

The Most CREACTIVE AI Solution!

ADD | Fair Value: €2.97 | Current Price: €2.19 | Upside: +35.8%

Research Update

March 15, 2023 – 7.00 h

€ Million	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Value of Production	4.8	5.2	6.0	7.7	11.0	14.7	18.8
EBITDA	0.2	0.4	0.6	0.8	1.5	3.0	5.9
margin	3.4%	6.8%	9.3%	10.8%	13.9%	20.5%	31.4%
Net Profit	(0.9)	(0.1)	(0.4)	(0.1)	0.3	1.2	3.3
margin	-17.9%	-2.7%	-6.0%	-1.8%	2.5%	8.3%	17.3%
EPS	(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.1	0.3
NFP	1.3	1.3	0.3	0.8	0.5	(1.3)	(5.2)

Source: Company data (2020-22), KT&Partners' elaboration (2023-26)

Company overview. Creatives Group S.p.A. is an innovative PMI listed on the Vienna Stock Exchange and on EGM PRO market with headquarter in Verona, which provides AI-backed solutions for supply chain and procurement. Creatives is also considering the IPO process on Euronext Growth Milan in 2023, to further boost its growth. The Company is the first Italian mover active simultaneously in global Supply Chain Management (SCM), digital transformation, big data and AI. Creatives' business model is characterized by high business scalability thanks to the outstanding reusable cross-geographical and sectoral knowledge base, and to the network of international partners.

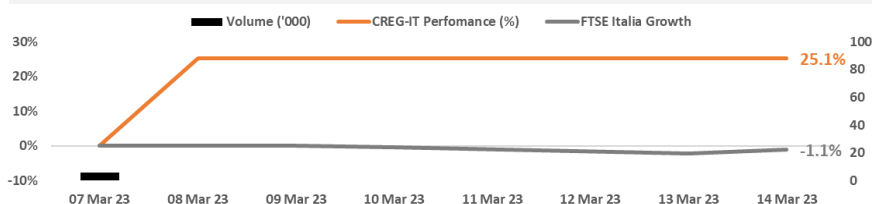
Snapshot of the market. To overcome the supply chain disruptions resulting from the uncertain geopolitical and health context, companies are integrating intelligent workflow into their supply chains to better support business operations. Indeed, the global spending on the digital transformation market is expected to grow at CAGR2020-25 of 16.4% driven by smart procurement and sourcing, which is one of the largest categories represented on the SCM market in 2020. The latter is expected to reach almost \$31bn by 2026, and to grow at double-digit CAGR2020-26E of +11.8% driven by a growing need for working capital optimization offered through SaaS (+14% of CAGR2020-27) and powered by big data analysis (+14.9% of CAGR2020-26) and AI (+42.2% of CAGR2020-27).

IPO rationale & performance. On March 7, 2023, Creatives was listed to the EGM PRO market with an IPO price of €1.75, raising €1mn. To date, stock price showed +25.1% return since IPO, reaching ca. €27mn market capitalization. CREG-IT's listing represents the opportunity to: i) accelerate its growth strategy through new software developments, SAP integration and marketing activities also aimed at expanding the partners' network; ii) improve internal processes and support working capital needs.

Future estimates. Starting from the top line, we forecast sales revenues to grow at a CAGR22A-26E of 42.5% to €17.8mn in 2026E, considering: i) the increase in new projects delivered by Creatives and international partners; ii) partner's network enhancement to increase the customer base; iii) the business scalability granted by Vanessa and iv) the full transition to SaaS solution by 2025E. We expect that the Company will progressively improve its profitability leveraging on worldwide reusable industrial knowledge base, Vanessa, reaching 31.4% EBITDA margin by FY26E. We expect NFP to progressively improve over the 2022-26E period, to a strong net cash position of €5.2mn by FY26E.

Valuation. Our valuation – based on both DCF and EV/Sales multiple models – returns an equity value of €36.58mn or €2.97ps, implying a potential upside of +35.8% on current market price.

Relative Performance Chart since IPO



Source: KT&Partners' elaboration on Borsa Italiana and Factset data

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Market Data

Market Data	
Main Shareholders	
Paolo Gamberoni	17.4%
Adriano Garibotto	17.4%
Add Value SpA	17.1%
Mkt Cap (€ mn)	26.9
EV (€ mn)	26.2
Shares out.	12.3
Free Float	18.3%

Market multiples	2022	2023	2024
EV/Sales			
Creatives Group S.p.A.	6.1x	4.0x	2.7x
Comps Median	4.2x	4.2x	3.9x
Creatives Group S.p.A. vs Median	47%	-5%	-32%

Stock Data

52 Wk High (€)	2.30
52 Wk Low (€)	2.00
Avg. Daily Trading 90d	1,200
Price Change 1w (%)	n.a.
Price Change 1m (%)	n.a.
Price Change YTD (%)	25.14

Key Figures – Creatives Group S.p.A.

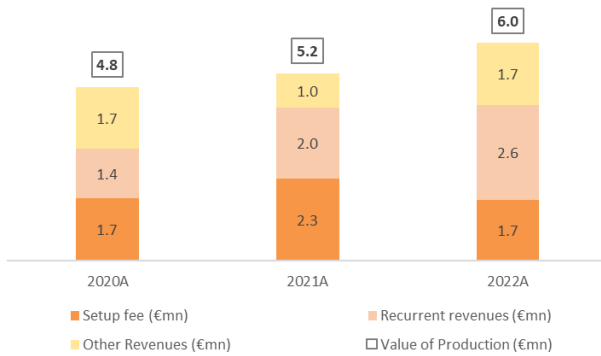
	Current price (€)	Fair Value (€)	Sector				Free Float (%)
	2.19	2.97	Supply Chain Management				18.3
Per Share Data	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total shares outstanding (mn)	10.92	10.92	10.92	12.30	12.30	12.30	12.30
EPS	n.m.	-0.01	-0.03	-0.01	0.02	0.10	0.26
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Value of Production	4.8	5.2	6.0	7.7	11.0	14.7	18.8
EBITDA	0.2	0.4	0.6	0.8	1.5	3.0	5.9
EBIT	(0.8)	(0.3)	(0.3)	(0.2)	0.3	1.7	4.5
EBT	(0.9)	(0.2)	(0.3)	(0.2)	0.3	1.6	4.5
Taxes	0.0	0.1	(0.0)	0.1	(0.0)	(0.4)	(1.2)
Tax rate	0%	n.m.	-10%	29%	7%	25%	28%
Net Income	(0.9)	(0.1)	(0.4)	(0.1)	0.3	1.2	3.3
Net Income attributable to the Group	(0.9)	(0.1)	(0.4)	(0.1)	0.3	1.2	3.3
Balance Sheet (EUR million)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total fixed assets	2.1	3.2	3.4	4.3	4.2	3.9	3.6
Net Working Capital (NWC)	1.2	0.9	(0.6)	0.1	0.5	0.4	0.5
Provisions	(0.4)	(0.6)	(0.6)	(0.8)	(1.1)	(1.5)	(1.8)
Total Net capital employed	2.9	3.5	2.2	3.5	3.5	2.9	2.3
Net financial position/(Cash)	1.3	1.3	0.3	0.8	0.5	(1.3)	(5.2)
Total Shareholder's Equity	1.7	2.2	1.8	2.7	3.0	4.2	7.5
Cash Flow (EUR million)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Net operating cash flow	0.2	0.4	0.5	0.9	1.5	2.6	4.7
Change in NWC	0.2	0.3	1.5	(0.7)	(0.4)	0.0	(0.0)
Capital expenditure	(1.2)	(1.7)	(1.0)	(1.9)	(1.1)	(1.1)	(1.1)
Other cash items/Uses of funds	0.3	0.1	(0.0)	0.2	0.3	0.3	0.3
Free cash flow	(0.5)	(0.8)	1.0	(1.5)	0.3	1.8	3.9
Enterprise Value (EUR million)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Market Cap	39.7	39.7	39.7	26.9	26.9	26.9	26.9
Minorities	-	-	-	-	-	-	-
Net financial position/(Cash)	1.3	1.3	0.3	0.8	0.5	(1.3)	(5.2)
Enterprise value	41.0	41.0	40.1	27.7	27.4	25.6	21.7
Ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
EBITDA margin	3.4%	6.8%	9.3%	10.8%	13.9%	20.5%	31.4%
EBIT margin	-16.0%	-5.4%	-4.4%	-2.0%	3.1%	11.4%	24.1%
Gearing - Debt/equity	76.7%	56.5%	17.8%	29.7%	17.3%	-31.0%	-69.4%
Interest cover on EBIT	-12.2%	-23.2%	-23.3%	n.m.	11.7%	2.3%	0.9%
NFP/EBITDA	7.85x	3.58x	0.59x	0.96x	0.34x	-0.43x	-0.88x
ROCE	-26.3%	-8.0%	-12.2%	-4.5%	9.6%	57.6%	198.9%
ROE	-52.0%	-6.2%	-19.5%	-5.2%	9.2%	29.1%	43.6%
EV/Sales	8.50x	6.22x	6.10x	4.01x	2.65x	1.92x	1.48x
EV/EBITDA	n.m.	n.m.	n.m.	31.32x	17.23x	8.70x	4.44x
P/E	n.m.	n.m.	n.m.	n.m.	n.m.	22.01x	8.27x
Free cash flow yield	-1.3%	-2.1%	2.7%	-3.7%	0.8%	4.7%	10.0%
Growth Rates (%)	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Sales	89.3%	8.0%	16.1%	28.5%	41.6%	34.3%	28.0%
EBITDA	n.m.	n.m.	58.1%	50.1%	81.8%	98.1%	95.9%
EBIT	-59.8%	-63.5%	-5.4%	40.2%	n.m.	n.m.	n.m.
Net Income	-58.1%	-83.8%	n.m.	39.5%	n.m.	n.m.	n.m.

Source: Company data, KT&Partners' elaboration

Note: Market capitalization from 2020 to 2022 is referred to the Vienna MTF considering 10,920,000 shares outstanding

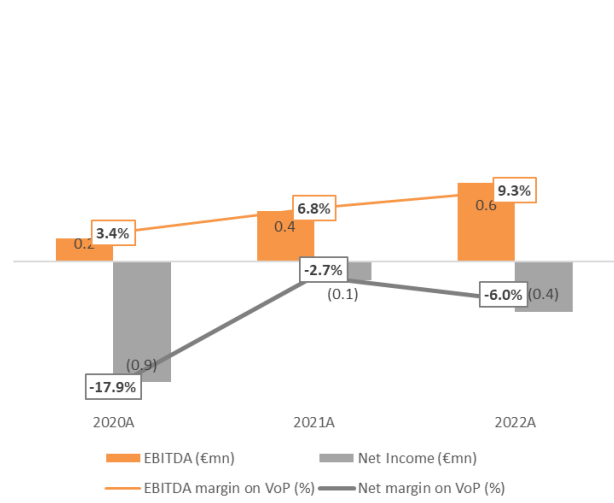
Key Charts

Value of Production (€mn, %)



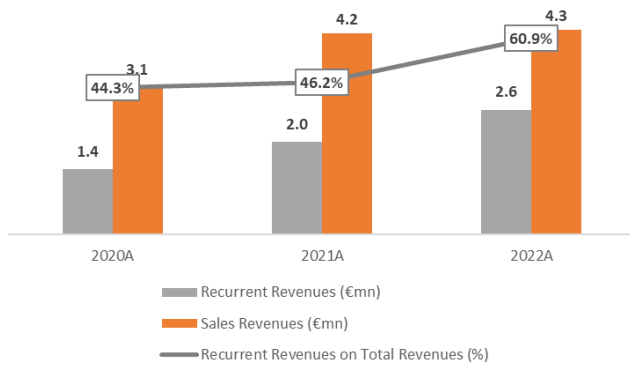
Source: Company data, KT&Partners' elaboration

Profitability Evolution (€mn, %)



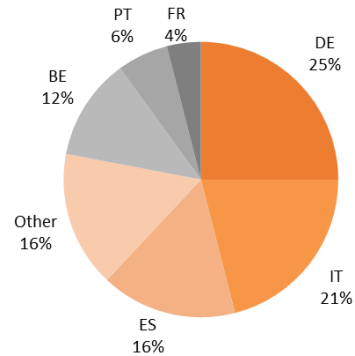
Source: Company data, KT&Partners' elaboration

Recurrent Revenues (€mn, %)



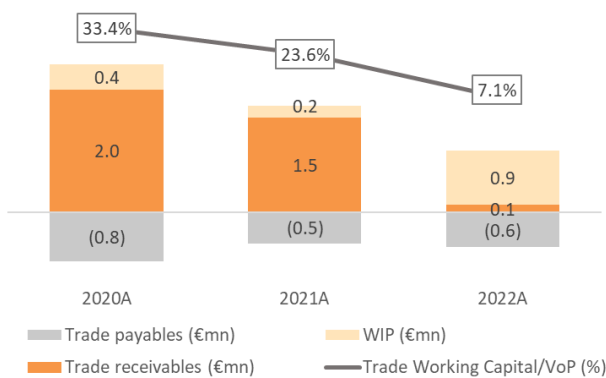
Source: Company data, KT&Partners' elaboration

2022 Sales Revenues Breakdown by Geography (%)



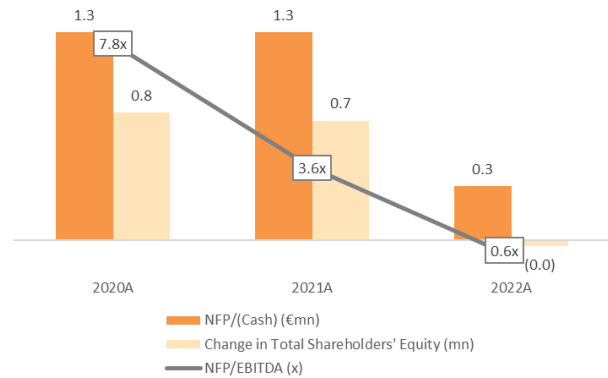
Source: Company data, KT&Partners' elaboration

Trade Working Capital (€mn, %)



Source: Company data, KT&Partners' elaboration

NFP and Change in Total Shareholders' Equity (€mn, x)



Source: Company data, KT&Partners' elaboration

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Investment Case

A proprietary AI knowledge base. Creatives is an innovative PMI which provides AI-backed solutions for supply chain and procurement digitalization. The Company is considered the first Italian mover simultaneously active in global supply chain management, digital transformation, big data and AI. Leveraging on the biggest worldwide reusable industrial knowledge base (Vanessa) in more than 25 languages, Creatives' AI powered solutions: i) deliver, validate, and maintain the highest data quality outcomes; ii) automate the end-to-end data quality governance and the optimization processes of the enterprises.

Proven business model supported by a strong international partnership network. In its twenty-year history, Creatives is trusted by big international corporate clients (e.g. ABInBev, Airbus, Danone, Enel, Siemens and many more) and supported by international partners (e.g. KPMG, NTT Data, Indra and SAS Institute), boasting several worldwide recognitions (e.g. ProcureTech100 – the 100 pioneering digital procurement solutions). Creatives has a B2B model based on Software as a Service (SaaS) with a strong customer retention, where the innovative tools are being delivered via cloud after the set-up project. Given its high scalability business model based on recurrent revenues and a high-standing partnership network, Creatives aims to reach new cross-geographical and sectoral knowledge base.

Boasting an outstanding international footprint. In the last years, Creatives expanded its geographical presence through i) a subsidiary in Frankfurt (Germany) with the aim of strengthening relationships with Creatives' most important clients (e.g. 25% of sales revenues in 2022 have been generated in Germany); and ii) two commercial branches in Madrid (Spain) and Paris (France), with the aim of further expanding the Company's international footprint. Confirming its international vocation, only 21% of sales revenues are generated in Italy, while the remaining 79% (+3pp YoY) is attributable to foreign countries. The sales revenues generated in Europe (including Austria, Belgium, Germany, Portugal, Spain and Sweden) amounted to 91%, whereas only 9% is accounted for by the rest of the world, mainly Mexico, UK and USA. We also note that the Company has increased the geographical distribution of revenues, implying greater diversification with the aim of reducing concentration risk.

Strong positioning in a double-digit growth industry. To overcome the supply chain disruptions resulting from the uncertain geopolitical and health context, companies are integrating intelligent workflow into their supply chains to better support business operations. Indeed, the global spending on digital transformation market is expected to grow at CAGR2020–25 of 16.4% driven by smart procurement and sourcing, which is one of the largest categories represented on the SCM market in 2020. The latter is expected to reach almost \$31bn by 2026, and to grow at double-digit CAGR2020–26E of +11.8% driven by a growing need for working capital optimization offered through SaaS (+14% of CAGR2020–27) and powered by big data analysis (+14.9% of CAGR2020–26) and AI (+42.2% of CAGR2020–27). Unlike its main competitors, Creatives boasts the vastest reusable knowledge base of industrial components, acting through its data integration tools both ex-ante – thanks to classification, search, and creation assistant – and ex-post – thanks to Procurement Optimizer, Material Master Data Governance and Inventory Optimizer Assistant.

Remarkable business and profitability growth path. The Group enjoyed a revenue CAGR2017–22 of 14.3%, increasing to €4.3mn of sales revenues in 2022 from €2.6mn in 2017. Despite the halt in business growth that occurred in 2020, the business expansion achieved in 2017–22 was driven by i) the customer base increase through direct and indirect channels; and ii) the transition to the SaaS business model, resulting in an increase in recurring revenues, which are characterized by high profitability. Indeed, in 2022 recurrent revenues had increased to €2.6mn from €1.4mn in 2017, increasing its incidence on sales revenues by 25.5pp to 60.9% in 2022 from 35.4% in 2017. As result, the Group enjoyed great profitability improvement reaching a 9.3% EBITDA margin in FY22A from 3.4% in 2020, also thanks to the high business scalability leveraging on the outstanding reusable cross-geographical and

sectoral knowledge base and to the network of qualified international partners. The strong profitability, combined with optimal working capital management, allowed the Company to achieve an outstanding cash generation power of 186% FCF/EBITDA, improving its net debt position to €0.3mn at the end of FY22A (from €1.3mn in 2021), despite the huge R&D investment to develop new products and features.

IPO on Euronext Growth Milan PRO. On March 7, 2023, Creatives has been listed to the Euronext Growth Milan PRO segment of Euronext Growth Milan, with a capital raise of €1mn. The firepower generated by the IPO is expected to: i) accelerate Company's growth strategy through new software developments, SAP integration and marketing activities also aimed at expanding the partners' network; to ii) improve internal processes and support working capital needs.

Statement of risk. The Group strategy – based on double-digit market growth addressed with the right set of products and partner's network – might entail some execution risk. Firstly, the slowdown in the decision-making processes of some large clients due to unexpected events (e.g. the Ukraine–Russia conflict) is mitigated by diversifying its customer base. Moreover, given the highly qualified personnel with specific skills in information technology, business data management and analysis needed to support Creatives growth, the Group meticulously selects its personnel, hiring people that match Creatives' mission, offering a great working environment, competitive salary, benefits and training to reduce the turnover. Furthermore, Creatives could be exposed to the risk of the lack of continuity in its relations with partners, as well as the failure to fulfill their contractual commitments; Creatives aiming to mitigate this risk, meticulously selects its partners, choosing high standing companies with different locations and activity focus.

Company Overview

Creactives Group

Creactives Group S.p.A. (Creactives or the Company or the Group) is an innovative PMI listed on the Vienna Stock Exchange and on EGM PRO market with headquarter in Verona, which provides AI-backed solutions for supply chain and procurement. The Company is the first Italian mover active simultaneously in global supply chain management, digital transformation, and big data and AI.

Leveraging on its industrial knowledge base, Creactives provides real-time procurement insights and analytics, optimizes inventories and procurement processes (working capital optimization) to render business data usable by overcoming geographical, linguistic (more than 25 languages), sectoral, and ERP/PLM/S2P system barriers. Thus, Creactives' AI-powered solutions cleanse and enrich existing data, learning from evolving meanings and cost effectively, safeguarding the creation of new information on a continuous automatic basis.

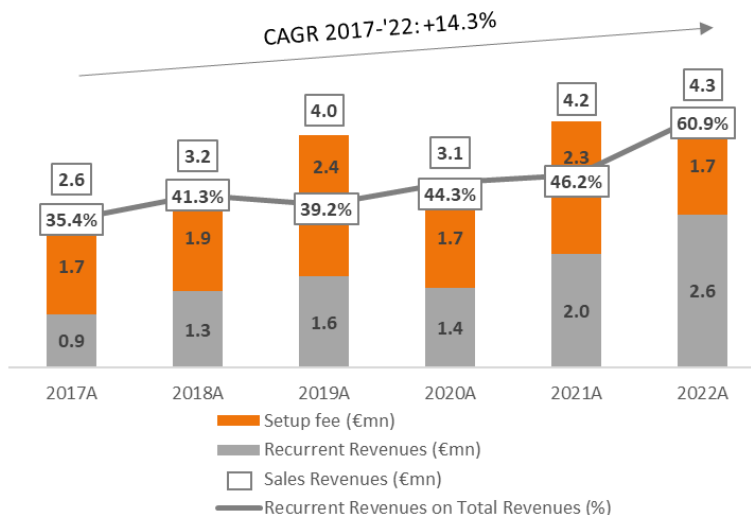
Creactives' business model is characterized by high business scalability thanks to the outstanding reusable cross-geographical and sectoral knowledge base and to the network of qualified international partners that reduce the effort required for the client engagement and the project set-up. Indeed, in its twenty-year history, Creactives is trusted by leading multinational companies and supported by an international network of qualified partners (e.g. KPMG, NTT Data, Indra and SAS Institute), offering a proprietary high-level comprehensive suite of AI tools for supply chain data.

In line with its strategy to to become an international market standard solution, the Group over the year started its expansion with its subsidiary in Germany and the two commercial branches in Spain and France.

Confirming its international reputation, in 2022, Creactives boasts several worldwide recognitions (e.g. ProcureTech100 – the 100 pioneering digital procurement solutions) as well as a geographically diversified portfolio of 45 clients characterized by high retention rate (92.7% or 7.3% of churn rate), with 81% of sales revenues being generated abroad.

After COVID-related slowdown during 2020 due to delays on the ongoing projects, Creactives successfully rebounded in 2021 surpassing pre-COVID revenues and improving its margins thanks to growing recurrent revenues. Creactives' sales revenues grew at CAGR2017-22 of 14.3%, reaching €4.3mn in 2022 with recurrent revenues of €2.6mn, representing 60.9% of sales revenues, increasing from the 44.6% in FY21. For the coming years, the Company aims to leverage on the qualified partners network and Vanessa's knowledge base to grasp an outstanding business scalability and an attractive double-digit expected market growth.

Group's Sales and Recurrent Revenues Growth (€mn, %)



Source: KT&Partners' elaboration on Company data

Selected Partners



Top Clients



Worldwide Recognitions



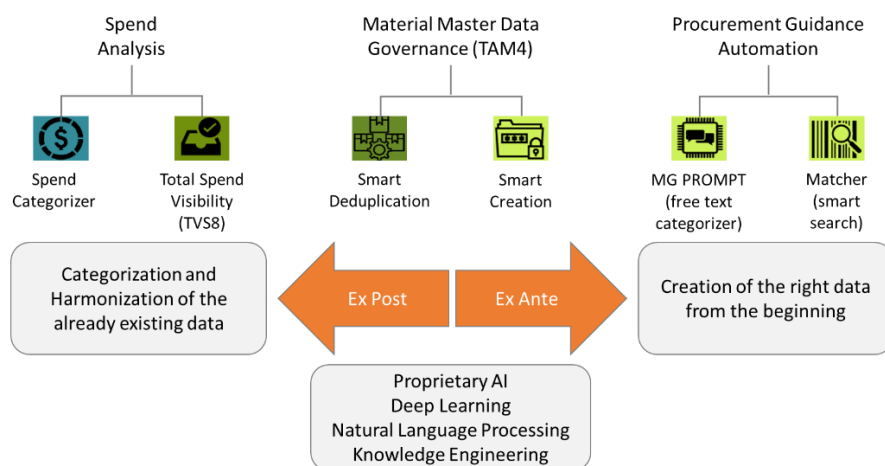
A Portfolio of AI Semantic Technology Tools for Supply Chain...

Supply chain opacity and ambiguity are problems that affect more than 100,000 companies in the world. Indeed, the difficulty of implementing a common classification structure (taxonomy) leads to inefficiencies, like inventories over-dimensioning, with duplicates, obsolete spare parts and multilanguage issues (a global multinational company is typically present in more than 40 countries with more than 10 business languages) creating the so called “tail spend”.

Creatives, thanks to its portfolio of solid semantic technology tools which are backed by AI, supports its customers in taking control of their supply chain data through the creation of the so-called “Digital Twin”.

Specifically, Creatives’ AI-powered solutions can transform unstructured supply chain data across 25 languages and different sectors into ready-to-use information for business decisions, acting through its data integration tools both ex-ante – thanks to classification, search, and creation assistant – and ex-post – thanks to Procurement Optimizer, Material Master Data Governance and Inventory Optimizer Assistant.

Creatives AI Powered Solutions – Key Building Blocks



Source: KT&Partners’ elaboration on Company presentation

These tools are grouped into three macro-categories: i) Data Assistant; ii) Material Master Data Management; iii) Analysis and categorization of spending data.

Data Assistant tools

Data Assistant tools assist Creatives’ clients in classifying data items based on the description provided, making easier to find items within master data or existing catalogs.

The main features of these tools consist of: i) allowing integration with the ERP (to make it iERP, intelligent-ERP, i.e. capable of interpreting 25 languages and enhanced with AI-Semantic technology); ii) continuous development, through the interaction of each user improving the machine learning model; iii) multilingualism (more than 25 languages including Chinese, Japanese and Korean); iv) ease of use, to the point that no training is required but they are simply integrated into the user's daily activities.

Among these tools are:

- **MG PROMPT** (Free text categorizer), the technological component that provides "suggestions" of the Material Groups (category/merchandise class or commodity code) to be assigned to the item. The suggestions consist of a list of alternative categories (usually five) from which the user must choose. The suggestions are made using proprietary taxonomies created by the client as well as international standards and are improved by considering the choices gradually made, whether the choice is arbitrary (external to the suggestions), or whether a different suggestion from the

one deemed most probable is chosen from the system. In 95% of cases, one of the proposed categories is the correct one.

- **Matcher (Smart search)** is the tool integrated into the ERP or Source-to-Pay platforms (within transactions), which allows the user to identify a specific product by providing advanced search functions and matching in real time the free text descriptions written by the user to the master data of the customer's materials, catalogs, or corporate framework agreements. Based on a search engine specialized in industrial objects and understanding 25 different languages, Matcher can identify, in 95% of cases, the correct product indicated in a list of ten objects.

Material Master Data Management tools

For the management of Material Master Data, the Group has developed X (Technical Attribute Management), an application which, using the data present in the Digital Twin, supports the management, cleaning, creation, enrichment and deduplication of the Material Master Data, to eliminate the possibility of overstocking and to prevent duplication. The TAM application can be integrated with ERP-type information systems to make data quality processes available both ex-ante ("intelligent" creation of new items in the Material Master Data with guaranteed qualitative and formal characteristics and avoiding the creation of duplicates) and ex-post (automatic identification of duplicate entries, harmonization of separate master data, optimization of some warehouse management logistics processes).

The related use cases are:

- Material Smart Creation avoids the ex-ante creation of already existing materials. Every time a creation request is necessary, Smart Creation interprets the description provided by the user and, independently the language in which it is written, proposes the ten articles most similar to the description entered. If none of the proposed articles corresponds to the article to be created, the user can proceed with the creation of the new article with the guarantee that he is not creating a duplicate.
- Duplicate Management Workflow automatically identifies potential duplicates within a material database, i.e. a pair or group of records that describe identical or equivalent (replaceable) industrial objects with respect to a specific industrial process that must use them. Users examine the list of groups of potential duplicates, with a series of evidences that the system believes imply (or not) equivalence. The task of the users is to select which are the actual duplicates and for those that are not to specify the additional evidence that differentiates them.
- Massive Smart Creation allows the creation of new material master data in mass mode via Excel file, guaranteeing the user time savings and greater efficiency, while maintaining the quality of the single check, duplicate verification and categorization.
- Mass modification functions allow the modification of already existing material master data in mass mode via an Excel file, guaranteeing the user time savings and greater efficiency, while maintaining the quality of the single control. Examples of massive modification operations can be the extension of materials to the establishments on which they can operate and the modification of some fields.
- Collaborative Smart creation for suppliers (Supplier Portal Network), makes available to suppliers ex-ante the functionality of massive Smart Creation. In this way they can participate in the quality process of the Material Master Data and start their definition by filling the required information, such as e.g. long/short descriptions, manufacturer and maintenance information.

Tools for analyzing and categorizing spending data

The Spend Categorizer application uses all available information (such as descriptions of orders, invoices, names of suppliers, master data, units of measure, etc.) to generate and maintain over time (therefore even after the set-up) the Digital Twin with a categorization of 95% of the expenditure, as well as to enrich the expenditure data with brands and codes to support price comparisons.

Spend Categorizer can provide categorized and enriched data to any BI (Business Intelligence) tool used by the customer, to extract from data with a high level of quality information and check typical spending analysis. If the customer does not want to use his own BI, Creatives can provide the application created by the technological partner and shareholder Add Value S.p.A, called TSV8 (Total Spend Visibility). More specifically, TSV8 exploits Digital Twin data to provide an integrated and global view of spending, especially useful for multinational organizations, facilitating the control and harmonization process of spending strategies.

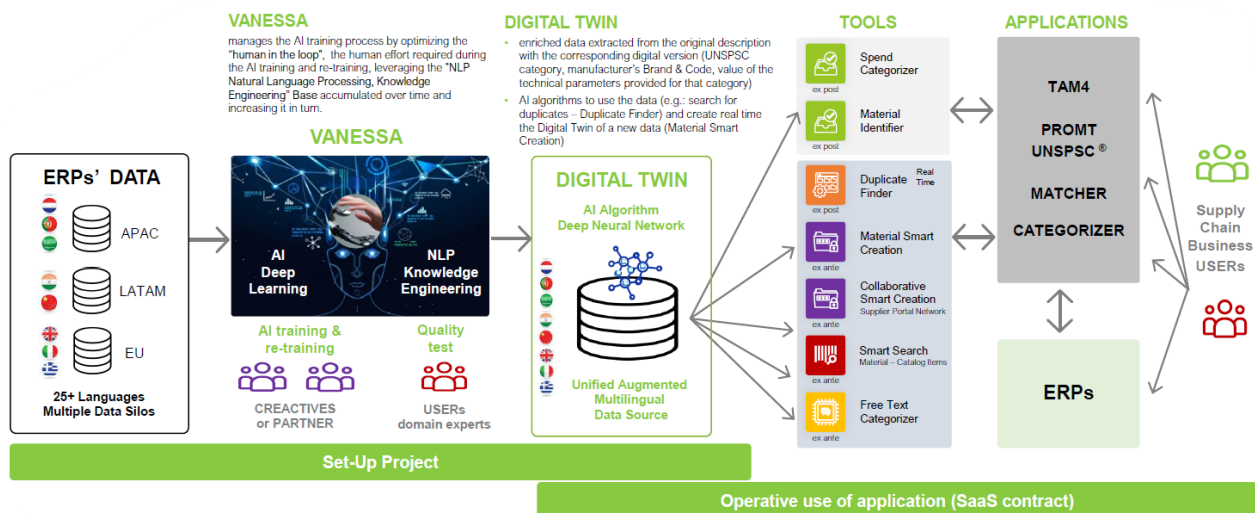
Vanessa, AI powered suite for the supply chain data digitalization

The deep neural network, created by Vanessa, is used to understand descriptions. Indeed, the software extracts metadata from descriptions and normalizes them in a separate field facilitating data aggregation. At the core lies semantic technology, which reasons in a fashion similar to the human mind and provides data in an understandable fashion in one solid user interface, promoting full global transparency.

With Vanessa, even non-technical resources do AI Training. Indeed, Vanessa drives all the processes reducing the AI training effort to a minimum number of closed questions. In fact, when Vanessa does not understand the most complex data, she asks multiple-choice questions – which are answered by the data analyst and, by exception, by the client's domain expert – to accumulate new knowledge and use it for the future. This process seen the creation of the Digital Twin, which is an augmented version of the data, by using deep learning and knowledge engineering, transforming the description understandable to everyone in a standardized way. She also optimizes the required client support, reducing it to a few tens of days including quality testing to provide clean data without any client actions.

Finally, the algorithm can edit Digital Twins and rules in real time thanks to the cloud solution offering a shared database to work in parallel with multiples users.

Vanessa, the AI Semantic Cloud Platform



Source: Company presentation

...Trusted by Several Leading Companies...

Creactives boast a high standing customer portfolio composed of more than 40 multinational companies belonging to several industries with a common problem: large and complex multilingual datasets. Every year Creactives enriches its client portfolio with 5 to 8 new customers, mainly with high standing profiles. The Company’s customer base is characterized by low churn rates compared to its peers. Indeed, Creactives’ average churn rate varies between 2% and 3%, whereas the software industry stands at 5%.

Selected Customer Portfolio

	Industrial	Basic Materials	Utilities, Oil&Gas	B2C Goods & Services	Financial
Italy	Buzzi Unicem, FIAT, PIRELLI, LEONARDO, BENTON & BOWLES	Gruppo ALFA ACCIAI, MANNI GROUP	enel, a2a, SPARLE, iren	TRENITALIA, BORGARNO	UniCredit, GENERALI
DACH	HILLENBRAND, coperton, Röchling, SIEMENS, MT AEROSPACE	Heraeus, STEINBEIS, Lenzing, BASF, AVL, Aurubis	SIEMENS energy, T	KONICA MINOLTA	
Spain	General Cable, CEF, Gestamp	TUBACEX GROUP, ACEMINO, Fertiberia	Canal de Suelit II, acciona	TENDAM, COREFFIFI, vidrala	Santander, M. multinestea
Other EU countries	Delphi Technologies, AIRBUS, varian		ENGIE, galp, Shell	ABInBev, DANONE, SANOFI	
Rest of World	BergWarner, camex		Dubai Petroleum		

Source: Company presentation

...And Supported by International Partners

Creactives boasts a network of international partners, leading companies that use Creactives’ innovative solutions for their clients, managing the sale and deliver of project set-up. Strengthening the international partners network is one of the key pillars of Creactives’ growth. Indeed, qualified partners support Creactives in selling, managing, and delivering the project set-up to the client, performing nearly 90% of the effort normally required. In this way, Creactives can complete the project set-up delivery and focus only on the SaaS delivery phase by leveraging on Vanessa, the vastest worldwide knowledge base. As a result, the company can achieve both business growth and margin improvement through higher recurring revenues and lower costs than by generating sales revenues only through the direct channel.

Therefore, the partners:

- Maximize the customer lifecycle and reduce the Customer Acquisition Cost (CAC) by leveraging on the partner network;
- Accelerate Creactives’ SaaS revenues through indirect sales generated by the partner channel;
- Increase Creactives’ operational efficiency and return on investment;
- Fully leverage product potential and market-leading position.

To achieve the goals and to attract new partners, Creactives has created and implemented the Go-to-Market program for partners, which consists of the following elements:

- Partner Engagement Model, whereby partners generate revenue through the sale, implementation, integration and management of Creactives solutions, while Creactives retains SaaS revenue from end customers;
- Partner Empowerment, which offers a unique value proposition augmented by the Partner with “Creactives inside”;
- Partner Enablement, in which Creactives certifies and equips the partner with global centers of excellence;

- Partner Sales Execution through a joint Partner/Creatives marketing and sales plan;
- Creatives Knowledge Engineering Platform, the scalable solution developed by Creatives for exclusive use by Partners to implement Creatives solutions on their own.

As of today, strategic partners are categorized as follow:

- Global Services Partners such as INDRA, KPMG, NTT DATA, who have signed global agreements with Creatives, with centers of excellence in Europe and LATAM;
- Platform Technology Partners such as SAS that sell Creatives solutions integrated into their software suite to increase its power and value.

Partnership Strategy



Source: Company presentation

Group's History

The foundation of Creatives S.p.A.

Creatives S.p.A. was co-founded by Mr. Paolo Gamberoni, Mr. Adriano Garibotto and Mr. Francesco Bellomi on June 7th, 2000, with the aim of creating a cost reduction consulting company to solve the problems connected to supply chain management.

Developing the semantic software

During 2004, Creatives started to gradually expand into the software market, developing the first semantic tool for internal use. Then, in 2008, following the improvement of its software skills, the Company was able to solve the multilanguage complexity of unstructured supply chain data, developing and successfully implementing the setup of the first semantic application for FIAT.

Beginning of the Company's international expansion path

Since 2012, Creatives started its international expansion by launching new products for the supply chain. Moreover, in 2014, Creatives GmbH – the first foreign subsidiary – was created with the aim of penetrating the European market.

Equity swap deal for creating Creatives Group S.p.A.

In April 2020, Balaban Technology – a vehicle focused on acquiring technology companies, founded in February 2020, and promoted by Mr. Giandomenico Sica and Mr. Massimo Grosso – acquired Creatives S.p.A. via an equity swap deal and subsequently took on the name Creatives Group S.p.A.

IPO on the Vienna Stock Exchange for boosting business growth

The month after the foundation of Creatives Group S.p.A., with the aim of boosting its business growth strategy, Creatives went public on the Vienna Stock Exchange, raising €2.3mn from 24 Italian and foreign investors, both professional and institutional, with a market capitalization of €33.94mn or €3.11ps.

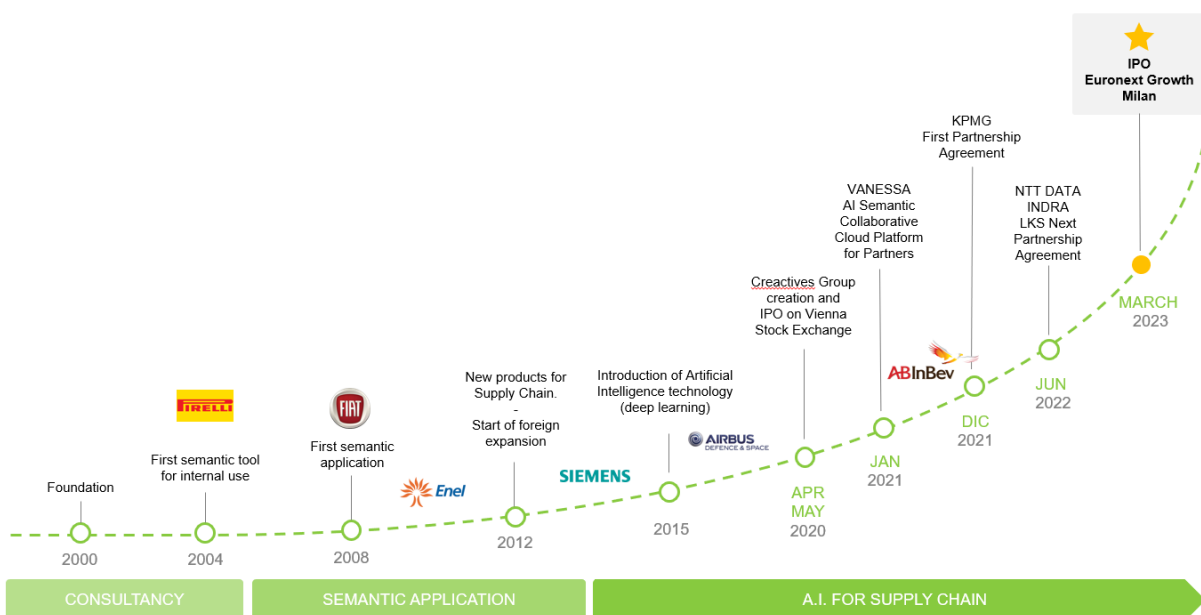
Strengthening the international indirect channel

With the aim of strengthening the indirect channel strategy to increase Creatives' business growth through international partners, on the one hand Creatives completed and released Vanessa, the first AI semantic collaborative cloud platform for partners, in 2021. On the other hand, Creatives signed several partnership agreements such as Global Services Partners and Platform Technology Partners. As of June 2022, among the international partnership agreements already signed, we can find KPMG, NTT Data, Indra, LKS Next and SAS Institute.

Further acceleration thanks to IPO on Euronext Growth Milan

Nowadays, thanks to the experience gained over the years, Creatives owns the world's largest knowledge base of industrial components, and it is working on further expanding its data management solutions. Therefore, Creatives went public on Euronext Growth Milan PRO in March 7, 2023, to further boost its growth.

Creatives Key Milestones



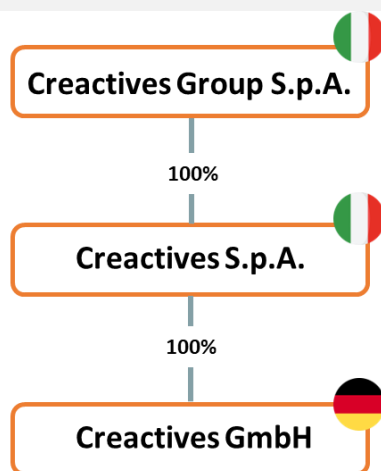
Source: Company presentation

Group and Ownership Structure

In April 2020, Balaban Technology – a vehicle focused on acquiring technology companies, founded in February 2020, and promoted by Mr. Giandomenico Sica and Mr. Massimo Grosso – acquired Creatives S.p.A. via an equity swap deal and subsequently took on the name Creatives Group S.p.A.

The Company is headquartered in Verona, where the administrative offices are located. However, in the last years, Creatives expanded its geographical presence through: i) a subsidiary in Frankfurt (Germany) with the aim of strengthening relationships with Creatives' most important clients (e.g. 25% of sales revenues in 2022 have been generated in Germany); and ii) two commercial branches, one each in Madrid (Spain) and Paris (France), with the aim of further expanding the Company's international footprint.

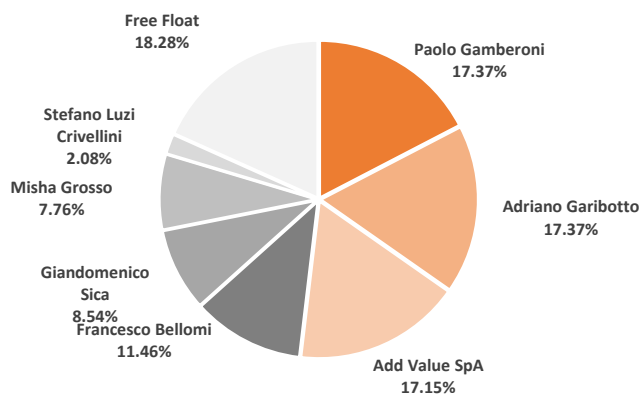
Group Structure



Source: KT&Partners' elaboration on Company presentation

Creatives is a public company listed on the Vienna MTF of the Vienna Stock Exchange since May 20th, 2020, with 10,920,000 shares. On December 6, 2022, the Company assigned 799,000 bonus shares. Furthermore, on March 7, 2023, Creatives went public on EGM PRO market, raising ca. €1m through 576,000 new shares. Following the new listing, Creatives' share capital is divided into 12,295,000 ordinary shares with Mr. Paolo Gamberoni and Mr. Adriano Garibotto owning the 17.37% respectively. Other relevant shareholders are Add Value S.p.A. with a 17.15% stake, Mr. Francesco Bellomi with 11.46% stake, Mr. Giandomenico Sica, who owns the 8.54% stake and Mrs. Misha Grosso with 7.76%, while the minority stake (ownership below 5%) is held by Mr. Stefano Luzi Crivellini with 2.08%. The remaining 18.28% is free float formed by all investors who also converted the convertible bond as part of the total Vienna Stock Exchange IPO capital increase of €2.3mn and by all investors who acquired new shares issued during the IPO process on the EGM market.

Shareholder Structure



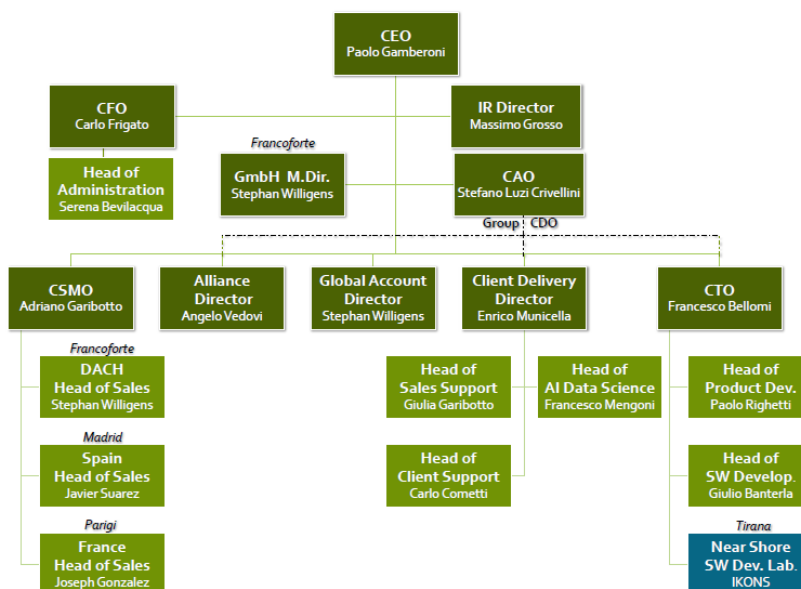
Source: KT&Partners' elaboration on Company data

Group Organization

As of July 2022, the company counted 57 employees, 14 more than in the previous year (3 sales, 5 computer scientist, 5 data analyst and one administrative). Creatives boasts an outstanding multilanguage, multicultural and young team (37 years old on average) composed of 21 women and 36 men, 80% of whom are graduates in various subjects.

The group relies on i) a Chief Executive Officer who oversees the overall group organization; ii) a part-time Chief Financial Officer (CFO) supported by the Head of Administration; iii) an Investor Relator Director; iv) a Global Account Director, who is also Managing Director of the German subsidiary; v) a Chief Administrative Officer, who is also Group Chief Delivery Officer; vi) Chief of Sales and Marketing Director who supervises the Head of Sales in German, Spanish and French areas; vii) a Chief Technology Officer who oversees the Head of Product and Software Development and the Near Shore Software Development Lab based in Tirana; viii) an Alliance Director; and ix) a Client Delivery Director who supervises the Head of AI Data Science, Client and Sales Support.

Organizational Chart



Source: Company presentation

Key People

Creatives is run by professionals and entrepreneurs with relevant business and industry experience in several sectors and countries.



Paolo Gamberoni – Chairman and CEO

Mr. Paolo Gamberoni is the co-founder and CEO of Creatives. Since 2000 he has been leading the company, focusing on the most innovative technology, and the internationalization strategy. He previously worked as a senior manager in Accenture and as a managing director of a BPO business unit in EDS Italy. He is a graduate in Electronic Engineering from the University of Padua.



Adriano Garibotto – Board Member

Mr. Adriano Garibotto is the co-founder of Creatives with over 20 years of wide and international experience in the Procurement and Supply Chain business consultancy and services. Since 2000 he has concentrated on sales and customer management, supporting the internationalization of the company. He previously worked as co-founder and managing director of Tralix SA, producing prefabricated earthquake proof. He is a graduate in Civil Engineering with an MBA from the UAI in Santiago del Chile.



Massimo Grosso – Director and Board Member

Mr. Massimo Grosso is the Investor Relator of Creatives. He has profound experience as an investor and advisor for high-tech companies. Indeed, Massimo Grosso, was the strategic advisor for the IPOs of MailUp, DHH, Piteco, Cyberoo, WIIT, and Zaim Credit System. In the past, he was the Vice-President at Société Générale, Director at UBS Italia, and Relationship Manager at Borsa Italiana. He Graduated (1st class honors) in Financial Engineering from Milan Polytechnic.



Francesco Bellomi – Co-Founder and CTO

Mr. Francesco Bellomi is the Chief Technical Officer of Creatives. He has spent the last 20 years designing AI-focused industrial solutions based on Natural Language Processing, Machine Learning (including Deep Learning) and Knowledge Engineering. He graduated in Computer Science with an international academic experience at Université Paris XII and at Stanford University.



Carlo Giuseppe Frigato – CFO

Mr. Carlo Giuseppe Frigato is the CFO of Creatives. He joined the Company in February 2022. He has 20 years of international experience in the financial world. He was CFO at Docomo Deutschland Group until 2018 and previously he worked for 14 years as CFO at Buongiorno SpA, a company listed on the STAR segment of Borsa Italiana until the Docomo Group takeover. He was formerly senior manager at EDS Italy and Accenture.



Stefano Luzi Crivellini – Chief Administrative Officer and Group Chief Delivery Officer

Mr. Stefano Luzi Crivellini is Chief Administrative Officer of Creatives and Group Chief Delivery Officer. Thanks to its experience in leading international IT companies (Accenture, IBM, GSK) nowadays, he manages the development of high-quality solutions in Master Data Management, Spend Analytics, and project delivery services to Customers worldwide.



Corrado Ceston – Board Member

Mr. Corrado Ceston is board member of Creatives. He has been an entrepreneur, the co-founder, and managing director of Add Value since 1995. Corrado is a partner of IAG, a team of Business Angels in Italy, and manager of the Add Value initiative dedicated to start-ups.



Stephan E. Willigens – Managing Director and Global Account Director

Mr. Stephan Willigens is Managing Director and Global Account Director of Creatives in Germany to ensure the strong relationship and satisfaction of the Company's clients. He has built on 15 years of international Senior Management experience (UK, USA, NL, UAE, GER) in the production industry (DIAGEO, Bridgestone, Bose) with 12 years in Senior Vice-President roles in consulting (KPMG, msg, BrainNet).

Business Model

Creatives is a developer of a solid AI semantic technology suite of data management and integration tools focusing on supply chain data, offering spend analysis, material master data governance and procurement guidance automation. The Company is considered the first Italian mover simultaneously active in global Supply Chain Management (SCM), digital transformation, big data and AI.

Augmented Master Data Management is...

Starting with the definition of Master Data Management (MDM) provided by Gartner, MMD is a technology-enabled business discipline in which business and IT work together to ensure: i) uniformity accuracy; ii) stewardship; iii) governance; iv) semantic consistency; and v) accountability of an enterprise's data assets. Therefore, MDM solutions are enterprise software products that, for example, support global identification, linking a master of data across heterogeneous data sources (e.g. ERP/PLM/S2P systems) through reconciliation. Moreover, according to Gartner, the augmented version of MDM uses a Machine Learning model (ML) and AI techniques to optimize and improve operations. There also exists a deep learning model that is a subset of ML, which is essentially a neural network with three or more layers. These neural networks attempt to simulate the behavior of the human brain—albeit far from matching its ability—allowing it to “learn” from large amounts of data. While a neural network with a single layer can still make approximate predictions, additional hidden layers can help to optimize and refine for accuracy whilst supporting data analysts by taking on time-consuming and data-intensive tasks which might normally be done manually.

Creatives has developed an AI Cloud Semantic Platform (Vanessa) that combines deep learning and knowledge engineering to create the “Digital Twin” of raw customers' data, by analyzing metadata from descriptions, normalizing in a separate field with the aim of facilitating data aggregation. The Digital Twin is an augmented version of the data (the same data as before, especially the description) making the description understandable to everyone in a standardized way, eliminating any multilanguage issues.

...focused on supply chain and procurement digitalization...

As companies expand, internationalize, and merge throughout the world, supply chains become increasingly complex. Migration to business intelligence systems, ERP systems, and procurement platforms are flooded with ambiguous, multilingual, unstructured data. Meanwhile, optimal management decisions, business growth, and operations efficiency need the highest quality data. Creatives has developed a portfolio of solid semantic technology tools which are backed by AI in order to support customers in taking control of their supply chain data, solving the complexity of procurement and supply chain data through the creation of the “Digital Twin”. Leveraging on the biggest worldwide reusable industrial knowledge base, in more than 25 languages, Creatives provides real-time procurement insights and analytics, optimizes inventories and procurement processes (working capital optimization), to render business data usable by overcoming geographical, linguistic, sectoral, and ERP/PLM/S2P system barriers. Creatives' AI-powered solutions cleanse and enrich existing data, learn from evolving meanings, and cost-effectively safeguard the creation of new information on a continuous automatic basis.

...based on a high business scalability granted by Vanessa's reusable knowledge base and a well-defined partnership strategy

Creatives has a B2B model based on Software as a Service (SaaS), where the innovative tools are being delivered via cloud after the set-up project, which is necessary to build the Digital Twin using Vanessa, the AI semantic cloud platform. We note that Creatives' business model provides efficient earning visibility with a recurring revenue stream and high business scalability thanks to the outstanding reusable cross-geographical and sectoral knowledge base, and to the network of qualified international partners by reducing the effort required both for the client engagement and the project set-up.

Business Process

The Group assists the client in the entire process of the customers in the digitalization of data control and management activities relating to the entire supply chain. More specifically, the applications developed by the Group clean and harmonize existing clients' data, creating a new, precise and unique set of information to better support their supply chain management activities. Creactives' business process could be resumed in the following steps:

Creactives' Business Process



Source: KT&Partners

Research & Development (R&D)

Creactives Research & Development activity is essential to further innovate and expand the Group's offering. Creactives' R&D team, composed of 4 fully dedicated people and led by Mr. Francesco Bellomi, constantly carries out market research to identify future trends and develop innovative solutions and applications. During the last five years the Group has invested €4.3mn in R&D, allowing Creactives to develop proprietary solutions to better support the Group's clients.

Marketing

With the goal of expanding the customer base, Creactives' marketing team carries out various activities to increase brand awareness and support the preparation and definition of the commercial offering. More specifically, in order to promote the Group's services and solutions, the Marketing Team led by the Commercial Manager: i) monitors the new trends of the markets in which the Group operates; ii) manages and implements communication and promotion of the Group's offers, preparing materials to support marketing activities (such as catalogs and other information materials), publishing content on social media, organizing events and participating in international fairs and congresses (e.g. Procurement Leaders Congress in London, Digital Procurement World in Amsterdam, BME Symposium in Berlin, Salon Solutions in Paris, and CpoNet in Madrid); iii) develops and maintains relationships with opinion leaders in the market.

Moreover, the promotion of the Group's solutions and services is also carried out by the clients themselves who, as Group Ambassadors, recount their experiences and describe case studies at international events or webinars. Finally, the marketing team supports the direct or indirect sales team whenever necessary.

Sales

Creactives' sales activity is conducted both through a direct and an indirect sales channel. In the case of direct sales, the Group relies on its sales team composed by five people, of whom three are head of sales in Frankfurt, Madrid, and Paris and two are sales assistants based in Verona. Indirect sales, on the other hand, are supported by the Group's Partners (such as KPMG, NTT Data, Indra, LKS Next), leading companies with consultancy skills in the supply chain and procurement and/or integration of business systems, equipped with complementary technological solutions, which use the Group's applications for their customers.

Creactives' sales team oversees the preparation and definition of the commercial offer, and with Sales Support, identifies potential customers, reaching the first contact (a Sales Qualified Lead or "SQL") to generate, following meetings and new commercial opportunity, a Sales Qualified Opportunity ("SQO"). In the case of indirect sales, on the other hand, the responsibility to generate the SQOs, lies with partners, who are involved and certified by

Creatives' Indirect Sales Department, which is responsible, among other things, for training them and establishing the indirect sales methods and strategies to follow.

Once the SQL has developed into an SQO, the actual sales process is started and is managed by the Group's Direct Sales or Indirect Sales Department.

More specifically, the Sales Manager and Sales Support, in order to define the initial terms of the commercial offer, analyze the specific needs of potential customers, gathering as much information as possible on the characteristics of their business models and business systems. Indeed, the offer is mainly defined matching the characteristics of the clients' business systems with Creatives' solutions (e.g. number of languages, number of taxonomies, number of elements, type of product, etc.), as well as the estimated implementation time and resources to be employed (e.g., days of commitment, costs and plan for the project), as well as highlighting any risks to be mitigated.

Once the offer has been defined, it is submitted for approval to an internal Group committee composed of key people in the Delivery function, and then for the final approval to the Commercial Director (who may review the estimates). In the case of the commercial offers being complex or including relevant details to be discussed in the approval phase, it could also require the support of the R&D function and the CEO.

Therefore, the timing for the sales phase depends on the end-use, the customer and project. The average duration of this phase can last from 6 to 12 months (up to 18 months for some particularly complex situations).

Project Set-up

Once the optimal configuration of the system (the services to be developed and supplied) has been identified with the customer's support, or once the technological project has been defined and the relative economic and commercial offer has been approved, the Group, through partners or its own technical team composed of 7 Project Managers, 21 data analysts, 6 Service Support staff and 4 Sales Support staff, manages the set-up phase, consisting of the implementation, integration and activation of technological solutions within the customers' business processes, as well as in training activities for system users.

As a preliminary step Creatives proceeds to: i) entrust the order to a Project Manager defining the budget; ii) select the Project Delivery team (of the Group or of the partner); (iii) organize a meeting with Sales Support to finalize the objectives and methods of carrying out the project, as well as the engagement of customer's resources.

Subsequently, the Project Delivery team (of the Group or of the partner) starts the set-up of the system, using the proprietary technological platform called Vanessa as a working tool, developed by the Group to support the entire data analysis and categorization process relating to the supply chain. More specifically, this platform makes it possible to analyze, clean up and categorize data relating to the customer's supply chain (and thus create the so-called Digital Twin), to carry out training activities on the analysis and management of such data in favor of the internal structures (data analyst) of the customers, as well as to supply, at the end of the set-up, the various technological solutions developed by the Group.

The platform operates exclusively in the cloud, using knowledge engineering and deep learning technologies, as well as machine learning techniques and Natural Language Processing algorithms, making use of the information and data held by the Group.

The data analysis and categorization processes are carried out by extracting the metadata from the descriptions present in the company catalogues/archives and asking multiple-choice questions to the customer's data analysts. The data is then categorized into separate fields and subsequently cleaned using AI-semantic technology.

At the end of the set-up process, the Digital Twin of the multilingual data relating to its supply chain is thus provided to the customer through Vanessa herself, which consists, more precisely, of an augmented version of the multilingual data and deep neural algorithms. The

Digital Twin can be built by taking data that already exists in company systems (centralized in data silos) suitably categorized and cleaned up, but also starting from new data (and, in this last case, Vanessa also supplies the algorithms).

During this phase, the Project Manager, with the support of the customer, monitors the progress of the project, any critical issues and risks, so as to define the corrective actions and any necessary modifications and rescheduling.

The set-up can last from one week to 6 months, depending on the type and number of data and the languages to manage.

SaaS Delivery

Once the project set-up is completed, the Group provides its customers, under SaaS subscription, the application system (which can consist of one or more tools) developed around the Digital Twin

More specifically, the Group provides its customers with two different services: i) keeping the Digital Twin of multilingual data sorted and catalogued; ii) carrying out an analysis of its supply chain (e.g., on its suppliers, materials to be purchased, warehouse storage). The first service is in any case provided to the customer, thus constituting a recurring revenue item, while the second service is optional, as the customer can use tools not belonging to the Group.

To this end, the Group signs contracts with its customers for the provision of services in SaaS mode, whereby application systems are made available, usually with a duration of 3 years and automatically renewable. The SaaS fee, which includes the costs of maintaining the Digital Twin and making the tools available in the cloud, is composed of a fixed part and a variable part, so-called pay as you go, i.e., depending on the size of the supply chain data to be analyzed and managed (languages, items, taxonomies, etc.). Once the SaaS period expires without any renewals, the client cannot access the semantic cloud platform anymore, downgrading the data quality.

After-Sales Support

Once the project is completed, the Group, through the Project Delivery team and the Maintenance team, offers its customers a support service by signing maintenance and support agreements with its customers for the use of the new applications. As part of this, the Group's teams continuously monitor the results of the implemented solutions and, also with the support of the Research and Development function, plan any subsequent developments. Customers are also contacted periodically to check the quality of the service provided and their satisfaction.

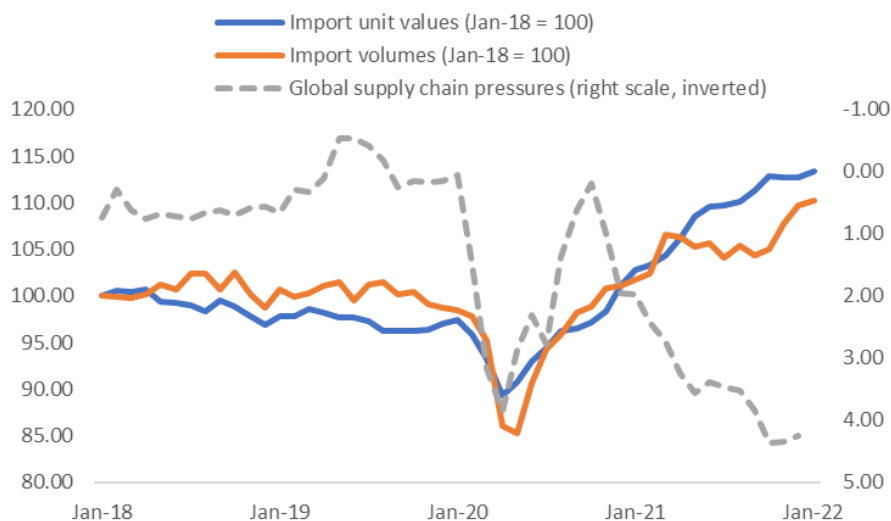
Market Overview

Creatives is active in the Supply Chain Management (SCM) solution, thanks to its semantic technology tools backed by AI developed with the aim to support its clients in the control of their supply chain data through digital transformation.

In recent years, the SCM market was deeply affected by the COVID-19 outbreak. Given lockdown restrictions imposed in all countries across the globe to stop the further spread of COVID-19, the supply chain registered disruption mainly due to the shortage of raw materials, complicating the meeting of supply and demand requirements for goods and products. Indeed, according to the Institute for Supply Chain Management Organization in early 2020, nearly 75% of firms disclosed SCM disruptions.

The index of global supply chain pressures of the International Monetary Fund shows how the global supply chain was disrupted during the pandemic, hitting a high of ca. 3.86 in early 2020, picking down over the course of 2021 and hitting a new high of ca. 4.37 at the end of 2021 due to new lockdowns, leading also to the global shortage of semiconductors.

Global Goods Trade and Supply Chain Pressures



Source: Benigno and others (2022), CPB World Trade Monitor, IMF Staff calculations and KT&Partners' elaboration

Note: the index of global supply chain pressures is a composite measure of several variables combining cross-border transportation costs with country-level supply chain measures of delays, backlogs, and inventories from manufacturing surveys

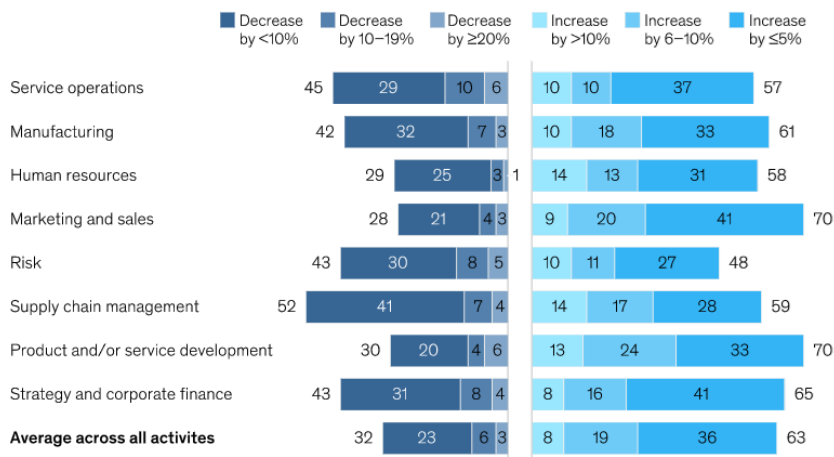
Despite a bright sign of recovery at the end of 2021, 2022 started under the banner of uncertainty – also due to the war between Russia and Ukraine that has further boosted global commodity inflation – with negative effects on the worldwide economy.

However, with the aim of overcoming the adversity derived from the uncertain geopolitical and health context, companies are integrating intelligent workflows into their supply chains. As result, a huge surge has been observed in the adoption of digitalization to improve companies' supply chain management systems. Indeed, according to Gartner survey, more than 50% of supply chain leaders schedule to invest in digitalization (data, process, platform), aiming to obtain a supply chain ecosystem that engages in real-time, secure data sharing and multi-enterprise process execution.

Digital Transformation

According to McKinsey, the use of AI has more than doubled since 2017 as the AI is strategic to reduce companies operating expenses. Indeed, it come to light that the 52% of costs decrease through the use of AI is associated to supply chain management.

Cost decrease and revenue increase from AI adoption in 2021, by function, (%)



Source: McKinsey Global Institute

As result, digital transformation is a strategic imperative for all industries – regardless of size – and corporate functions as it:

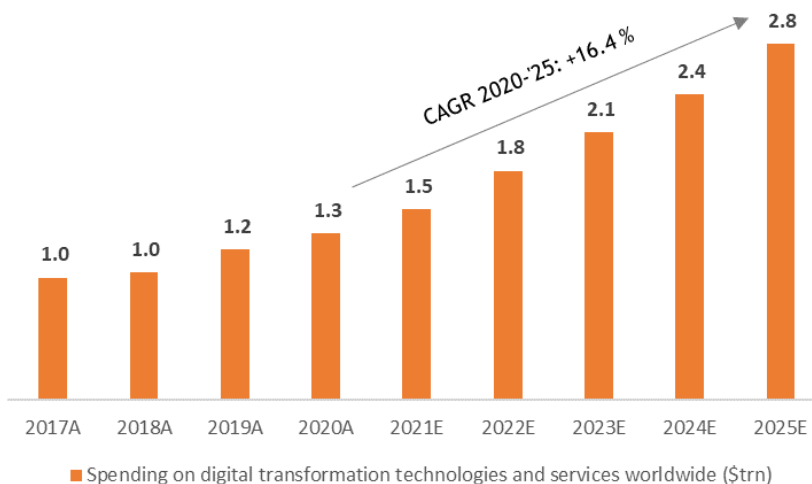
- i) improves performance quality of service;
- ii) reduces costs of services of an organization;
- iii) eliminates inefficient communication and resource planning and utilization.

To eliminate inefficiency in communication and in resource planning, procurement 4.0 is crucial and it represents the next step for digital transformation, which aims to establish:

- i) predictive approach of the strategic sourcing;
- ii) automation of the transactional procurement;
- iii) proactivity of the supplier relationship management.

According to Statista, global spending on digital transformation technologies and services is expected to increase to \$1.5trn in 2021 from \$1.3trn in 2020 (ca. 14.5% YoY), reaching \$2.8trn by 2025 or showing a strong double-digit growth at a CAGR2020-25E of 16.4%.

Spending on Digital Transformation Technologies and Services Worldwide (\$trn)



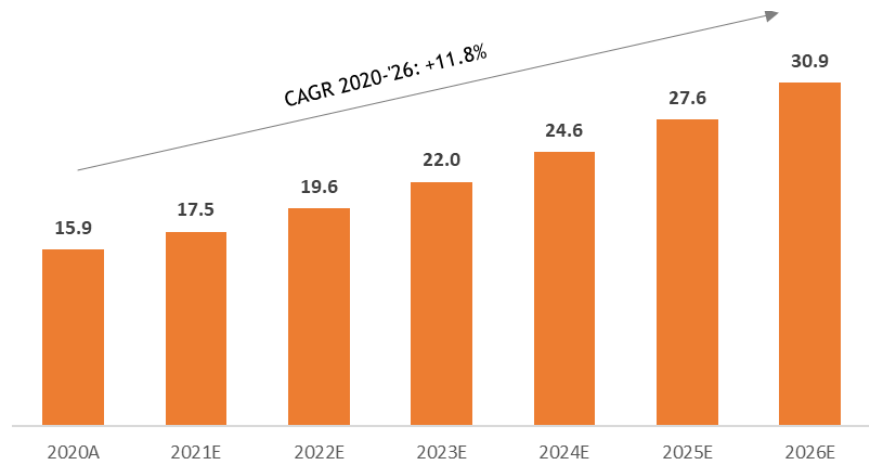
Source: KT&Partners' elaboration on Statista

Global Supply Chain Management

According to Statista, in 2020, the global supply chain management market was valued at \$15.9bn and is expected to reach almost \$31bn by 2026, and expected to grow at double-digit CAGR2020–26E of +11.8% driven by:

- i) development of industrial-grade digital technology;
- ii) surge in need for improved supply chain transparency;
- iii) increase in inclination toward cloud-based supply chain management software;
- iv) rise in need for demand management solutions among enterprises to better support their activity.

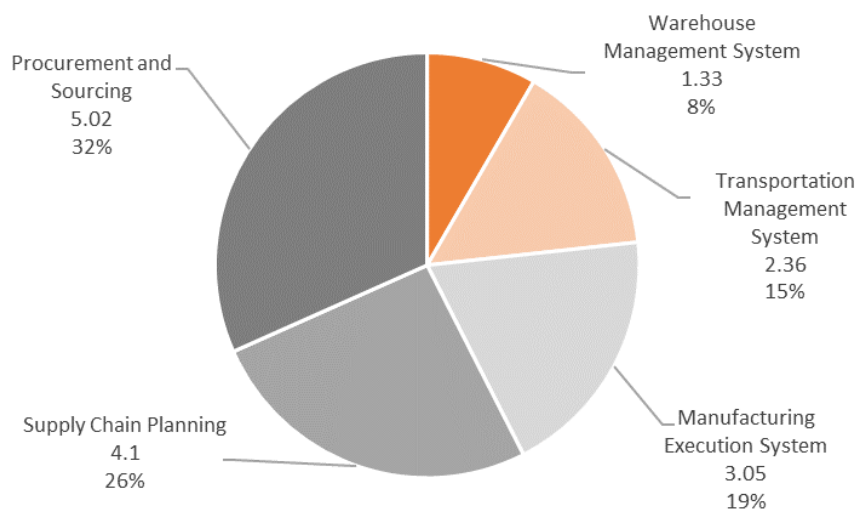
Supply Chain Management Market size (\$bn)



Source: KT&Partners' elaboration on Statista

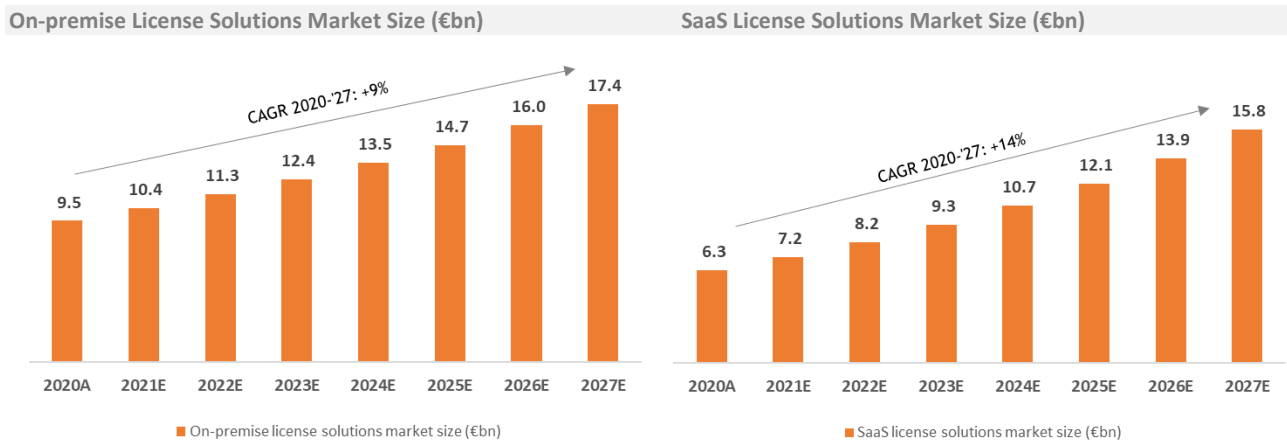
However, over the past few years several actions have been taken by supply chain leaders to overcome the pandemic challenges. Indeed, according to McKinsey, increasing inventory of critical products and dual sourcing of raw materials were the strategies most implemented by the supply chain leaders during the pandemic. As result, according to Statista, in 2020 the procurement and sourcing solution was the largest category within the market representing \$5bn (ca. 32% of total market size).

2020 Supply Chain Management Market Size by Solution (\$bn, %)



Source: KT&Partners' elaboration on Statista

Moreover, inventory control and production planning are met by SaaS-based SCM solutions. Indeed, according to Allied Market Research, SaaS market size is expected to grow at a higher pace than on-premises licenses (CAGR2020–27E of 14% vs 9%). However, the market is still dominated by on-premises license solutions with growing presence of subscription-based solutions. Indeed, the on-premises license solutions market size will reach €17.4mn by 2027, ca. €1.7mn higher than the SaaS license solutions market size.



Source: KT&Partners' elaboration on Allied Market Research

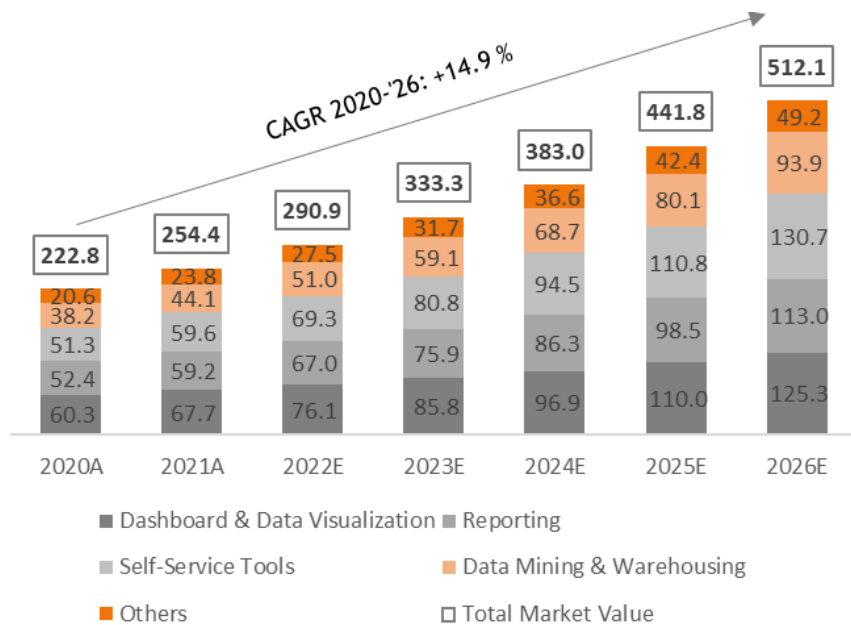
There is also an increase in the demand for hybrid supply chain environments with coexisting cloud and on-premises applications with information hubs and supplier networks dominating the move to cloud. Indeed, according to Gartner, today cloud has become the preferred Warehouse Management System (WMS) deployment option, reaching 70% of new customers preferring cloud if the economics are reasonable. But with a large existing installed base for on-premises WMS, a little over a quarter of completed deployments are cloud, with around 8% multi-tenant cloud.

Big Data and AI

Data mining and warehousing tools are widely adopted to structure data collected from numerous sources, which can be further compared and analysed to support various decision-making processes. Indeed, According to Allied Market Research, the Big Data and Business Analytics market is expected to reach \$512.1bn by 2026, growing at CAGR20–26 of 14.9%. Moreover, with over 16.2% CAGR20–26 Data Mining and Warehousing are among the quickest growing segments on the Big Data and Business Analytics market, reaching \$93.9bn by 2026, driving the growth of data mining and warehousing tools.

As of today, supply chain organizations are under growing pressure to capture real-time data and analyze it to make decisions more quickly. Indeed, ca. 60% of chief supply chain officers are expected to make faster, more accurate and consistent decisions in real time, accelerating investments in supply chain technology to enable real-time analytics as a step on the path toward real-time execution (automated execution of planning, inventory optimization and other key processes).

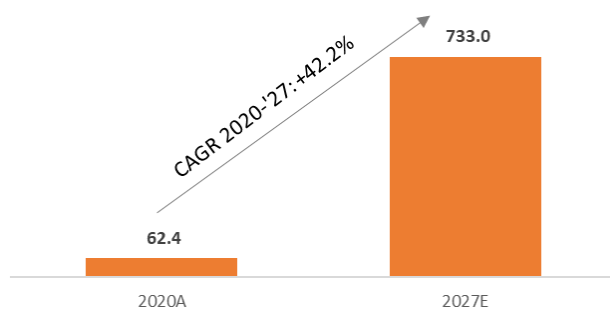
Big Data and Business Analytics Market by Solution (\$bn)



Source: KT&Partners' elaboration on Allied Market Research

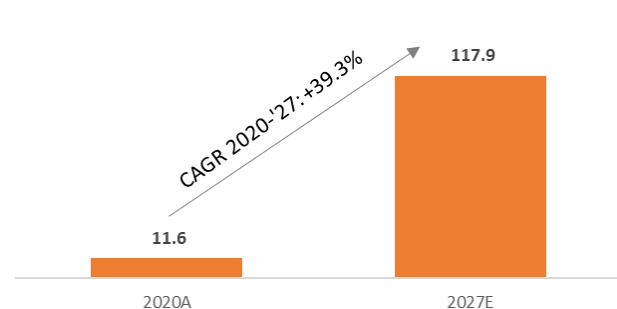
Artificial Intelligence (AI) and Machine Learning (ML) are proving to be essential instruments to keep control over increasing amounts of data and to enable real-time execution. Indeed, according to Grand View Research, AI global market value is expected to reach \$733bn by 2027, growing at CAGR2020–27 of 42.2%, while Fortune Business Insights anticipate that the ML global market will grow at CAGR2020–27 of 39.3%.

Artificial Intelligence Global Market Value (\$bn)



Source: KT&Partners' elaboration on Grand View Research

Machine Learning Global Market Value (\$bn)



Source: KT&Partners' elaboration on Fortune Business Insights

Competitive Arena

The procurement technology market is highly fragmented and is dominated by big international players such as SAP, Oracle, SAS, IBM and Coupa Software as well as small local players.

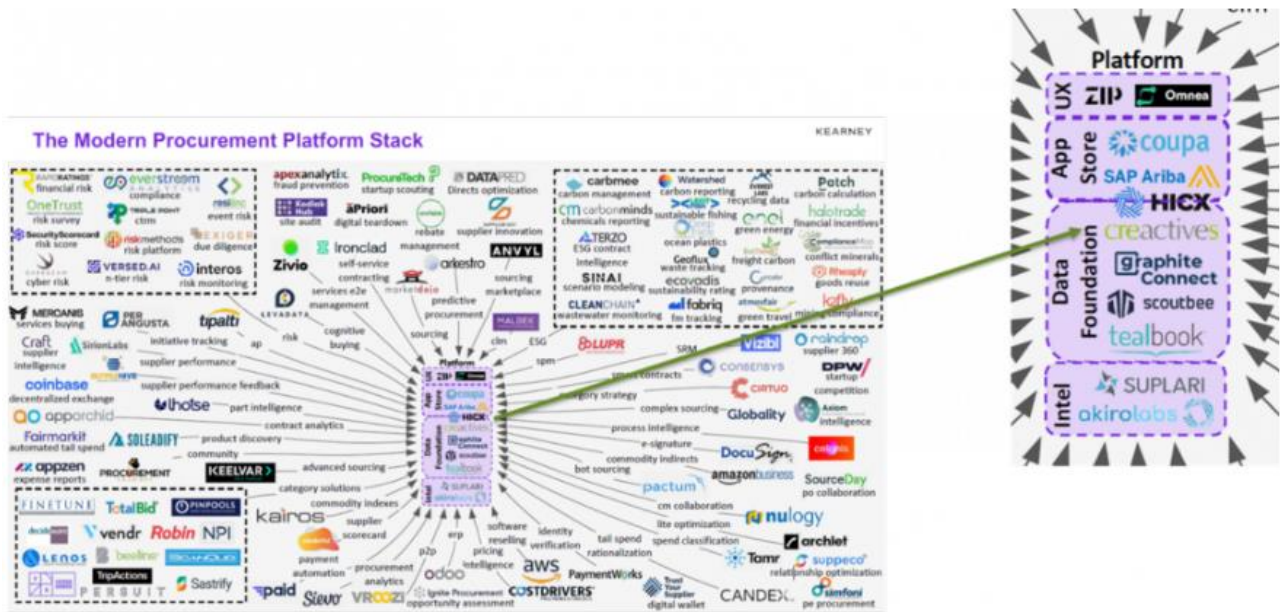
To better understand Creatives' positioning within the supply chain management arena, we analyzed the main features offered by competitors' platforms:

- Generalistic Material Master Data (MDM) governance: these platforms are involved solely in Material Master Data governance lacking any knowledge base to support automated data quality processes about inventory.
- Generalistic Data Quality: these platforms are focused on implementing multi-domain data quality.
- Specific Data Quality: these platforms act mainly ex-post, and many of the competitors transfer the effort of categorization and attribute extraction to the customer.
- Generalistic BI Tools: these platforms are focused solely on the presentation of data and are not involved in its preparation and harmonization.
- Procurement Platforms (P2P/S2P) with embedded Spend Analytics module: these platforms do not provide an automatic categorization of the data and are not focused on this kind of service; the response time is very long, and the quality of data is not usually measured.
- Specific Spend Analytics: these platforms do not provide any native multilingualism service. Custom taxonomies are not managed or are managed through mappings. Price comparison is usually focused on MDM (brand and producer code is not extracted from line items).

Creatives is considered the first Italian mover and despite its smaller size and early development stage, it stands up well against its international competitors due to its ability to: i) learn and use in real-time the experience acquired from the projects and store it on the knowledge base through the deep learning processes thanks to a proprietary and unique machine learning model; ii) transform unstructured supply chain data across 25 languages, while also cross-referencing object descriptions, into ready-to-use information for business decisions; and iii) carry out so-called "transfer learning" – Vanessa is the system that reuses the knowledge base in different contexts, adapting the experienced acquired in different industries, and so constituting the most efficient machine learning model ever built for the supply chain.

Moreover, as opposed to its main competitors, Creatives acts through its data integration tools both ex-ante, thanks to its classification, search, and creation assistant, and ex-post, thanks to its procurement optimizer, material master data governance and inventory optimizer assistant. Indeed, according to Kearney's partner and Procurement Futurist Dr. Elouse Epstein, Creatives is considered as the most strategic player of data foundation, standing alongside major global players (like SAP-ARIBA and Coupa) as the only Material Master Data solution.

Creatives' Competitive Arena



Source: Company press release

Creatives' Competitive Arena

	Company	Head Quarter	Market Capitalization	Latest Revenue	Latest EBITDA Margin	Classification Optimizer Assistant	Inventory Optimizer Assistant	Material Master Data Governance	Procurement Optimizer	Search Assistant	Smart Creation
Generalistic MDM	creatives	Italy	€31.1mn	€4.2mn	11.90%	✓	✓	✓	✓	✓	✓
	SAP	Germany	€108,047mn	€27,842mn	25.70%			✓			
	Informatica TIBCO	USA	€7,251mn	€1,221.7mn	24.20%			✓			
Generalistic Data Quality	sphera	USA	n.a.	€39.4mn	n.a.		✓	✓	✓		
	rosslyn	UK	€10mn	€8,319mn	n.m.			✓	✓		
	Tamr	USA	n.a.	\$10mn	n.a.			✓	✓	✓	✓
	Semarchy Data Ladder	USA	n.a.	\$14.4mn	n.a.	✓	✓	✓	✓		
Specific Data Quality	S.N. SotiNis	India	n.a.	n.a.	n.a.	✓	✓	✓			✓
	Verdantis	USA	n.a.	\$19mn	n.a.		✓	✓	✓		✓
	PiLog	USA	n.a.	\$3.5mn	n.a.		✓	✓	✓		
	VERUSEN	USA	n.a.	\$2.9mn	n.a.		✓	✓	✓		
Generalistic BI Tools	ableau	USA	n.a.	n.a.	n.a.						
	Qlik	USA	n.a.	€1,950mn	n.a.						
	Qlik	USA	n.a.	\$620.5mn	n.a.						
Procurement Platforms (P2P/S2P) with embedded Spend Analytics Module	ivalua	USA	n.a.	\$21.3mn	n.a.		✓		✓		
	SAP Ariba	USA	n.a.	\$443.8mn	n.m.		✓		✓		
	coupa	USA	€4,602mn	€617mn	n.m.		✓	✓	✓		
	corcentric	USA	n.a.	\$110mn	n.a.			✓	✓		
	JAGGAER GEP	USA	n.a.	\$105.4mn	n.a.			✓	✓		
Specific Spend Analytics Company	ZYCUS	USA	n.a.	€8.5mn	n.a.				✓		
	Sievo	Finland	n.a.	€13.1mn	n.a.				✓		
	simfoni	USA	n.a.	n.a.	n.a.				✓		
	onventis	Sweden	n.a.	n.a.	n.a.				✓		

Source: KT&Partners' elaboration on Company's Investor Presentation and Factset

Historical Financials

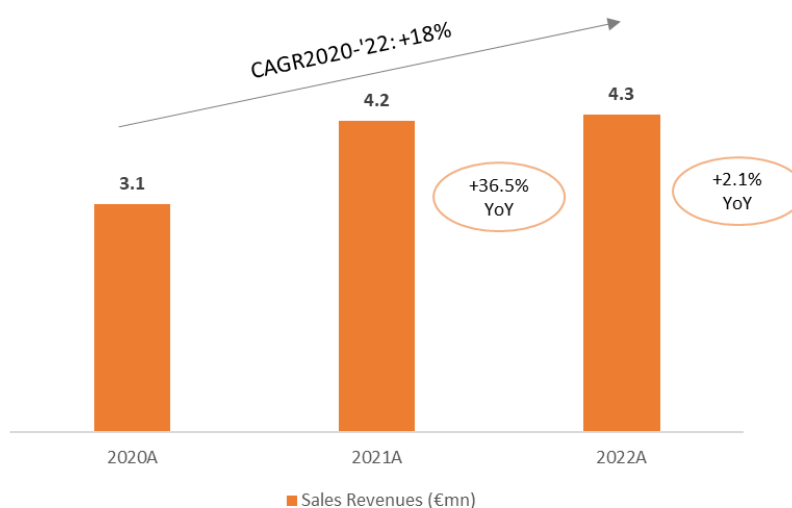
Creatives' key financials for FY22A (ended on June 30th, 2022) are:

- Sales revenues at €4.3mn vs €4.2mn in FY21A (+2.1% YoY);
- EBITDA at €0.6mn (+58.1% YoY), with EBITDA margin at 9.3% (+2.5pp YoY);
- EBIT at -€0.3mn;
- Net income at -€0.4mn;
- Net debt position at €0.3mn, -€1mn compared to FY21A.

Revenues Breakdown per Business Line

After struggling in 2020 due to the COVID pandemic outbreak that caused delays in the ongoing projects in the 1H20, in 2021 Creatives successfully rebounded to €4.2mn (+36.5% YoY) of sales revenues, continuing its growth path in 2022, with sales revenue increasing to €4.3mn. The compound annual growth rate of 18% registered over the 2020–22 period was driven by: i) the introduction of SaaS projects; and ii) an increase of new clients also acquired thanks to the growing number of international partners.

2020–22 Sales Revenues (€mn)



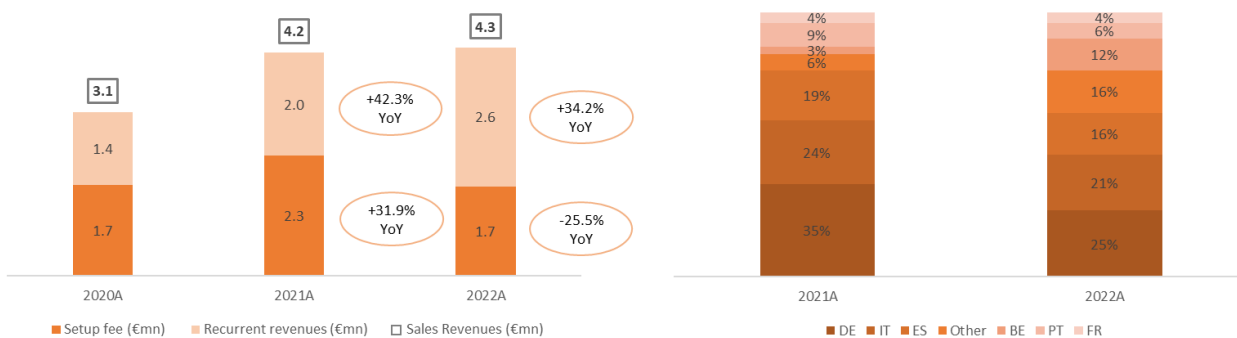
Source: KT&Partners' elaborations on Company data

Focusing on FY22 sales revenues breakdown by business line:

- **Set-up fee** – revenues coming from the project set-up (directly and from partners) in FY22A accounted for €1.7mn, contributing 39% of sales revenues, registering a decrease of 25.5% YoY, following some delays in the launch of new projects due to the uncertain macroeconomic scenario that characterized the period.
- **Recurrent revenues** – revenues coming from the recurrent revenues generated by the subscriptions model in the AI Cloud Semantic platform and Creatives' old business model based on on-premises services amounted to €2.6mn (+34.2% YoY) in FY22A, accounting for the 61% of sales revenues, driven by the transition to SaaS business model.

Looking at revenues' breakdown by geography, in FY22 ca. 21% (-3pp YoY) came from the domestic market, while the remaining 79% (+3pp YoY) is attributable to foreign countries, of which 25% was generated in Germany, where Creatives' subsidiary is based. The sales revenues generated in Europe amounted to 91%, whereas only 9% were attributed to the rest of the world, mainly Mexico, UK and USA. We also note that the Company has increased the geographical distribution of revenues, implying greater diversification with the aim of reducing concentration risk.

2020–22 Sales Revenues by Business Line (€mn) **2021–22 Sales Revenues by Geography (%)**



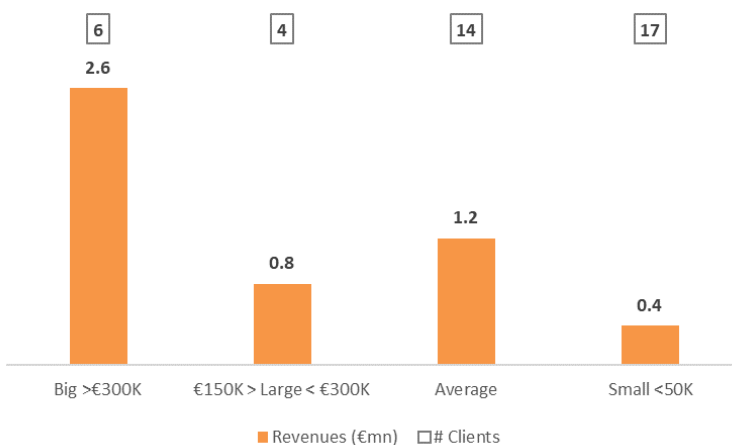
Source: KT&Partners’ elaborations on Company data

Looking at the Value of Production, in FY22 it increased to €6mn from €5.2 in 2021, growing by 16.1% YoY mainly thanks to an increase in other revenues composed of: i) €0.7mn of change in WIP due to higher contribution of uncompleted projects compared to 2021; and ii) €1mn of R&D capitalized costs.

Revenues Breakdown per Customer Base

Creactives boasts a well-diversified portfolio of clients characterized by a high retention rate. Moreover, leading customers are the key driver for Creactives in terms of "reputation and advocacy" to reach new users and tools. Focusing on FY22 fee size per client, we note that Creactives’ customers are more concentrated in the range of fees higher than €300k (14.6% of customers) generating 52.9% of 2022’s total fees.

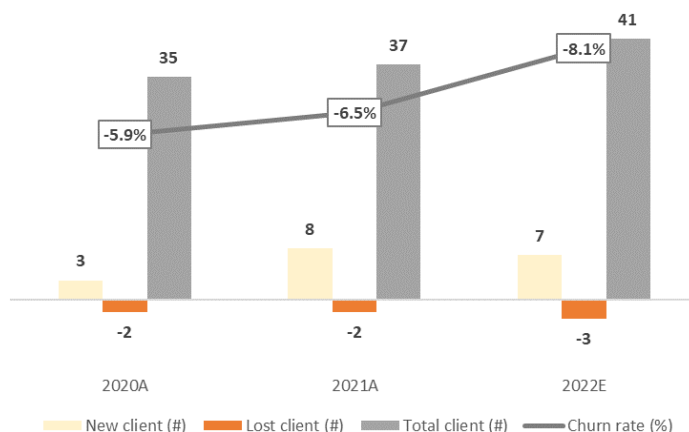
2022 Size of Fee Breakdown per Number of Clients (€mn, #)



Source: KT&Partners’ elaboration on Company presentation

Regarding customer base evolution, we note that Creactives maintained a steady client portfolio during the COVID-19 outbreak. Moreover, the Group business rebounded in 2021 by acquiring 8 new clients, overcoming the threshold of 40 total customers. We also note that over the last two years the Company has acquired 7 new clients on average. Creactives’ top management wants to maintain this pace of client acquisition to further expand Vanessa’s knowledge base through new projects in several industries. Furthermore, in 2022 Creactives’ customer portfolio showed a churn rate of 7.3% (in other words, a retention rate of 92.7%) for an equivalent of €60k, highlighting a strong resilience.

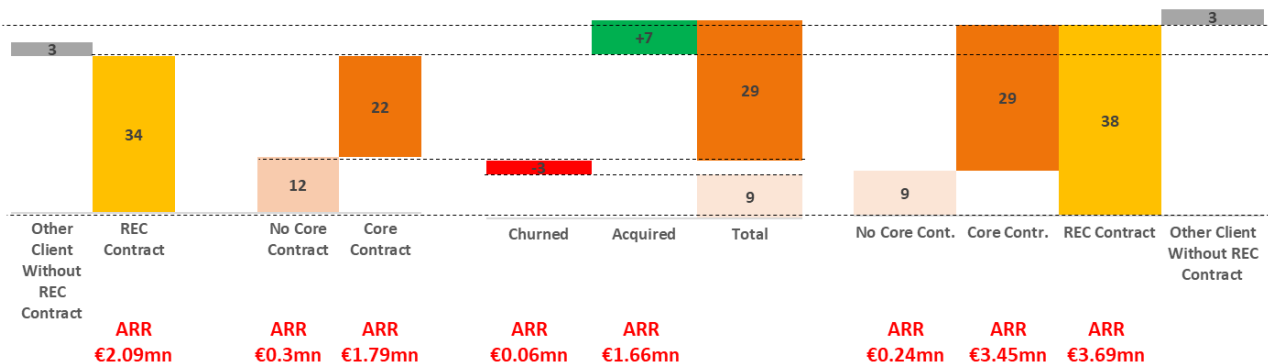
2020–22 Customer Base Evolution (#, %)



Source: KT&Partners’ elaboration on Company presentation

Focusing on the type of contract signed by clients during 2022, we note that the core contract – which is a recurring SaaS contract – showed an outstanding retention rate, highlighting that the transition to the new business model is crucial to foster the Company’s business growth. In 2022, new 7 core contracts were signed and only 3 no-core contracts were churned, resulting in a net ARR of €1.6mn. As of June 2022, the total recurring contracts were 38, of which 29 belonging to the SaaS business model.

2022 Churn Rate Analysis on Type of Contract



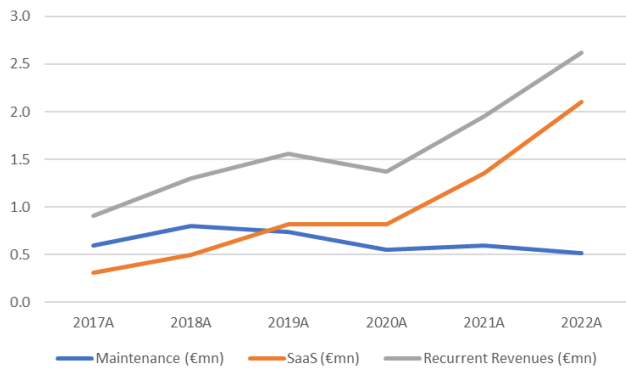
Source: KT&Partners’ elaboration on Company presentation

Given the high retention rate, it is very interesting to consider the recurring revenues generated by Creatives’ business model.

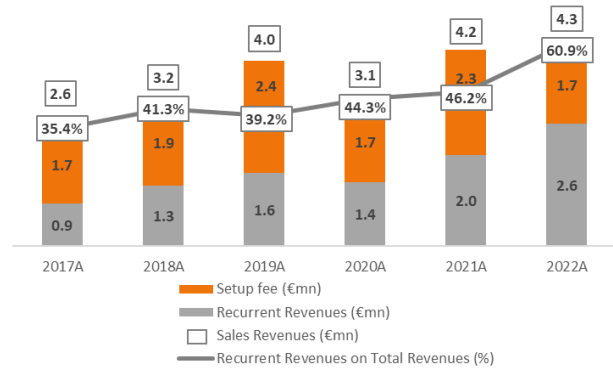
It is worth remembering that it was only in 2017 that the Company switched from maintenance licenses to the SaaS business model, fostering the recurring revenues thanks to lower up-front costs compared to license sales, which made it accessible to multinationals regardless of the size. The business model switch is expected to be gradual and continuous.

As result, Creatives’ recurrent revenues jumped from €0.9mn in 2017 to €2.6mn in 2022, representing 52.2% of sales revenues.

2017–22 Recurrent Revenues Breakdown (€mn)



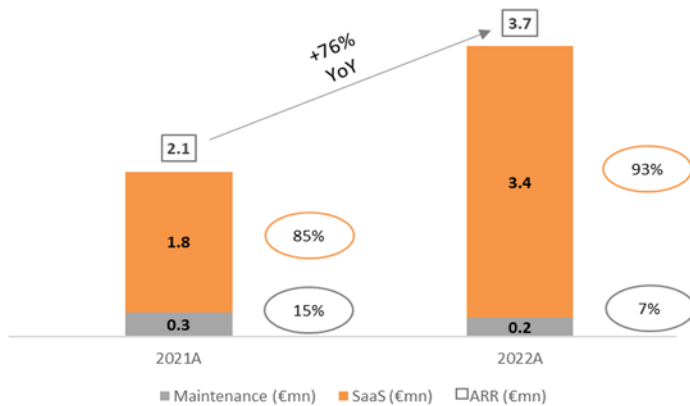
2017–22 Group’s Sales and Recurrent Revenues Growth (€mn, %)



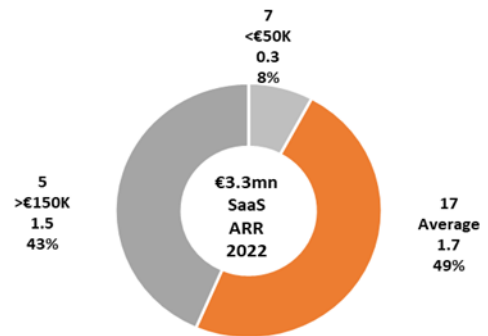
Source: KT&Partners’ elaboration on Company presentation

The above consideration can also be made by looking at Annualized Recurrent Revenues (ARR). Indeed, we note a strong double-digit growth of 76% in 2022 compared to 2021, with an increasing weight of SaaS solutions (about +8pp YoY). Finally, it should be noted that the 5 top clients generated nearly 43% of SaaS ARR in 2022.

2021–22 Breakdown of ARR by Solution (€mn, %)



2022 SaaS ARR by Fee Size and Client (#, €mn, %)



Source: KT&Partners’ elaboration on Company presentation

Profitability Analysis

In 2021, the recovery of existing projects and the acquisition of new clients allowed Creatives to successfully rebound, surpassing FY20A results. Moreover, in 2022 the Company was also able to further increase both revenues and its profitability mainly thanks to growing recurring revenue (61% of revenues), which are characterized by high marginality.

EBITDA grew at higher pace than sales, reaching €0.6mn from €0.4mn (+58.1% YoY). Also, EBITDA margin soared from 6.8% in FY21A to 9.3% in FY22A. The EBITDA improvement was mainly driven by a different revenues mix with an increasing share of recurrent revenues, offsetting the incidence in personnel expenses. It worth to point out that, thanks to the partner's strategy, the current Group's organization is ready to support the business growth without employing new people.

Finally, also due to higher Depreciation & Amortization (D&A) than the previous year, in FY22A the Group reported a net loss of €0.4mn compared to a net loss of €0.1mn in FY21A.

2020A–22A Consolidated Income Statement (€mn)

€ Millions	FY20A	FY21A	FY22A	YoY 21-22
Setup fee	1.7	2.3	1.7	-25.5%
Recurrent revenues	1.4	2.0	2.6	34.2%
Sales Revenues	3.1	4.2	4.3	2.1%
<i>Growth %</i>	<i>n.m.</i>	36.5%	2.1%	
Other Revenues	1.7	1.0	1.7	77.5%
Value of Production	4.8	5.2	6.0	16.1%
<i>Growth %</i>	89.3%	8.0%	16.1%	
Cost of Services	(2.0)	(2.0)	(2.1)	
Rental Costs	(0.4)	(0.5)	(0.5)	
Personnel Expenses	(2.2)	(2.3)	(2.8)	
Other Operating Expenses	(0.0)	(0.0)	(0.0)	
EBITDA	0.2	0.4	0.6	58.1%
<i>EBITDA margin</i>	3.4%	6.8%	9.3%	2.5%
<i>Growth %</i>	<i>n.m.</i>	<i>n.m.</i>	58.1%	
D&A and Provisions	(0.9)	(0.6)	(0.8)	30.0%
EBIT	(0.8)	(0.3)	(0.3)	n.m.
<i>EBIT margin</i>	-16.0%	-5.4%	-4.4%	1.0%
Financial Income and Expenses	(0.1)	(0.1)	(0.1)	
Extraordinary items	-	0.1	-	
EBT	(0.9)	(0.2)	(0.3)	n.m.
Taxes	0.0	0.1	(0.0)	
<i>Tax Rate</i>	0.2%	28.9%	-10.1%	
Net Income	(0.9)	(0.1)	(0.4)	n.m.
<i>Net margin</i>	-17.9%	-2.7%	-6.0%	-3.3%
EPS	(0.1)	(0.0)	(0.0)	n.m.

Source: KT&Partners' elaboration on Company data

Capital Structure Analysis

As for the balance sheet, Creatives' FY22A fixed assets amounted to €3.4mn, an increase of €0.2mn from 2021. The growth in fixed assets was mainly attributable to intangible assets that mostly include internally developed products.

In 2022, Trade Working Capital (TWC) decreased by €0.8mn, reaching €0.4mn due to advance to suppliers of ca. €0.6mn, which contributed to the strong decrease of trade receivables. TWC incidence on revenue went from 28.9% in 2021 to 9.9% in 2022, due to lower incidence of working capital following the economy recovery from the COVID-19 outbreak.

Over the same period, the NFP improved by €1mn, amounting to a net debt position of €0.3mn in FY22A from a net debt position of €1.3mn in FY21A. The improvement of the NFP was mainly due to an outstanding cash generation coming from the operating results and careful management of working capital, resulting in an FCF/EBITDA of 186%. Finally, thanks to EBITDA and NFP improvement, the NFP/EBITDA ratio decreased to ca. 0.6x in 2022 from 3.6x in 2021.

2020A–22A Consolidated Balance Sheet (€mn)				2021A–22A Consolidated Cash Flow (€mn)		
€ Millions	FY20A	FY21A	FY22A	€ Millions	FY21A	FY22A
Intangible	2.0	3.1	3.4	EBITDA	0.4	0.6
Tangible	0.0	0.0	0.0	Income Taxes	0.1	(0.0)
Other LT Assets	0.0	0.0	0.0	Change in NWC	0.3	1.5
Fixed Assets	2.1	3.2	3.4	Change in provision for employee	0.1	(0.0)
Trade receivables	2.0	1.5	0.1	Operating Cash Flow	0.9	2.0
WIP	0.4	0.2	0.9	CAPEX	(1.7)	(1.0)
Trade Payables	(0.8)	(0.5)	(0.6)	Investments in financial assets	-	0.0
Trade Working Capital	1.6	1.2	0.4	FCF	(0.8)	1.0
Other assets and liabilities	(0.4)	(0.3)	(1.0)	Net financial income/(expenses)	(0.1)	(0.1)
Net Working Capital	1.2	0.9	(0.6)	Extraordinary Items	0.1	-
Other Provisions	(0.4)	(0.6)	(0.6)	Gains and Losses on Holdings	(0.0)	(0.0)
Net Capital Employed	2.9	3.5	2.2	Change in Total Shareholders' Equity	0.7	(0.0)
Group shareholders' equity	1.7	2.2	1.8	Dividend Paid	-	-
Minority shareholders' equity	-	-	-	Change in NFP	0.0	0.9
Total shareholders' equity	1.7	2.2	1.8	Beginning NFP	1.3	1.3
Short-term debt / Cash (-)	(0.1)	0.1	(1.0)	IFRS16 - Debt	-	-
Long-term liabilities	1.3	1.2	1.3	Final NFP	1.3	0.3
Net Financial Position	1.3	1.3	0.3			
Sources	2.9	3.5	2.2			

Source: KT&Partners' elaboration on Company data

Group's Strategy

In the coming years, Creatives' goal is to continue to expand and consolidate its product portfolio through R&D investments and to increase its customer base, leveraging on its international partner network. Indeed, Creatives aims to become Europe's leading procurement and supply chain digitization company through a clear strategy based on four key pillars:

- **Increasing Creatives' business scalability thanks to the wider partner's network.** Creatives will boost both its top-line and profitability growth thanks to the strengthening of its partners' network. The company aims to consolidate its partnerships with international companies which have consulting skills in supply chain and procurement areas (e.g. KPMG, NTT Data, Indra and others), pushing on Creatives' biggest worldwide reusable knowledge base on industrial components that always ensured a stable source of recurring revenues thanks to higher SaaS volumes. To accelerate its strategy, Creatives will also leverage on tailwind from underlying AI market growth by offering flagship products through a global first-class partner's network.
- **Moving towards "Zero-Effort" set-up projects.** Thanks to huge investments in its proprietary technology, Creatives is aiming to move towards "zero-effort" set-up projects to improve margins through a more efficient business scalability. Furthermore, the Company intends to enrich its current product offering with new use AI-supported cases and improved AI technology.
- **Multiplying the number of international partners and diversifying the customer base.** Leveraging the strengthening of indirect channels for sales and delivery of new projects, Creatives intends to minimize the risk of customer dependence by: i) focusing revenue generation on medium and smaller brackets through different acquisition channels; ii) developing and exploring new use case and industries, focusing on large multinational companies acquired directly; and iii) building a partners' network to efficiently reach new clients globally, maximizing the delivery of the set-up projects. For this purpose, the Company had identified three main target groups (smaller, medium, and large) and the three different acquisition channels (direct, indirect from qualified partners and indirect from the SAP ecosystem). Creatives' top management plans to reach the following target share: i) 20% of large global corporate clients acquired through the direct channel; ii) 50% of large and medium multinational companies acquired through first-class partners (e.g. KPMG, NTT Data and INDRA) in new regions (USA, LATAM and APAC), and also with local partners (e.g. LKS in Spain); and iii) 20% of clients coming from the SAP ecosystem. Despite the expected dilution of average client revenues, Creatives will improve margins on its clients by leveraging business model optimization also through the so-called zero-effort project approach led by AI and Vanessa.
- **Being a standard market solution.** With the aim of becoming a leading supply chain and technology procurement company, Creatives wants to develop new capabilities to offer a market standard solution, focusing on new industries and new use cases especially in Europe (DACH, France, Benelux and Spain). For this purpose, becoming an integral part of the SAP ecosystem is a key step, to exploit the generational change of ERP system (S/4Hana).

The IPO structure and Creatives' Investment Plan

Creatives went public on March 7, 2023, on Euronext Growth Milan PRO. The IPO structure is based on an IPO price of €1.75ps and of 576,000 new shares outstanding for a total consideration of ca. €1mn.

The IPO on the EGM PRO market represents for Creatives the opportunity to foster and accelerate its growth strategy, enabling the company to unlock its strong growth potential. Furthermore, the IPO would also strengthen Creatives awareness towards supply chain and technology procurement markets, allowing the Company to further expand the partner's networking in order to multiply the Creatives' business scalability.

The IPO proceeds are expected to support Company's 2023-2026 investment plan:

- **Technological platform investments.** The largest stake of IPO proceeds is expected to be invested in the Company's proprietary platform – Vanessa – to i) speed up the development of new use AI-supported cases and improving AI technology moving towards "zero-effort" set-up project; ii) developing new product and use cases;
- **Organizational structure consolidation.** Part of the funds are also expected to be invested in strengthening strategic working teams inside the company (i.e., R&D and SaaS team). The company will also expand the current workforce through the recruitment of new talents, especially to enrich the most critical group operations; Moreover the proceeds will be also used to support Company's net working capital needs
- **International Growth.** To foster its internationalization strategy, part of IPO proceeds will be invested in the development of new partnerships in foreign countries and to expand foreign activities thanks to commercial and operational functions.

Deconstructing Forecasts

Our financial projections, over the 2023E–26E period (ending on June 30th, 2026), are based on Creatives' business model and strategy. No impact from future M&As has been considered.¹

Starting from the top line, we anticipate sales growing at an outstanding CAGR22A–26E of 42.5%, reaching €17.8mn in FY26E. We project sales considering: i) €300k and €60k of fee (20% of €300k) from each project set-up delivered by Creatives and partners' commercial staff, respectively; ii) €200k of recurrent fee; iii) partner's network enhancement to increase the customer base, grasping the recurrent revenues generated; iv) man-days (md) necessary for delivering the project set-up and SaaS solution; v) an increase in the average revenue per md following higher business scalability granted by Vanessa; and vi) switching the old maintenance services to SaaS solution by 2025E.

Looking at the two business entities:

- **Set-up fee:** is expected to grow at a CAGR22A–26E of 16%, reaching €3.1mn in FY26E. Growth will be mainly driven by: i) 22 new projects in 2026E, from 8 in FY22A; ii) an increase in the average revenues per md, reaching almost €0.7k per md by 2026E and ca. 200 md per project (from €0.5k per md and 450 md per project in 2022A) and iii) the collaboration with 5 qualified international partners by 2026E delivering 14 projects from 1 in FY22A.
- **Recurrent revenues:** this business line is anticipated to grow at a CAGR22A–26E of 53.9%, reaching €14.7mn in FY26E. Growth will be mainly driven by: i) a total of 103 projects expected by 2026E, of which 49 will be acquired through the partners' network; ii) an increase in the average revenues per md, reaching almost €571k per md by 2026E from €289k in FY22A. We note that recurrent revenues will benefit from a higher retention rate and to the switch from old maintenance services to the SaaS solution by the end of 2023E, resulting in an increasing incidence of recurrent revenues to 82.8% by 2026E from 60.9% in 2022A.

We anticipate VoP to be €7.7mn in FY23E, reaching €18.8mn by FY26E, experiencing a +33% CAGR22A–26E, growing at a slower pace than sales due to steady R&D investments capitalization and steady WIP thanks to growing efficiency into projects set-up.

At the EBITDA level, we mainly expect: i) an increase in personnel expenses following business development, even if at a slower pace than revenues thanks to the business scalability granted by Vanessa; ii) an incidence decrease in service costs. We therefore expect EBITDA to grow more than proportionally with respect to revenues, experiencing a CAGR22A–26E of +80.4%, reaching €5.9mn in FY26E, with EBITDA margin increasing by ca. +5.5pp on average each year, reaching 31.4% by 2026E from 9.3% in FY22A.

Looking at the bottom line, we expect Creatives will reach almost breakeven by 2023 due to increased profitability. We therefore project net income increase to €3.3mn or €0.3ps in 2026E, growing at a CAGR22A–26E of more than 100% due to Creatives' early-stage development company, with a FY26E net margin of 17.3%, also benefitting from listing tax credit.

¹ Financial projections have been prepared by KT&Partners independently of Creatives Group S.p.A. projections and forecasts involve risks and uncertainties and are subject to change. Therefore, actual results may differ materially from those contained in the projections and forecasts.

2020A–26E Consolidated Income Statement

€ Millions	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E	CAGR 22A-26E
Setup fee	1.7	2.3	1.7	2.1	2.8	2.9	3.1	16.0%
Recurrent revenues	1.4	2.0	2.6	4.4	7.1	10.7	14.7	53.9%
Sales Revenues	3.1	4.2	4.3	6.5	9.9	13.6	17.8	42.5%
Growth %	<i>n.m.</i>	36.5%	2.1%	52.1%	51.3%	37.7%	30.2%	
Other Revenues	1.7	1.0	1.7	1.2	1.0	1.1	1.1	-10.8%
Value of Production	4.8	5.2	6.0	7.7	11.0	14.7	18.8	33.0%
Growth %	89.3%	8.0%	16.1%	28.5%	41.6%	34.3%	28.0%	
Cost of Services	(2.0)	(2.0)	(2.1)	(3.2)	(4.5)	(5.9)	(6.7)	
Rental Costs	(0.4)	(0.5)	(0.5)	(0.8)	(1.0)	(1.3)	(1.3)	
Personnel Expenses	(2.2)	(2.3)	(2.8)	(2.9)	(3.8)	(4.4)	(4.7)	
Other Operating Expenses	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	
EBITDA	0.2	0.4	0.6	0.8	1.5	3.0	5.9	80.4%
EBITDA margin	3.4%	6.8%	9.3%	10.8%	13.9%	20.5%	31.4%	
Growth %	<i>n.m.</i>	<i>n.m.</i>	58.1%	50.1%	81.8%	98.1%	95.9%	
D&A and Provisions	(0.9)	(0.6)	(0.8)	(1.0)	(1.2)	(1.3)	(1.4)	
EBIT	(0.8)	(0.3)	(0.3)	(0.2)	0.3	1.7	4.5	n.m.
EBIT margin	-16.0%	-5.4%	-4.4%	-2.0%	3.1%	11.4%	24.1%	
Financial Income and Expenses	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	
Extraordinary items	-	0.1	-	-	-	-	-	
EBT	(0.9)	(0.2)	(0.3)	(0.2)	0.3	1.6	4.5	n.m.
Taxes	0.0	0.1	(0.0)	0.1	(0.0)	(0.4)	(1.2)	
Tax Rate	0.2%	28.9%	-10.1%	29.0%	7.2%	25.0%	27.6%	
Net Income	(0.9)	(0.1)	(0.4)	(0.1)	0.3	1.2	3.3	n.m.
Net margin	-17.9%	-2.7%	-6.0%	-1.8%	2.5%	8.3%	17.3%	
EPS	(0.1)	(0.0)	(0.0)	(0.0)	0.0	0.1	0.3	n.m.

Source: Company data, KT&Partners' elaboration

As for the balance sheet, Creatives is mainly affected by the length of the project set-up process and related payment schedules, which generate substantial absorption in terms of working capital until the delivery and collection of SaaS payments during the subscription period. However, we expect an improvement toward the end of the forecast period in terms of working capital absorption due to: i) a reduction in DIO driven by increased production efficiency; and ii) a reduction in DSO due to a lower incidence of project set-up payments from Creatives' customers. We expect TWC to grow from €0.4mn in FY22A to €1.5mn in FY26E, mainly following business growth, but with a decreasing incidence on sales revenues from 9.9% in FY22A to 8.4% in FY26E.

Given the huge R&D activity conducted by Creatives for developing internally new products, we foresee fixed assets, mainly composed by intangible assets, to increase from €3.4mn in FY22A to €3.6mn in 2026. The total CAPEX are expected to be ca. €5.1 over the forecast period, mainly including investments in R&D. We note that ca. €0.4mn are related to IPO capitalized costs occurred in 2023.

Looking at the Group's financial soundness, we expect NFP to progressively improve over the 2022–26E period, transforming its net debt position of €0.3mn in FY22A to a strong net cash position of €5.2mn by FY26E, mainly following the Group's growth, profitability improvement, ca. €0.7mn of cash-in thanks to IPO net proceeds and better working capital management thanks to the increasing efficiency on completing the set-up projects.

2020A–26E Consolidated Balance Sheet

€ Millions	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Fixed Assets	2.1	3.2	3.4	4.3	4.2	3.9	3.6
Trade receivables	2.0	1.5	0.1	1.1	2.1	2.9	3.4
WIP	0.4	0.2	0.9	1.3	1.2	1.1	1.3
Trade Payables	(0.8)	(0.5)	(0.6)	(1.3)	(1.9)	(2.6)	(3.2)
Trade Working Capital	1.6	1.2	0.4	1.1	1.4	1.4	1.5
Other assets and liabilities	(0.4)	(0.3)	(1.0)	(1.0)	(0.9)	(1.0)	(1.0)
Net Working Capital	1.2	0.9	(0.6)	0.1	0.5	0.4	0.5
Other Provisions	(0.4)	(0.6)	(0.6)	(0.8)	(1.1)	(1.5)	(1.8)
Net Capital Employed	2.9	3.5	2.2	3.5	3.5	2.9	2.3
Total shareholders' equity	1.7	2.2	1.8	2.7	3.0	4.2	7.5
Short-term debt / Cash (-)	(0.1)	0.1	(1.0)	(0.5)	(0.8)	(2.6)	(6.5)
Long-term liabilities	1.3	1.2	1.3	1.3	1.3	1.3	1.3
Net Financial Position	1.3	1.3	0.3	0.8	0.5	(1.3)	(5.2)
Sources	2.9	3.5	2.2	3.5	3.5	2.9	2.3

Source: Company data, KT&Partners' elaboration

2021A–26E Consolidated Cash Flow

€ Millions	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
EBITDA	0.4	0.6	0.8	1.5	3.0	5.9
Income Taxes	0.1	(0.0)	0.1	(0.0)	(0.4)	(1.2)
Change in NWC	0.3	1.5	(0.7)	(0.4)	0.0	(0.0)
Change in provision for employee	0.1	(0.0)	0.2	0.3	0.3	0.3
Operating Cash Flow	0.9	2.0	0.5	1.4	2.9	5.0
CAPEX	(1.7)	(1.0)	(1.9)	(1.1)	(1.1)	(1.1)
Investments in financial assets	-	0.0	-	-	-	-
FCF	(0.8)	1.0	(1.4)	0.3	1.9	3.9
Net financial income/(expenses)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Extraordinary Items	0.1	-	-	-	-	-
Gains and Losses on Holdings	(0.0)	(0.0)	-	-	-	-
Change in Total Shareholders' Equity	0.7	(0.0)	1.0	0.0	-	-
Dividend Paid	-	-	-	-	-	-
Change in NFP	0.0	0.9	(0.5)	0.3	1.8	3.9
Beginning NFP	1.3	1.3	0.3	0.8	0.5	(1.3)
IFRS16 - Debt	-	-	-	-	-	-
Final NFP	1.3	0.3	0.8	0.5	(1.3)	(5.2)

Source: Company data, KT&Partners' elaboration

Valuation

Following our projections of Creatives' future financials, we carried out the valuations of the company by applying the DCF and market multiples methods:

1. EV/Sales, which returns an equity value of €35.92mn or €2.92ps;
2. DCF analysis based on WACC of 10.6% and 2% perpetual growth, returns an equity value of €37.23mn or €3.03ps.

The average of the two methods yields a fair value of €2.97ps or an equity value of €36.58mn.

Valuation Recap

	Equity Value €mn	Value per share €
EV/Sales	35.92	2.92
DCF	37.23	3.03
Average	36.58	2.97

Source: FactSet, KT&Partners' elaboration

Peer Comparison

To define Creatives' peer sample, we carried out an in-depth analysis of listed companies active in technology procurement applied in the supply chain market delivered through SaaS. In selecting potential peers, we consider Creatives' offering, business model, growth and profitability profile.

Looking at the Italian market, we note that there are not listed companies active in technology procurement applied in the supply chain market, providing AI semantic cloud platform delivered through SaaS. Among Italian companies, we selected Almax and Maps as, like Creatives, they have developed a business model which creates value from AI solutions with recurring revenues.

For peer analysis, we built a sample of eleven companies which includes:

- **Almax S.p.A. (AIW-IT):** listed on the Milan Stock Exchange, with a market capitalization of ca. €138mn, the company develops software technologies for artificial intelligence, natural language analysis, and big data management. The firm owns and distributes patented technologies which offer solutions for text and speech analytics, knowledge management, multi-channel contact management and virtual agent, and customer experience management under the platform brands Iride and Audioma. Its software products also feature automatic speech recognition under its platform brands Audioma, FlyScribe, and Verbatim. The company was founded in October 2006, and is headquartered in Rome, Italy. In FY21A, the company's revenues amounted to €32.9mn.
- **Alteryx, Inc. Class A (AYX-US):** listed on the New York Stock Exchange, with a market capitalization of ca. €4bn, the company engages in the provision of self-service data analytics software. Its subscription-based platform allows organizations to prepare, blend, and analyze data from a multitude of sources and benefit from data-driven decisions. The company was founded by Dean A. Stoecker, Olivia Duane-Adams, and Edward P. Harding, Jr. in March 1997 and is headquartered in Irvine, CA. In FY22A, the company's revenues amounted to €813.9mn.
- **Informatica, Inc. Class A (INFA-US):** listed on the New York Stock Exchange, with a market capitalization of ca. €4.9bn, it engages in the development of an intelligent data management cloud platform. Its software connects, manages, and unifies data across any multi-cloud hybrid system. The company was founded in 1993 and is headquartered in Redwood City, CA. In FY22A, the company's revenues amounted to €1.4bn.
- **Manhattan Associates, Inc. (MANH-US):** listed on NASDAQ, with a market capitalization of ca. €8.3bn, the company engages in designing, building and delivering supply chain commerce solutions by converging front-end sales with back-end supply chain. It operates through the following geographical segments: The Americas, Europe, the Middle East and Africa and Asia Pacific. The company was founded by Deepak Raghavan in October 1990 and is headquartered in Atlanta, GA. In FY22A, the company's revenues amounted to €729.9mn.
- **Maps SpA (MAPS-IT):** listed on the Milan Stock Exchange, with a market capitalization of ca. €42mn, the company engages in the design, production, and distribution of software solutions for business big data analysis. It operates through the following business units: Large Enterprise, Healthcare Industry; and Gzoom. The Large Enterprise unit focuses on data integration solutions, semantic and predictive analysis under the Smartaggregator brand, and data cloud sharing systems under the Smartnebula brand of high-revenue companies of various industries. The Healthcare Industry unit offers software for managing patients within the facility featuring health information and software for patient care and support. The Gzoom unit specializes in developing software for public administrations which allows institutions to evaluate performance, goals, and achievement plans. The company

was founded in December 2001 and is headquartered in Parma, Italy. In FY21A, the company's revenues amounted to €24.1mn.

- **Oracle Corporation (ORCL-US):** listed on New York Stock Exchange, with a market capitalization of ca. €221.6bn, the company engages in the provision of products and services that address all aspects of corporate information technology environments. It operates through the following business segments: cloud and license, hardware, and services. The cloud and license segment markets, sells, and delivers applications, platform, and infrastructure technologies. The hardware segment provides hardware products and hardware-related software products including Oracle Engineered Systems, servers, storage, industry-specific hardware, operating systems, virtualization, management and other hardware related software, and related hardware support. The services segment offers consulting, advanced support, and education services. The company was founded by Lawrence Joseph Ellison, Robert Nimrod Miner, and Edward A. Oates on June 16, 1977, and is headquartered in Austin, TX. In FY21A, the company's revenues amounted to €37.2bn.
- **SAP SE (SAP-DE):** listed on the XETRA with a market capitalization of ca. €136.9bn, the company engages in the provision of enterprise application software and software-related services. It operates through the following segments: applications, technology, and services; intelligent spend group; and qualtrics. The applications, technology, and services segment includes software licenses, cloud subscriptions, and related services. The intelligent spend group segment comprises cloud-based collaborative business networks, subscriptions to the cloud offering, and related professional and educational services. The qualtrics segment sells experience management cloud solutions. The company was founded by Hasso Plattner, Klaus Tschira, Claus Wellenreuther, Dietmar Hopp, and Hans-Werner Hector in 1972 and is headquartered in Walldorf, Germany. In FY22A, the company's revenues amounted to €30.9bn.
- **SPS Commerce, Inc. (SPSC-US):** listed on NASDAQ with a market capitalization of ca. €4.9bn, the company provides cloud-based supply chain management services. The firm serves retailers, suppliers, grocers, distributors and logistics firms to orchestrate the management of item data, order fulfillment, inventory control and sales analytics across all channels. Its SPS Commerce cloud services platform offers trading partner community, fulfillment, assortment, analytics, sourcing, and other trading partner solutions. The company was founded by Gary W. Anderson and Roger Anderson in January 1987, and is headquartered in Minneapolis, MN. In FY21A, the company's revenues amounted to €326mn.
- **TECSYS Inc. (TCS-CA):** listed on the Toronto Stock Exchange with a market capitalization of ca. €290mn, the company engages in the development and marketing of enterprise distribution software and related services. Its supply chain execution applications include warehouse-centric, warehouse, distribution, and transportation management, as well as financial management and analytics solutions. It operates through the following geographical segments: Canada, United States, Europe, and other. The company was founded by David Brereton in April 1983 and is headquartered in Montreal, Canada. In FY22A, the company's revenues amounted to €429mn.

We analyzed the peer companies by considering their average revenue and EBITDA growth and compared them to Creatives' historical and expected financials.

By looking at 2021–24 revenue growth, the peers' average is expected to grow by a CAGR21–24 of +11.3% while Creatives' revenues are expected to register a CAGR21–24 of 32.9%.

Looking at EBITDA, according to our financial projection, Creatives' EBITDA shows an expected +62.8% CAGR21–24, compared with expected growth of the peers' average of +17.6%.

Peers Comparison – Sales and EBITDA Growth 2020–24

Company Name	Sales					CAGR 2020-'23	CAGR 2021-'24
	2020	2021	2022	2023	2024		
Almawave S.p.A.	27	33	46	56	67	27.8%	26.7%
Alteryx, Inc. Class A	434	454	814	919	1,072	28.4%	33.2%
Informatica, Inc. Class A	1,161	1,222	1,432	1,470	1,575	8.2%	8.8%
Manhattan Associates, Inc.	514	561	730	773	865	14.5%	15.5%
Maps S.p.A.	20	24	27	32	35	16.3%	13.6%
Oracle Corporation	34,149	37,275	46,451	49,923	53,871	13.5%	13.1%
SAP SE	27,338	27,842	30,871	32,610	35,223	6.1%	8.2%
SPS Commerce, Inc.	274	326	429	490	563	21.3%	20.0%
TECSYS Inc.	82	95	101	111	127	10.9%	10.2%
Peers Average	7,111	7,537	8,989	9,598	10,378	10.5%	11.3%
Creatives Group S.p.A.	3	4	4	7	10	28.5%	32.9%

Company Name	EBITDA					CAGR 2020-'23	CAGR 2021-'24
	2020	2021	2022	2023	2024		
Almawave S.p.A.	5	6	8	10	15	24.3%	33.2%
Alteryx, Inc. Class A	16	-87	-190	73	109	64.6%	-207.7%
Informatica, Inc. Class A	329	296	239	396	442	<i>n.m.</i>	<i>n.m.</i>
Manhattan Associates, Inc.	108	120	152	205	233	23.9%	24.6%
Maps S.p.A.	3	5	6	8	9	35.9%	22.7%
Oracle Corporation	15,774	16,674	22,990	25,454	28,003	17.3%	18.9%
SAP SE	9,011	7,167	7,327	9,070	10,445	0.2%	13.4%
SPS Commerce, Inc.	60	68	95	144	169	33.5%	35.6%
TECSYS Inc.	10	4	6	9	16	-3.4%	57.5%
Peers Average	2,813	2,695	3,404	3,930	4,382	11.8%	17.6%
Creatives Group S.p.A.	0	0	1	1	2	73.1%	62.8%

Source: FactSet, KT&Partners' elaboration

Market Multiples Valuation

Following the comps analysis, we proceeded with the definition of market multiples for each peer group, focusing on 2021–24E data.

It worth to point out that on February 28, 2023, Thoma Bravo LP acquired Coupa Software, Inc for a total deal value of ca. \$8bn in stock or 9.1x EV/Sales (LTM). In detail, Coupa shareholders will receive \$81 per share under the deal, 30.5% higher than the stock's closing level on Friday and 77.2% above November 2022, when takeover interest in the company was first reported. Therefore, from February 28, 2023, Coupa Software shares were delisted from NASDAQ. As result, we have updated our peer sample by excluding Coupa Software, Inc.

Peer Comparison – Market Multiples 2021–24

Company Name	Exchange	Market Cap	EV/SALES 2021	EV/SALES 2022	EV/SALES 2023	EV/SALES 2024	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBITDA 2023	EV/EBITDA 2024	P/E 2021	P/E 2022	P/E 2023	P/E 2024
Almawave S.p.A.	Milan	138	4.1x	2.9x	2.4x	2.0x	20.5x	17.2x	12.8x	8.7x	36.6x	32.1x	24.7x	17.3x
Alteryx, Inc. Class A	NYSE	4,007	10.1x	5.7x	4.9x	4.2x	n.m	n.m	n.m	n.m	n.m	n.a.	n.m	n.m
Informatica, Inc. Class A	NYSE	4,927	4.4x	3.9x	3.6x	3.4x	18.3x	15.6x	13.4x	12.0x	n.m	20.8x	19.1x	17.1x
Manhattan Associates, Inc.	NASDAQ	8,314	14.5x	11.5x	10.3x	9.2x	n.m	n.m	n.m	34.4x	n.m	n.m	n.m	45.0x
Maps S.p.A.	Milan	42	2.1x	1.9x	1.6x	1.5x	10.9x	8.4x	6.8x	5.9x	16.0x	14.7x	13.5x	13.0x
Oracle Corporation	NYSE	221,614	8.0x	6.4x	5.9x	5.5x	18.0x	13.1x	11.8x	10.6x	38.8x	17.7x	15.6x	13.6x
SAP SE	XETRA	136,905	4.9x	4.5x	4.2x	3.9x	19.2x	17.2x	15.0x	13.0x	24.9x	n.a.	20.6x	17.8x
SPS Commerce, Inc.	NASDAQ	4,933	14.6x	n.a.	9.5x	8.3x	n.m	n.a.	32.5x	27.7x	n.m	n.a.	n.m	45.2x
TECSYS Inc.	Toronto	290	2.9x	2.7x	2.4x	2.1x	n.m	n.m	31.0x	16.7x	n.m	n.m	n.m	31.0x
Average peer group		42,352	7.3x	4.9x	5.0x	4.5x	17.4x	14.3x	17.6x	16.1x	29.1x	21.3x	18.7x	25.0x
Median peer group		4,927	4.9x	4.2x	4.2x	3.9x	18.3x	15.6x	13.4x	12.5x	30.8x	19.2x	19.1x	17.5x
Creatives Group S.p.A.	Milan	27	6.2x	6.1x	4.0x	2.7x	n.m	n.m	31.3x	17.2x	n.m	n.m	n.m	n.m

Source: FactSet, KT&Partners' elaboration

Given Creatives' start-up phase, business model and fiscal year (FY22A ended in June 2022), we based our evaluation upon our 2023-2024 estimates for Creatives' Value of Production (VoP). We calculated the 2023E VoP by taking in account the average of 2023E and 2024E VoP. As for 2023E, the 2024 VoP is based on the average of the 2024E and 2025E VoPs. Furthermore, we adjusted NFP for IPO net proceeds referred to the listing on the EGM PRO market occurred in March 2023.

Through the EV/Sales method, we consider a liquidity/size discount at 20% for ending up with our Creatives' valuation at €2.92ps.

EV/Sales Market Multiples Valuation

Multiple Valuation (€mn)	2023E	2024E
EV/Sales Comps	4.2x	3.9x
Creatives Group S.p.A. VoP*	9.3	12.8
Enterprise value	39.3	49.9
Creatives Group S.p.A. FY22 Net Debt Adjusted	(0.3)	(0.3)
Equity Value	39.56	50.23
Average Equity Value		44.9
Liquidity/Size Discount		20%
Equity Value Post-Discount		35.92
Number of shares (mn)		12.3
Value per Share €		2.92

Source: FactSet, KT&Partners' elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 12.3% cost of equity, 4.5% cost of debt and a D/E ratio of 25% (Damodaran for Software). The cost of equity is a function of the risk-free rate of 4.16% (Italian 10y BTP), 5.06% equity risk premium (12M Damodaran for a mature market) and a premium for size and liquidity of 4.0% (source: Duff&Phelps). We, therefore, obtained 10.6% WACC.

We discounted 2023E–26E annual cash flows and considered a terminal growth rate of 2%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

Finally, we adjusted NFP for IPO proceeds referred to the listing on the EGM PRO market occurred in March 2023.

DCF Valuation

€ Millions	2023E	2024E	2025E	2026E
EBIT	(0.2)	0.3	1.7	4.5
Taxes	0.0	(0.0)	(0.4)	(1.3)
D&A	1.0	1.2	1.3	1.4
Change in Net Working Capital	(0.7)	(0.4)	0.0	(0.0)
Change in Funds	0.2	0.3	0.3	0.3
Net Operating Cash Flow	0.4	1.4	2.9	5.0
Capex	(1.9)	(1.1)	(1.1)	(1.1)
FCFO	(1.5)	0.3	1.8	3.9
g	2.0%			
Wacc	10.6%			
FCFO (discounted)	(1.4)	0.3	1.5	2.8
Discounted Cumulated FCFO	3.1			
TV	46.6			
TV (discounted)	33.4			
Enterprise Value	36.6			
NFP FY2022A Adjusted	(0.7)			
Equity Value	37.23			
Current number of shares (mn)	12.3			
Value per share (€)	3.03			

Source: Company data, KT&Partners' elaboration

Sensitivity Analysis

€ Millions	Terminal growth Rate	WACC				
		11.1%	10.8%	10.6%	10.3%	10.1%
	1.5%	33.1	34.1	35.2	36.4	37.6
	1.8%	34.0	35.0	36.2	37.4	38.7
	2.0%	34.9	36.0	37.2	38.5	39.9
	2.3%	35.8	37.0	38.3	39.7	41.1
	2.5%	36.8	38.1	39.5	40.9	42.5

Source: Company data, KT&Partners' elaboration

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