mail of such information, messages and other data via file or via email by suitable means of our assistance as to which an appropriate response on the part of PwC.

5.3 Both Parties hereby consent thereto by authorizing accounts that will produce the subject of exchanged data, to participate. The account shall be responsible for ensuring that all data transmitted are not through email or other such appropriate software prior to being opened, regardless as to whether the files are sent via email directly, transmitted by other means. PwC shall not be held liable in the event of the Client sending a computer

system virus (and any consequential adverse effects arising as a consequence) in connection with the transmission of data.

#### 6 Intellectual Property Rights

6.1 PwC owns the intellectual property rights (including without limitation, any copyright) in relation to the working papers, Reports, analyses, programs, calculations, computerized or digital data, or software or databases. The Client may use these during and following the contractual relationship and for the purposes determined in the Confidentiality Agreement. The Client is not entitled to duplicate or distribute any computerized material by PwC, its employees or subcontractors, whether in full or in part, without the prior written consent of PwC.

6.2 Subject to Clause 6.1 an open-ended database, content, metadata, methodology, site, concept, illustration or know-how developed in the course of the carrying out of obligations arising from the Confidentiality Agreement by PwC, its employees or subcontractors may be owned by PwC in any relevant applicable jurisdiction.

6.3 Upon termination or completion of the Confidentiality Agreement, PwC may retain a copy of any documents and software prepared or any other documentation upon which the work is based in order to maintain a professional record of its services. It is PwC practice to destroy such documents after a maximum period of seven years.

#### 7 Fees

7.1 Unless otherwise agreed upon, fees are calculated according to a time-based billing system which rates into account the time required for the carrying out of the Confidentiality Agreement and the hourly rate of the respective professional involved. The length of time required as well as the various hourly rates depend on the nature and complexity of the work to be carried out and/or the necessary qualifications of the Assigned professional. The amount of which applies to be worked will be subject to PwC's sole discretion. Travel related costs will be calculated subject to standard hourly rates. Hourly rates will be adjusted at least once a year. Value Added Tax, where applicable, will be charged in addition to the invoice.

7.2 An invoice submitted by PwC will be deemed to be valid but not to be binding. PwC shall notify the Client if it becomes necessary to assert that an invoice is clearly to be manually accepted.

#### 8 Payment and Invoicing

8.1 PwC may invoice Client's services according to the progress of the work or on agreed milestone payments.

8.2 All invoices are to be paid immediately upon receipt. The amount set out in the invoice will be the integrity of whether the Payment has been completed. Payments made to date after the due date may be subject to interest for default in such instances. Interest rate default of five per cent has interest rate applies (see Paragraph 11.1 of the American Contract Law Code).

8.3 Any alterations to an invoice are to be made within 30 days of the date of invoice. Uncontested amounts will be payable on the originally stated due date.

8.4 Cash expenses, charges, traveling expenses, etc. (such as for sample trials but not hotel, flight expenses, bank/credit card costs, Mileage Allowance, parking charges, daily allowances, board costs, etc.) and telephone charges, postal charges, messenger and courier costs, as well as related charges, photocopying and additional insurance costs incurred through individual assignments will be invoiced separately.



### Terms of Business for Advisory

#### 8 Correction of Errors

8.1 PwC will have the right and shall be obliged to correct all material errors and omissions in final Reports and deliverables which subsequently come to light and shall inform the Client thereof without delay. PwC will also have the right to inform third party acquaintances with the original content of such changes.

8.2 The Client has the right to have all errors corrected free of charge. PwC will be held responsible for those errors which will require its analysis after completion of PwC's work or submission of its final Report, if applicable.

#### 9 Liability

9.1 Except in cases of intent or gross negligence, PwC shall not be held liable for any damages suffered upon the Client. In cases of gross negligence, the liability for damages will be limited to a total amount not to exceed the Client fee for including expenses and the Value Added Tax applicable plus or minus the maximum amount to be paid in the event that the Client has the benefit of the Confidentiality Agreement, less any amounts already received or to be received by the Client. PwC's maximum liability amount will be EUR 100,000. Liability for bodily injury is excluded for the reasons stated above. Liability for loss of profits, loss of production or any other loss or consequential damages or losses.

9.2 For the avoidance of doubt, in case of multiple Clients or addressees or recipients of the Services (the "Addressees"), the maximum amount, as set out in Clause 9.1 is to be allocated between the Addressees. Such allocation will be solely a matter for the Addressees.

9.3 Subject to the Addressees may with be brought within six months after the date of the incident or claim have occurred knowledge of the damage and the liable party, though not later than three years after the incident upon which the claim is based.

9.4 The Client agrees that it shall warrant any claims it may make (whether in contract, non-binding judgment) or otherwise arising out of or in connection with the Services to be brought against PwC solely after PwC member companies (PwC Entities) and not be attached by such claims.

#### 10 Termination

10.1 The Confidentiality Agreement may be terminated by either Party by giving written notice which will have immediate effect.

10.2 In the event of the premature termination of the Confidentiality Agreement, the Client shall be obliged to compensate PwC with full and such expenditures, charges and travelling expenses as well as all expenses for taking into account the circumstances of termination as well as the time spent providing the Services up to the date of the termination of the Confidentiality Agreement.

10.3 When the Client terminates the Confidentiality Agreement before its completion for reasons other than material breach by PwC or when PwC terminates the Confidentiality Agreement due to material breach of the Client, the Client shall be obliged to pay not less than that PwC should reasonably have been in connection with the performance of the Confidentiality Agreement.

10.4 In instances where, despite termination of the Confidentiality Agreement, PwC remains legally bound to continue with the provision of the Services, the Client shall be deemed to have accepted such.

10.5 In the event of the Client failing to fulfill its obligations, in instances where termination is not agreed or accepted or if the Client or when there is lack of cooperation, the Client will pay PwC an agreed additional costs.

# Top customers / suppliers

## Top customers - HUI

€ in thousands	Lifetime	% of total
Enry's Island SpA- Soc. Benefit	173	46.4%
A Advisors LTD	50	13.4%
BLK Global Ltd	50	13.4%
IDEA ADVISORY ltd	50	13.4%
UPGREENE SRL SOCIETA' BENEFIT	24	6.4%
AD VALUE SOCIETA' A RESPONSABILITA' LIMITATA	13	3.6%
SOCIAL GREEN MOBILITY SRL UNIPERSONALE	13	3.4%
<b>Top 7 customers</b>	<b>374</b>	<b>100.0%</b>
<b>KPIs</b>		
Top 3 customers	273	73.2%
Top 5 customers	347	93.0%

## Top suppliers - HUI

€ in thousands	Lifetime	% of total
Enry's Island SpA- Soc. Benefit	106	86.0%
Deel Inc.	17	14.0%
<b>Top 2 suppliers</b>	<b>123</b>	<b>100.0%</b>

# Balance sheet

## Balance sheet - HUI

€ in thousands	31Dec21	31Dec22	31Dec23	31Mar24
	Act	Act	Act	Act
Intangible assets	0	28	1,447	1,447
<b>Fixed assets</b>	<b>0</b>	<b>28</b>	<b>1,447</b>	<b>1,447</b>
Short term receivables	27	82	376	413
Cash and cash equivalents	1	0	0	5
<b>Current assets</b>	<b>28</b>	<b>82</b>	<b>376</b>	<b>418</b>
Deferred income	0	-	-	-
<b>Total assets</b>	<b>28</b>	<b>109</b>	<b>1,823</b>	<b>1,865</b>
<b>Equity</b>	<b>(2)</b>	<b>(11)</b>	<b>(1,518)</b>	<b>(1,517)</b>
Severance provision	(0)	(1)	(3)	(3)
<b>Provisions</b>	<b>(0)</b>	<b>(1)</b>	<b>(3)</b>	<b>(3)</b>
Short term liabilities	(26)	(98)	(302)	(345)
<b>Liabilities</b>	<b>(26)</b>	<b>(98)</b>	<b>(302)</b>	<b>(345)</b>
<b>Total equity and liabilities</b>	<b>(28)</b>	<b>(109)</b>	<b>(1,823)</b>	<b>(1,865)</b>
<i>Equity ratio</i>	8.6%	10.1%	83.3%	81.3%



# Glossary

<b>Term</b>	<b>Definition</b>
BP	Business Plan
CAGR	Compound annual growth rate
CEO	Chief executive officer
CF	Cash Flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FTE	Full time equivalent
FY	Financial year ending
GP	Gross Profit
H1/H2	Half year period 1/2
INPS	"Istituto Nazionale di Previdenza Sociale"
IRAP	"Imposta regionale sulle attività produttive"
IHRES	"Imposta sui redditi delle società"
k	Thousands
KPI	Key performance indicator
LTM	Last twelve months
m	Millions
ND	Net Debt
NWC	Net Working Capital

## Glossary (cont'd)

Term	Definition
OWC	Other Working Capital
p.a.	Per annum
ppt	Percentage points
PwC view	Our view in the context of the scope of our work and the circumstances at the time of our field work
Q1/2/3/4	Quarter 1/2/3/4
R&D	Research & Development
SpA	"Società per azioni"
Srl	"Società a responsabilità limitata"
SPA	Sale and Purchase Agreement
TFR	"Trattamento di fine rapporto"
TWC	Trade Working Capital
YTD	Year to date to