# EXPERT.AI

*Sector: Technology*

## From restructuring to scalable, profitable growth

**BUY**
*New Coverage*

**TP 2.2**
*New Coverage*

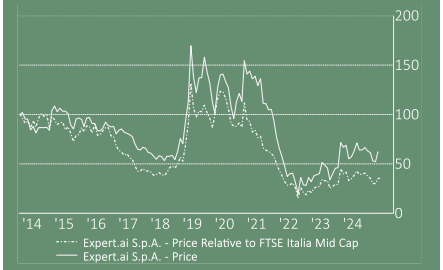
Target price upside 55%

***Expert.ai is undergoing a strategic transformation from legacy inefficiencies to a scalable, SaaS-based model focused on recurring revenues, operational discipline, and AI innovation. With its proprietary neuro-symbolic architecture, the company delivers explainable, vertical-specific solutions across sectors like insurance, banking, public sector and pharma. Backed by strong market tailwinds, including an Eu18bn addressable market, growing at a 40% CAGR and GenAI expansion, Expert.ai is well positioned within the AI stack. We target revenue acceleration (29% CAGR24-27E), EBITDA expansion, and positive FCF from 2025E, reinforcing long-term value creation and platform scalability. Valuation, based on a weighted average of FY25-27 EV/Sales and DCF method (30-70), points to material upside. BUY, TP Eu2.2/s.***

- **Unlocking value with advanced AI solutions** - Expert.ai is a European leader in Natural Language Understanding (NLU) and Processing (NLP), offering scalable, explainable AI for language-intensive industries. Founded in 1989 and active in eight countries, it provides AI software, combining symbolic reasoning with open-source LLMs through its proprietary neuro-symbolic architecture. The modular EidenAI Suite drives automation across sectors including insurance, banking, pharma, and public administration (PA). In FY24, software licensing represented 64% of revenues, with services and hosting accounting for the rest. Available via SaaS or on-prem, its solutions integrate seamlessly into enterprise systems.
- **Strategic change and business model evolution** - Expert.ai is carrying out a strategic shift aimed at strengthening financial stability, improving efficiency, and supporting long-term scalability. Following the successful 2024 governance reset led by CEO Dario Pardi, the company focused on cost containment, debt restructuring, and capital reinforcement. Expert.ai is transitioning away from fragmented, capital-intensive operations toward a more scalable SaaS-based model. The group's strategy focuses on expanding recurring revenues, growing its MSaaS offering, and developing strategic partnerships, while streamlining services, increasing R&D investment, and exploring selective M&A to sustain margins, CF visibility, and long-term value creation.
- **AI shaping the future of global markets -** AI adoption is accelerating, with the market set to grow from Eu80bn in 2024 to Eu279bn by 2028E (+87% CAGR), driven by advances in cloud, machine learning, and NLP. North America leads global spending (36.9%), followed by Western Europe and Asia-Pacific. Italy is emerging as a key AI hub, with a 2024 market of Eu1.2bn (+58% YoY), led by large players in telecom, finance, and energy. Expert.ai's core and adjacent markets total Eu18bn, growing at 40% CAGR, with GenAI at 55%. NLP/NLU, key to Expert.ai, are amongst AI's fastest-growing areas, with global markets projected to reach Usd30.2bn by 2030.
- **Vertical NLP/NLU enabler in a fragmented AI stack** - Expert.ai is a vertical NLP/NLU specialist positioned between LLM platforms, hyperscalers, and system integrators. Its hybrid AI (symbolic + statistical) delivers explainable, domain-specific results with high accuracy and traceability, critical in regulated sectors. Unlike generalist tools, the group offers auditable, workflow-ready solutions that integrate easily via system integrators. As demand grows for trusted, transparent AI, Expert.ai's architecture, positions it as a resilient enterprise partner.
- **From turnaround to scalable, profitable growth: positive EBITDA cash in 2025E -** Expert.ai is shifting from restructuring to execution, with 2025E marking a key inflection point driven by recurring SaaS revenues, leaner operations, and improved commercial traction. Revenues are forecast to grow from Eu27.3mn to Eu58.8mn by 2027E (29% CAGR), supported by EidenAI adoption and GenAI-enabled solutions. EBITDA is expected to rise from Eu3.4mn to Eu16.2mn, with positive cash EBITDA and FCF from 2025E. With stable capex and ROCE seen at 13.5% in 2027E, the model supports sustainable, capital-efficient value creation.
- **Initiating coverage with BUY, TP 2.2/s -** Expert.ai is executing a strategic turnaround following years of underperformance, and new leadership under CEO Dario Pardi, marking a key inflection point. We position the group closer to global AI peers like C3.ai and OpenText, given its neuro-symbolic AI platform, SaaS transition, and focus on regulated sectors via its EidenAI suite. Eu2.2/s TP is based on FY25-27 EV/Sales peer multiples, supported by a DCF (3.0% g, 8.9% WACC), 30-70% weighted, implying a 55% upside.

| | |
|---|---|
| Ticker (BBG, Reut) | EXAI IM / EXAI MI |
| Share price Ord. (Eu) | 1.5 |
| N. of Ord. shares (mn) | 97.3 |
| Total N. of shares (mn) | 97.3 |
| Market cap (Eu mn) | 141 |
| Total Market Cap (EU mn) | 141 |
| Free Float Ord. (%) | 80% |
| Free Float Ord. (Eu mn) | 113 |
| Daily AVG liquidity Ord. (Eu k) | 328 |

| | 1M | 3M | 12M |
|---|---|---|---|
| Absolute Perf. | 8.1% | 26.1% | 15.2% |
| Rel.to FTSEMidCap | -2.9% | 19.9% | 2.1% |
| 52 weeks range | | 1.0 | 1.5 |




| | FY24A | FY25E | FY26E |
|---|---|---|---|
| Sales | 27 | 42 | 50 |
| EBITDA | 3.4 | 9.6 | 11.8 |
| Net profit | (10.1) | 0.1 | 2.0 |
| EPS adj. | (0.10) | 0.00 | 0.02 |
| DPS - Ord. | 0.00 | 0.00 | 0.00 |
| EV/EBITDA | 36.3x | 14.3x | 11.5x |
| P/E adj. | -12.6x | nm | 72.2x |
| Dividend yield | 0.0% | 0.0% | 0.0% |
| FCF yield | neg | 0.8% | 2.8% |
| Net debt/(Net cash) | 1.7 | 0.5 | (3.5) |
| Net debt/EBITDA | 0.5x | 0.1x | nm |

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.
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ALANTRA
Italian Equity Research

# Summary Financials (IFRS)

| P&L account (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Net Revenues | 32.6 | 27.3 | 41.6 | 50.1 | 58.8 |
| Gross Margin | 19.9 | 18.5 | 27.5 | 33.1 | 39.4 |
| EBITDA | (0.2) | 3.4 | 9.6 | 11.8 | 16.2 |
| D&A | (8.6) | (8.4) | (8.3) | (8.2) | (8.5) |
| EBIT | (8.8) | (5.0) | 1.3 | 3.6 | 7.7 |
| Net financial charges | (1.0) | (4.1) | (1.2) | (0.9) | (0.9) |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Extraordinary items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pre-tax profit | (9.8) | (9.0) | 0.2 | 2.7 | 6.8 |
| Taxes | (0.0) | (1.0) | (0.1) | (0.7) | (1.8) |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discontinued activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit reported | (9.8) | (10.1) | 0.1 | 2.0 | 5.0 |
| **EBITDA cash** | **(6.6)** | **(1.7)** | **3.8** | **5.8** | **9.7** |
| **EBIT adjusted** | **(8.8)** | **(5.0)** | **1.3** | **3.6** | **7.7** |
| **Net profit adjusted** | **(9.8)** | **(10.1)** | **0.1** | **2.0** | **5.0** |

| Margins (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Gross margin | 61.1% | 67.8% | 66.0% | 66.0% | 67.0% |
| EBITDA margin | -0.6% | 12.4% | 23.1% | 23.6% | 27.6% |
| EBIT margin | -26.9% | -18.2% | 3.2% | 7.2% | 13.1% |
| Pre-tax margin | -30.1% | -33.0% | 0.5% | 5.3% | 11.6% |
| Net profit margin | -30.1% | -36.8% | 0.3% | 3.9% | 8.5% |

| Growth rates (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Sales | 3.1% | -16.2% | 52.3% | 20.3% | 17.3% |
| EBITDA | nm | nm | 184.6% | 22.6% | 37.2% |
| EBITDA cash | nm | nm | nm | 52.3% | 68.0% |
| EBIT | nm | nm | nm | nm | 114.7% |
| EBIT adjusted | nm | nm | nm | nm | 114.7% |
| Pre-tax | nm | nm | nm | nm | 155.8% |
| Net profit | nm | nm | nm | nm | 155.8% |
| Net profit adjusted | nm | nm | nm | nm | 155.8% |

| Per share data | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Shares | 97.34 | 97.34 | 97.34 | 97.34 | 97.34 |
| N. of shares AVG | 97.34 | 97.34 | 97.34 | 97.34 | 97.34 |
| N. of shares diluted AVG | 97.34 | 97.34 | 97.34 | 97.34 | 97.34 |
| **EPS** | **(0.10)** | **(0.10)** | **0.00** | **0.02** | **0.05** |
| **EPS adjusted** | **(0.10)** | **(0.10)** | **0.00** | **0.02** | **0.05** |
| **DPS - Ord.** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| DPS - Sav. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BVPS | 0.13 | 0.33 | 0.33 | 0.35 | 0.40 |

| Enterprise value (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Share price Sav. (Eu) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share price Ord. (Eu) | 0.84 | 1.30 | 1.45 | 1.45 | 1.45 |
| Market cap | 81.3 | 126.8 | 141.1 | 141.1 | 141.1 |
| Net debt/(Net cash) | 21.8 | 1.7 | 0.5 | (3.5) | (9.3) |
| Adjustments | (1.5) | (5.4) | (3.5) | (2.4) | (1.2) |
| Enterprise value | 101.6 | 123.1 | 138.1 | 135.3 | 130.6 |

| Cash flow (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| EBITDA | (0.2) | 3.4 | 9.6 | 11.8 | 16.2 |
| Net financial charges | (1.0) | (4.1) | (1.2) | (0.9) | (0.9) |
| Cash taxes | (0.0) | (1.0) | (0.1) | (0.7) | (1.8) |
| Ch. in Working Capital | (4.9) | (0.8) | (3.0) | (1.0) | (2.0) |
| Other operating items | 1.6 | 1.6 | 1.9 | 1.1 | 1.2 |
| **Operating cash flow** | **(4.5)** | **(0.9)** | **7.3** | **10.3** | **12.6** |
| Capex | (7.0) | (5.3) | (6.1) | (6.3) | (6.8) |
| **FCF** | **(11.6)** | **(6.2)** | **1.2** | **4.0** | **5.9** |
| Disposals/Acquisitions | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Changes in Equity | 4.6 | 29.7 | 0.0 | 0.0 | 0.0 |
| Others | 0.2 | (3.4) | 0.0 | 0.0 | 0.0 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Ch. in NFP** | **(5.9)** | **20.1** | **1.2** | **4.0** | **5.9** |

| Ratios (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **Capex/Sales** | **21.5%** | **19.4%** | **14.7%** | **12.6%** | **11.5%** |
| Capex/D&A | 0.8x | 0.6x | 0.7x | 0.8x | 0.8x |
| FCF/EBITDA | nm | nm | 12.4% | 33.6% | 36.2% |
| FCF/Net profit | nm | nm | nm | 203.2% | 117.4% |
| **Dividend pay-out** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |

| Balance sheet (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Working capital | 11.2 | 9.4 | 12.4 | 13.4 | 15.4 |
| Fixed assets | 31.8 | 31.3 | 29.1 | 27.2 | 25.5 |
| Provisions & others | (9.0) | (7.1) | (9.0) | (10.1) | (11.3) |
| **Net capital employed** | **34.0** | **33.6** | **32.5** | **30.5** | **29.6** |
| **Net debt/(Net cash)** | **21.8** | **1.7** | **0.5** | **(3.5)** | **(9.3)** |
| Equity | 12.2 | 31.9 | 32.0 | 34.0 | 39.0 |
| Minority interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Ratios (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **Working capital/Sales** | **34.3%** | **34.4%** | **29.8%** | **26.8%** | **26.3%** |
| **Net debt/Equity** | **178.4%** | **5.3%** | **1.6%** | **nm** | **nm** |
| **Net debt/EBITDA** | **nm** | **0.5x** | **0.1x** | **nm** | **nm** |

| Valuation | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **EV/CE** | **2.4x** | **3.0x** | **3.3x** | **3.3x** | **3.2x** |
| P/BV | 6.7x | 4.0x | 4.4x | 4.2x | 3.6x |
| EV/Sales | 3.1x | 4.5x | 3.3x | 2.7x | 2.2x |
| EV/EBITDA cash | nm | -74.2x | 36.3x | 23.3x | 13.4x |
| **EV/EBITDA** | **nm** | **36.3x** | **14.3x** | **11.5x** | **8.1x** |
| EV/EBIT | nm | nm | 102.5x | 37.7x | 16.9x |
| **EV/EBIT adjusted** | **nm** | **nm** | **102.5x** | **37.7x** | **16.9x** |
| P/E | nm | -12.6x | nm | 72.2x | 28.2x |
| **P/E adjusted** | nm | **-12.6x** | **nm** | **72.2x** | **28.2x** |
| | | | | | |
| ROCE pre-tax | neg | neg | 3.3% | 8.7% | 18.9% |
| **ROE** | **neg** | **neg** | **0.4%** | **5.8%** | **12.8%** |
| EV/FCF | neg | neg | 115.4x | 34.1x | 22.3x |
| **FCF yield** | **neg** | **neg** | **0.8%** | **2.8%** | **4.2%** |
| **Dividend yield** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |

Source: Company data, Alantra estimates

# SWOT

**Strengths**
- Proprietary hybrid AI architecture
- Domain expertise and vertical specialisation
- Geographical diversification & US expansion
- Transition to scalable SaaS model

**Weaknesses**
- Relatively high customer concentration
- Legacy customization and service dependence
- Limited penetration outside Italy
- Ongoing reorganization

**Opportunities**
- Explosive AI market growth
- SaaS scaling & managed services rollout
- Regulatory tailwinds in Europe
- M&A to accelerate business expansion

**Threats**
- Competition from hyperscalers & LLM platforms
- High valuation in AI sector
- Customer retention without contractual lock-in
- IT talent competition & wage inflation

**Key shareholders**
GUM Group - 7.85%
Ergo srl - 6.95%
Sofia Holding - 5.39%
Market - 79.81%

**Management**
Dario Pardi - CEO & CH
Fabio Montorselli - CFO
Stefano Spaggiari - IR
Marco Varone - CTO
Umberto Pardi - CRO
Peter Caiazzi - COO

**Next events**
1H25 results: 30/09/2025

# Executive Summary

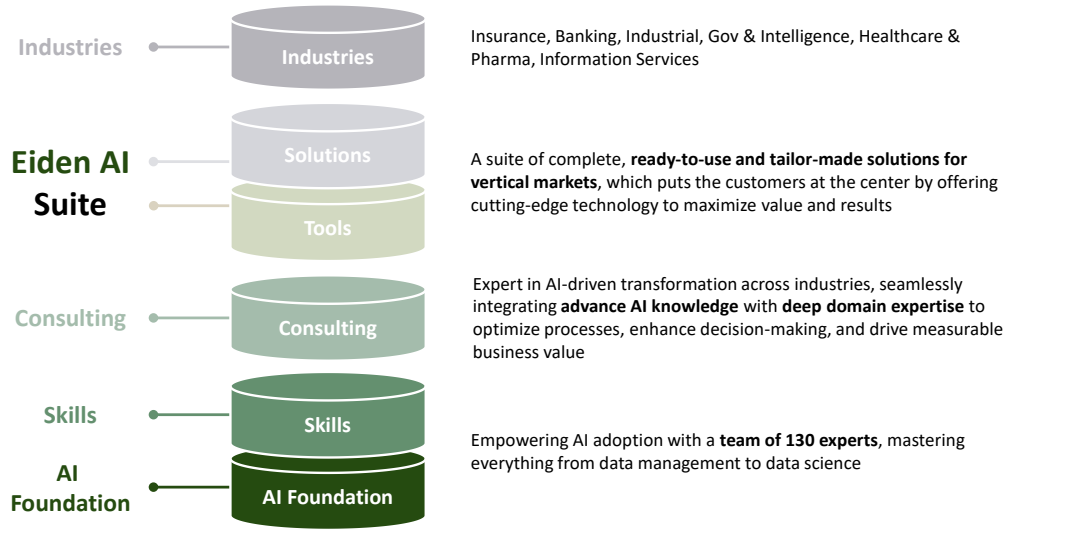
Expert.ai is executing a strategic transformation to scale its hybrid AI platform and unlock sustainable value creation. Operating across eight countries with deep expertise in NLU/NLP, the company leverages a neuro-symbolic architecture that blends LLMs with rule-based reasoning to deliver explainable, industry-specific solutions. The successful 2024 governance reset under CEO Dario Pardi triggered a structured turnaround focused on SaaS-driven growth, financial discipline, and operational streamlining. FY24 marked a pivotal inflection, with positive EBITDA, margin expansion, and improved capital efficiency. Revenues are expected to grow at a 29% CAGR, reaching Eu58.1mn in 2027E, driven by software licensing, vertical traction, and US expansion. Gross margins are forecast to remain at 65-66%, while EBITDA Cash turns positive in 2025E. With capex focused on capitalized R&D and no strategic overhang, ROCE is projected to reach 13.6% by 2027E. The company targets an Eu18bn addressable market growing at 40% CAGR, with GenAI segments expanding at 55%. Expert.ai's strategic repositioning reinforces its competitive edge in the AI stack, positioned between LLM platforms, hyperscalers, and system integrators, and validates its transition to a scalable, capital-light model with recurring revenue visibility. Now positioned as a deep-tech AI platform with a SaaS model, we benchmark it against global peers like C3.ai and OpenText. Based on FY25-27 EV/Sales multiples and DCF, 30-70 weighted respectively, we initiate coverage with a BUY, TP Eu2.2/s, implying 55% upside to current prices.

## Unlocking value with advanced AI solutions

Expert.ai is a leading provider of enterprise artificial intelligence solutions specializing in Natural Language Understanding (NLU) and Natural Language Processing (NLP). Founded in Modena in 1989, the group operates across eight countries with over 200 professionals, combining a strong European foundation with a strategic presence in North America. Its proprietary explicit neuro-symbolic AI architecture integrates open-source LLMs (e.g. Mistral) with symbolic reasoning tools to deliver scalable, explainable, and cost-efficient AI, tailored to language-intensive enterprise use cases. The modular EidenAI Suite powers automation and insight extraction across sectors such as insurance, banking, pharmaceuticals, PA, and media, supporting mission-critical applications like regulatory tracking, claims management, and clinical research. In FY24, software licensing represented 64% of revenue, followed by professional services (25%) and other sources including Grants & Other Revenues (11%). Group's solutions are available via SaaS or on-premises and are designed to integrate seamlessly within enterprise systems. 2024 governance reset, marked by the entry of Dario Pardi as Chairman and CEO, strengthened strategic execution with a renewed management team blending founder-led vision and institutional discipline. With a well-diversified client base, no excessive dependence on top accounts, and a clear positioning in hybrid AI, Expert.ai is poised for sustainable growth and AI-driven transformation.

**AI-enabled value chain driving vertical growth and scalability**

*Expert.ai delivers end-to-end value, from core AI infrastructure to industry-specific solutions, scaling impact and monetization*




Source: company data

## Strategic change and business model evolution

Expert.ai is undergoing comprehensive restructuring to enhance financial sustainability, operational efficiency, and long-term scalability. Historically burdened by an over-reliance on proprietary AI investments, direct sales dependency, and fragmented custom solutions, the company faced constrained profitability and limited scalability. The 2024 governance overhaul, highlighted by Dario Pardi's appointment as both Chairman and CEO, enhanced strategic execution by introducing a refreshed leadership team that effectively combines entrepreneurial drive with financial discipline. Recognizing these inefficiencies, the new management initiated a 2024 restructuring plan focused on cost rationalization, financial discipline, and a streamlined organizational framework. Key restructuring initiatives include cost optimization, debt renegotiation, capital strengthening, and operational infrastructure enhancements. These measures are aimed at stabilizing CF, reducing financial risk, and establishing sustainable growth. As a result, Expert.ai is shifting towards a scalable business model centered on SaaS-based recurring revenues. The 2024-26 growth strategy builds on this foundation by prioritizing scalable AI solutions, transitioning from term licenses to Managed SaaS, and expanding strategic partnerships. The company is also refining its professional services model to drive efficiency while investing in R&D, innovation hubs, and targeted M&A to expand market reach and product capabilities. The pivot towards a SaaS-driven approach is at the core of Expert.ai's transformation, enabling predictable revenue streams, higher margins, and enhanced scalability. By leveraging AI-powered managed services across key enterprise verticals, the company is positioning itself as a leader in AI-driven SaaS solutions. This strategic shift underpins Expert.ai's long-term vision of delivering sustainable value and competitive differentiation in the AI industry.

### From restructuring to sustainable expansion

*Strategic shift from high-cost inefficiencies to financial discipline, restructuring, and a scalable SaaS-driven future*

| Until 2023 | 2024: Restructuring |
|---|---|
| ○ Disproportionate investments in the core proprietary platform while the market has been moving to open-source AI | ○ **Cost restructuring**, aiming at positive free cashflow from 2024 |
| ○ Sales model only based on direct sales | ○ **Financial and Debt restructuring**, renegotiating duration and repayment schedule of bank loans |
| ○ Fragmented offering with custom solutions, not replicable and scalable | ○ **Capital increase** to sustain the growth |
| ○ Not enough financial planning and controlling discipline | ○ **New international structure:** internationalization and simplification of the company structure |
| ○ Business model still based on recurrent term licenses mostly on premise and professional services with limited profitability | ○ **New infrastructure to serve the company:** increasing management and financial discipline by simplifying and automating processes |

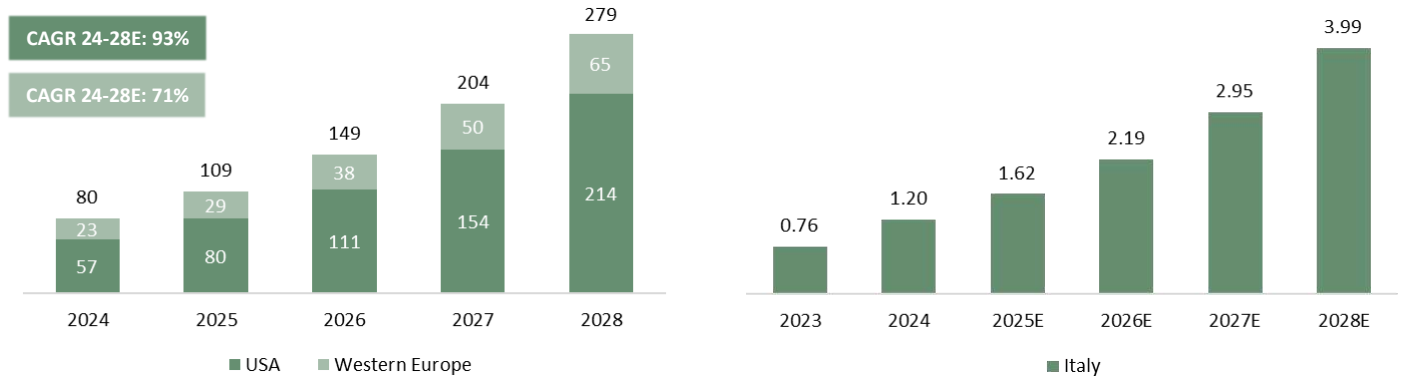
Source: company data

## AI shaping the future of global markets

AI is rapidly transforming global markets, with strong momentum across North America, Europe, and Asia-Pacific. The market is projected to grow from Eu80bn in 2024 to Eu279bn by 2028E, at an 87% CAGR, driven by advancements in cloud computing, machine learning, and NLP. North America leads, accounting for 36.9% of global spending, supported by robust enterprise adoption and investment. Western Europe follows, propelled by ethical frameworks and industrial automation. Asia-Pacific gains ground through strategic policies and industrial uptake, despite regulatory hurdles. Italy is emerging as a dynamic AI hub, with 2024 market value reaching Eu1.2bn (+58% YoY), dominated by large enterprises in telecom, finance, and energy. Key applications include text analysis, recommendation systems, and process orchestration. Expert.ai's core and adjacent markets, valued at Eu18bn in 2024, are forecast to grow at 40% CAGR through 2028, with GenAI expanding at 55%. The Italian reference market for Expert.ai totals Eu384mn. NLP and NLU are fast-growing AI subsegments, with global NLP markets projected to reach USD30.2bn by 2030. Applications include sentiment analysis, smart search, and conversational AI. Innovation, rising data volumes, and demand for automation are expected to fuel growth across AI's software stack.

AI is a rapidly transforming global market (Eu bn)

*The most developed regions are experiencing remarkable growth, with market size expanding to Eu279bn in 2028E*



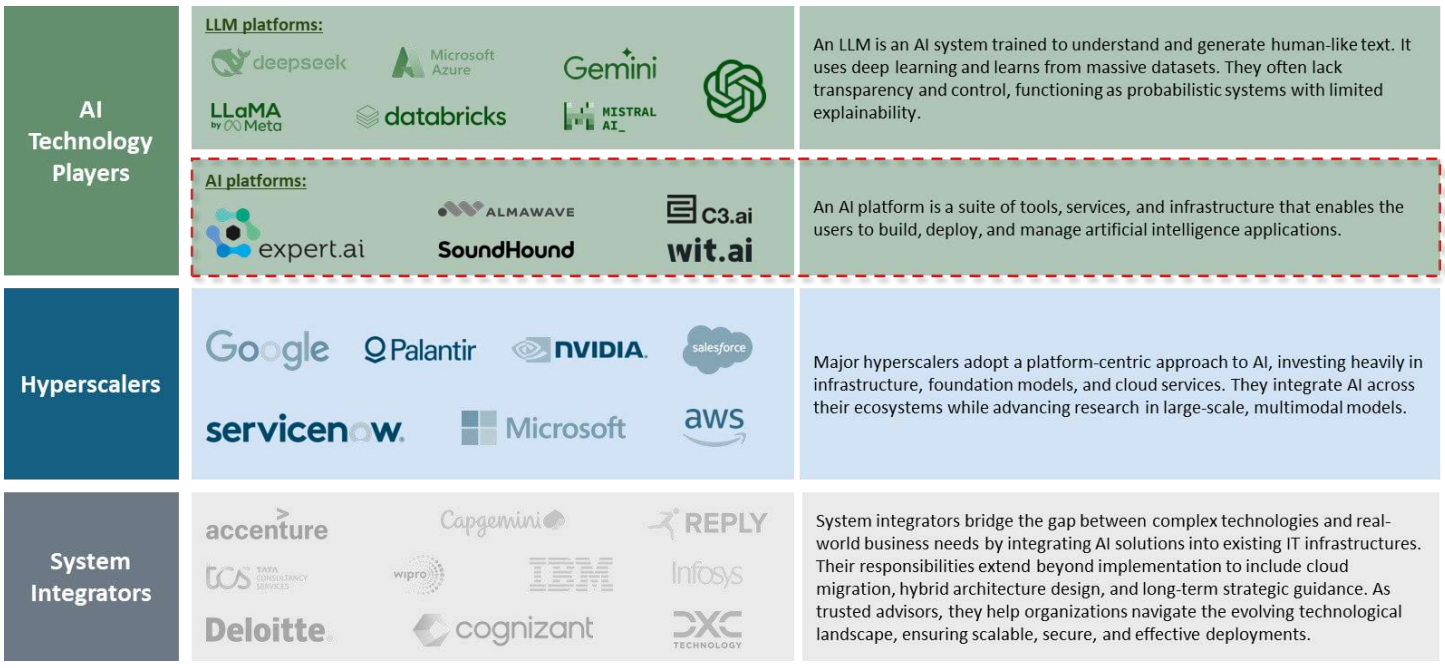

Source: McKinsey, Tech Trends Outlook 2024

## Vertical NLP/NLU enabler in a fragmented AI stack

Expert.ai operates as a vertical NLP/NLU specialist in the AI technology stack, positioned between general-purpose LLM platforms and hyperscalers, and fully interoperable with system integrators. The market segments into four pillars: LLM platforms (e.g. OpenAI, Mistral, Meta), AI platforms (e.g. Expert.ai, C3.ai), hyperscalers (e.g. Google, Microsoft), and system integrators (e.g. Accenture, Capgemini). While LLMs offer generative capabilities, they lack transparency and control-critical in regulated sectors. Expert.ai's hybrid AI architecture (combining symbolic and statistical models) delivers deterministic, explainable, and domain-specific results, ensures extremely high semantic precision, traceability, and reliability. In contrast to generalist platforms and developer-first tools, Expert.ai provides off-the-shelf vertical solutions that are auditable, interoperable, and workflow-ready. Its suite is designed to plug into enterprise ecosystems through integrator channels, making it a strategic enabler, not just a tech vendor. With regulatory scrutiny intensifying and enterprises seeking trusted, explainable AI, Expert.ai's proposition (control over black-box opacity) positions it as a resilient, long-term player in enterprise AI.

Artificial Intelligence ecosystem divided in three principal categories

*The broader market can be divided into four principal categories: LLM platforms, AI platforms, global hyperscalers, and System Integrators*




Source: Alantra elaboration

## Strategic plan 2025-26, growth outlook

Expert.ai's updated 2024–26 business plan outlines a decisive phase of transformation, targeting revenue acceleration, operational efficiency, and financial sustainability. Under new management, the company is carrying out a structured turnaround focused on cost optimization, strengthening its capital base, and building a scalable, SaaS-led model. Revenues are expected to grow from Eu27.3mn to Eu43-53mn between 2024 and 2026, driven by stronger commercial momentum across sectors, the launch of GenAI-enabled products, participation in Project Villanova (a major IPCEI initiative to develop Multimodal Generative AI) which will enhance Expert's offering, and an expanding presence in the US, projected to contribute over one-third of total revenues. Margin expansion is supported by a shift from bespoke services to license-based offerings, alongside disciplined cost control. Gross margins are expected to stand at 65-66%, while EBITDA cash is set to turn positive in 2025, reaching Eu3-8mn by 2026. EBITDA % is forecast to rise from 12% to up to 25%, reflecting operating leverage and a more efficient cost structure. The plan assumes no major strategic capex beyond current operational needs, with organic growth supported by partner channels and selective M&A. Strong R&D (12-15% of revenues) continue to power innovation in NLU/NLP.

**Scaling revenues, improving profitability through 2026**

*Strong top-line momentum with accelerating EBITDA margins and positive EBITDA cash turnaround as of 2025E*

| (Eu mn) | 2024 | 2025E | 2026E |
|---|---|---|---|
| Revenues | 27.3 | 37 - 43 | 43 – 53 |
| Gross Margin | 18.5 | 24 – 28 | 28 – 35 |
| *% revenues* | *68%* | *65%* | *65% - 66%* |
| EBITDA cash | (1.7) | 1 - 5 | 3 – 8 |
| EBITDA | 3.4 | 6 – 10 | 8 – 13 |
| *% revenues* | *12%* | *16% - 23%* | *19% - 25%* |

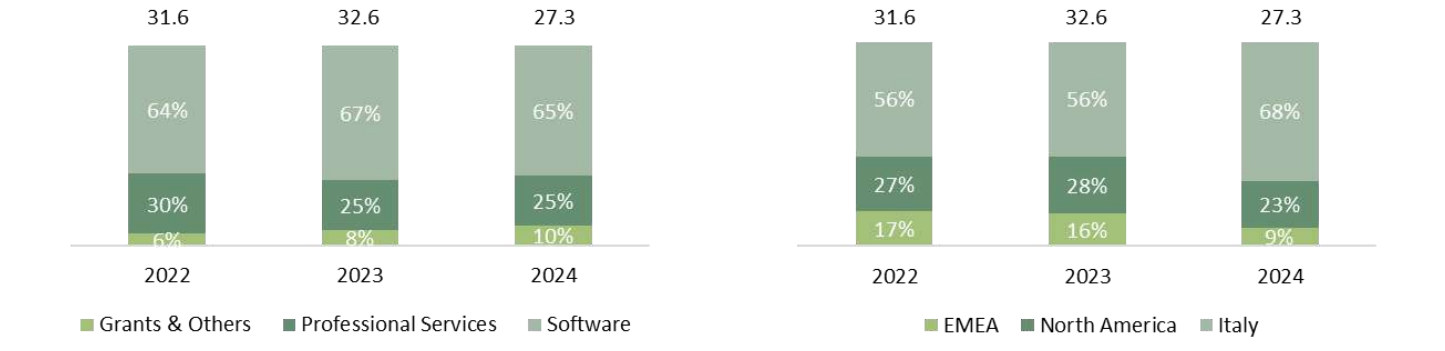
Source: company presentation

## FY24 results: EBITDA recovery signs structural reversal

FY24 marked a pivotal year for expert.ai, representing both a structural inflection point and the first full year of execution under new leadership and strategic direction. The group returned to positive EBITDA after a prolonged period of operating losses, validating the comprehensive transformation undertaken throughout the year, which included a major organizational restructuring, the streamlining of its commercial model, and an Eu30mn capital increase. While revenues declined year-on-year to Eu27.3mn, largely due to the transition to SaaS-based pricing, increased project selectivity, and salesforce reorganization, the business demonstrated clear improvements in operating leverage, gross margin expansion, and financial discipline. These changes translated into stronger fundamentals and a significantly improved balance sheet, positioning Expert.ai to pursue sustainable growth with renewed optionality, both organically and through strategic M&A.

**Expert.ai, FY22-24 sales breakdown by segment (LHS) and region (RHS), Eu mn**

*Expert.ai generates revenue through licensing its proprietary software (65%), mainly in Italy (68%)*



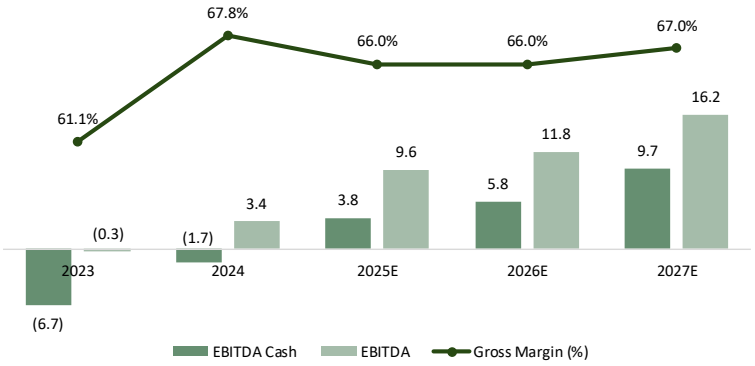

Source: company data

## Leaner business model, stronger profitability

Expert.ai is entering a pivotal phase, evolving from restructuring to execution, with a clear roadmap toward scalable, profitable growth. Our forecasts point to a compelling inflection point in 2025E, marked by a return to positive EBITDA Cash, underpinned by recurring SaaS revenues, leaner operations, and enhanced go-to-market effectiveness. Following a transitional 2024—impacted by pricing model shifts, tighter project selection, and commercial resets—the company is now poised for acceleration. We see revenues rising from Eu27.3mn to Eu58.1mn by 2027E (29% CAGR), driven primarily by Software sales and increasing adoption of its vertical AI solutions. The EidenAI Suite, enriched by generative AI capabilities, is gaining traction, while pipeline visibility and renewals offer a solid growth base. Profitability dynamics are equally compelling. Gross profit is set to double over the period (CAGR +28%), while EBITDA is projected to expand from Eu3.4mn to Eu16.1mn in 2024-27E, reflecting operating leverage and efficiency gains. EBITDA Cash seen positive in 2025E. With D&A stable, Expert.ai is on track to reach a net profit of Eu5.1mn in 2027E. The strategic repositioning is translating into stronger fundamentals, validating the company's transition to a more resilient, capital-efficient model.

### Profitability inflection with expanding margin

*Following the 2024 governance change, EBITDA Cash is set to turn positive from 2025.*



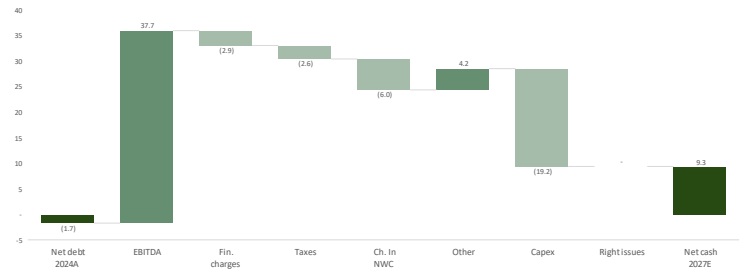

Source: Company data, Alantra

## Financial discipline drives capital efficiency

Expert.ai has undergone a strategic transformation, moving from a period marked by over-investment and limited scalability to a phase of improving financial discipline and operational efficiency. Between 2020 and 2024, the company raised Eu56.5mn through four capital increases, culminating in the entry of GUM Group and a leadership reshuffle under CEO Dario Pardi. The renewed management team has focused on streamlining the business model, enhancing scalability, and preparing the ground for sustainable growth. Capex remains elevated due to capitalized R&D, primarily for the development of its proprietary AI platform. However, the shift toward recurring SaaS revenues is expected to ease working capital pressure and improve cash flow visibility. Starting in 2025E, Expert.ai is projected to generate positive FCF, while ROCE is set to rise steadily to 13.6% by 2027E, driven by rising EBIT and stable capital employed, a strong signal of long-term value creation.

### 2024A-27E Net debt/cash bridge

*Expert.ai is expected to generate FCF, while continuing to invest in development: Net cash is anticipated at Eu9.3mn in 2027E*




Source: Company data, Alantra

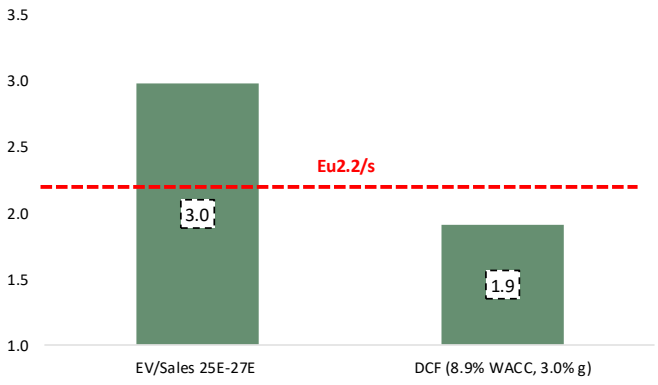
## Valuation: TP of Eu2.2/share

Expert.ai is undergoing a strategic transformation, rebounding from its post-IPO lows and repositioning itself as a differentiated player in the global AI space. Following a prolonged downturn, the July 2023 capital increase and leadership overhaul, spearheaded by Chairman and CEO Dario Pardi, marked a pivotal reset. The Eu3.8mn capital raise through a reserved placement to GUM Group acted as a de facto "second IPO," kickstarting operational restructuring, improved cost discipline, and renewed focus on execution. Since then, the stock has rebounded some 40%. We benchmark Expert.ai against global AI peers, such as C3.ai, OpenText, and BigBear.ai, rather than domestic IT and Technology players, given its unique neuro-symbolic AI platform, product-led strategy, and SaaS monetization roadmap. The company's core EidenAI suite addresses mission-critical needs in regulated sectors (insurance, finance, government) with enterprise-grade natural language understanding capabilities, distinct from service-based models of Italian peers. We value Expert.ai using a weighted average approach, combining a DCF model (70%) and an EV/Sales multiple-based valuation (30%). The DCF is built on 19% revenue CAGR and a 29% EBITDA margin by 2028E, assuming a 3.0% perpetuity growth rate and an 8.9% WACC, yielding an equity value of Eu1.9/share. The multiples-based valuation draws on international AI peers' EV/Sales across FY25-27, reflecting Expert.ai's shift from project-based revenues to a scalable SaaS model. FY25 captures the transitional phase, while FY26-27 are expected to benefit from improved visibility and operating leverage. This method implies an equity value of Eu3.0/share. We see Expert.ai as a long-term deep-tech play, with upside potential tied to execution and the SaaS ramp-up. BUY, TP Eu2.2/share.

### Expert.ai valuation summary

*The 70-30 weighted average of the DCF and multiple comparison methodologies yields a target price of Eu2.2/share for Expert.ai, implying a 55% upside potential*

| Method | Equity Value | | |
|---|---|---|---|
| | (Eu mn) | (Eu per share) | Weight (%) |
| DCF, 8.9% WACC, 3% g | 185.2 | 1.9 | 70% |
| Equity Value on EV/Sales | 289.5 | 3.0 | 30% |
| **Weighted AVG** | **216.5** | **2.2** | |
| N. of shares (mn) | | | 97.338 |




Source: Factset, Alantra

## Main risks

Expert.ai operates in a dynamic and rapidly evolving sector, and as such, faces a broad spectrum of risks that could materially affect its growth trajectory, margin expansion, and long-term value creation. Expert.ai faces a range of risks tied to its SaaS transition, competitive pressures, and evolving AI regulation. Execution challenges, partner dependencies, and fast-paced innovation may hinder scalability and margin expansion. Regulatory tightening could delay sales cycles, while inorganic growth efforts risk integration strain. Timing mismatches in contract revenue and macro-driven IT budget cuts may further pressure cash flow and visibility. Despite a strong repositioning, sustained discipline is required to navigate operational, financial, and strategic complexities in an increasingly competitive landscape.

# Unlocking value with advanced AI solutions

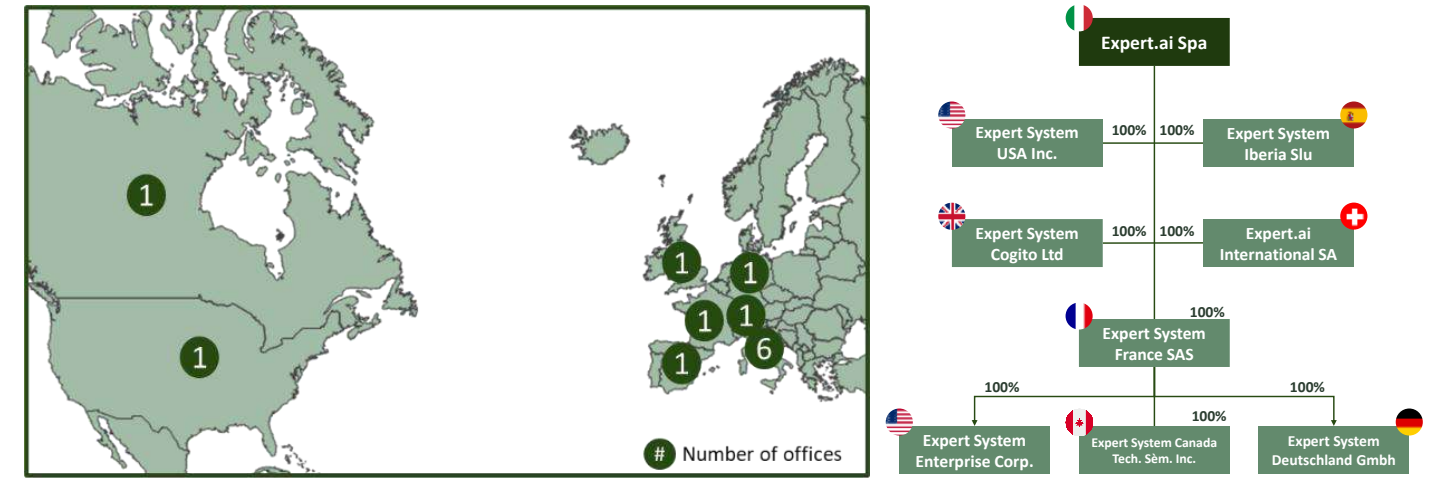
Expert.ai is a leading provider of enterprise artificial intelligence solutions specializing in Natural Language Understanding (NLU) and Natural Language Processing (NLP). Founded in Modena in 1989, the group operates across eight countries with over 200 professionals, combining a strong European foundation with a strategic presence in North America. Its proprietary explicit neuro-symbolic AI architecture integrates open-source LLMs (e.g. Mistral) with symbolic reasoning tools to deliver scalable, explainable, and cost-efficient AI tailored to language-intensive enterprise use cases. The modular EidenAI Suite powers automation and insight extraction across sectors such as insurance, banking, pharmaceuticals, PA, and media, supporting mission-critical applications like regulatory tracking, claims management, and clinical research. In FY24, software licensing represented 64% of revenue, followed by professional services (25%) and other sources including hosting (11%). Expert.ai's solutions are available via SaaS or on-premises and are designed to integrate seamlessly within enterprise systems. The 2023 governance reset, marked by the entry of Dario Pardi as Executive Chairman and CEO, strengthened strategic execution with a renewed management team blending founder-led vision and institutional discipline. With a well-diversified client base, no excessive dependence on top accounts, and a clear positioning in hybrid AI, Expert.ai is poised for sustainable growth and AI-driven transformation.

## Hybrid AI for scalable language intelligence

Expert.ai is a leading provider of artificial intelligence solutions specializing in Natural Language Understanding (NLU) and Natural Language Processing (NLP). Established in Modena in 1989, the company has since evolved into an AI firm with a workforce of over 200 professionals and a well-established international presence. The group operates across two continents, with offices and subsidiaries in Italy (Modena, Rovereto, Milan, Siena, Rome, and Naples), the UK, Germany, Spain (Madrid), France, the US (Rockville), and Canada. These locations serve both commercial and R&D functions, with a particular concentration of R&D activities in Italy.

**Expert.ai, geographical positioning and group breakdown**

*The group operates across two continents, with offices and subsidiaries in 8 countries*




Source: company data

Expert.ai leverages open-source large language models (LLMs, notably Mistral) to act as a strategic layer between raw AI capability and enterprise-specific demands. Group suite refines and optimizes prompts before any elaboration of the AI model, significantly enhancing response accuracy, while reducing computational costs and energy consumption. The result is a more predictable, explainable, and cost-effective AI solution tailored to business needs.

At the core of the company's approach lies an explicit neuro-symbolic architecture which combines the generative neural power of external LLMs with the precision and transparency of the symbolic reasoning internal tool (logic and rules). This hybrid model mitigates the inherent limitations and risks of LLMs -such as

hallucinations and lack of traceability - by incorporating explicit domain knowledge. This approach ensures outcomes that are both interpretable and trustworthy, which is critical in enterprise contexts where reliability and explainability are non-negotiable.

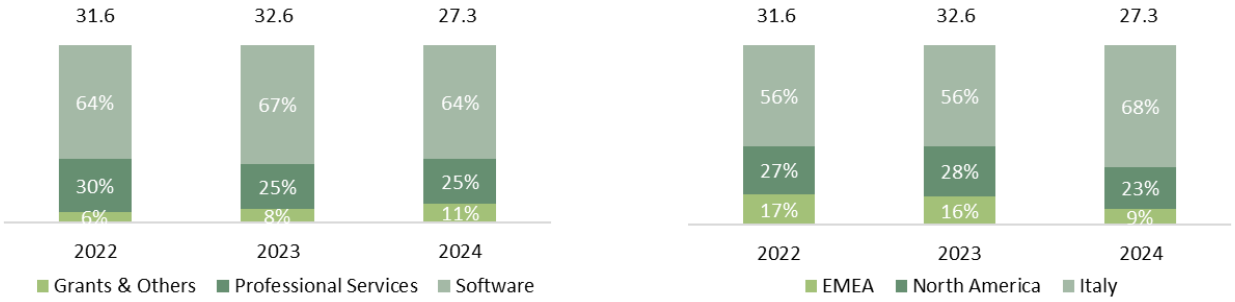
While generative AI provides a powerful foundation, it is not sufficient on its own to address complex and specific tasks. Expert.ai's technology fills this gap, offering a scalable, lower-cost solution that strikes the right balance between innovation and operational practicality. Their neuro-symbolic methodology is not only more efficient from a computational standpoint but also delivers stronger alignment with business value creation. This is also possible thanks to the Expert.ai team's 30+ years of experience in the NLP/NLU industry, which provides a clear advantage in accelerating AI adoption for enterprise use.

Expert.ai primarily generates revenue through EidenAI Suite, a suite of enterprise AI solutions designed to deliver comprehensive, ready-to-deploy enterprise AI solutions tailored to different industry's needs. The Suite integrates the most advanced technologies (neuro-symbolic AI, machine/deep learning, Large Language Models, Generative AI, Agentic AI) to drive business impact, helping organizations move beyond data, and transforming human potential into a strategic asset. It tackles even the most complex AI adoption challenges, leveraging a deep knowledge of vertical industries' processes and solid technological expertise. The company's operations are structured around three key revenue streams:

- **Software**: Expert.ai generates a substantial portion of its revenue through time-limited licenses for its proprietary technology, typically contracted for one to three years. In FY24, this segment accounted for approximately 64% of sales (slightly down from 67% in 2023). The company also provides maintenance and support services for its licensed software; however, as the software suite becomes increasingly precise and self-reliant, this segment may experience a slight reduction going forward.
- **Professional services and consulting**: This division supports clients in optimizing the performance of Expert.ai's solutions. It encompasses 1) initial configuration, customization, and integration of the platform to meet customer-specific requirements and 2) ongoing support to ensure optimal software functionality. In 2024, this segment represented 25% of the top line (in line with2023).
- **Grants and other sales**: this segment accounted for 10% of total revenue in FY24 (compared to 9% in 2023).

**Expert.ai, sales breakdown by segment (LHS) and region (RHS), (Eu mn)**

*Expert.ai generates revenue through licensing its proprietary software (64% on net sales), mainly in Italy (68%)*




Source: company data

## Availability and Integration

EidenAI Suite tools and solutions are available in SaaS mode on public and private clouds or as an on-premises license, ensuring maximum flexibility and smooth integration with existing application architectures and workflows. Thanks to EidenAI Suite modular architecture, organizations can quickly launch pilot projects, scale seamlessly and ensure continuity - all while transitioning to AI-driven operations with confidence.

## Proprietary technologies

Expert.ai's AI-driven language processing enables businesses to swiftly analyze and organize strategic information with efficiency; its proprietary suite of products facilitates the development, testing, deployment, and monitoring of scalable language understanding solutions. By transforming vast amounts of unstructured data, from social media to scientific research into structured formats, NLU technology enhances data accessibility and usability for enterprise applications thanks to the extremely precise pattern recognition of the suite. Expert.ai's advanced AI processes text by conducting deep linguistic analysis, leveraging NLP to interpret words and phrases across languages. This foundation supports precise text comprehension, enabling businesses to extract actionable insights from complex textual data.

**Structuring the unstructured through scalable language intelligence**

*Expert.ai's proprietary suite streamlines the full lifecycle of language-based AI*

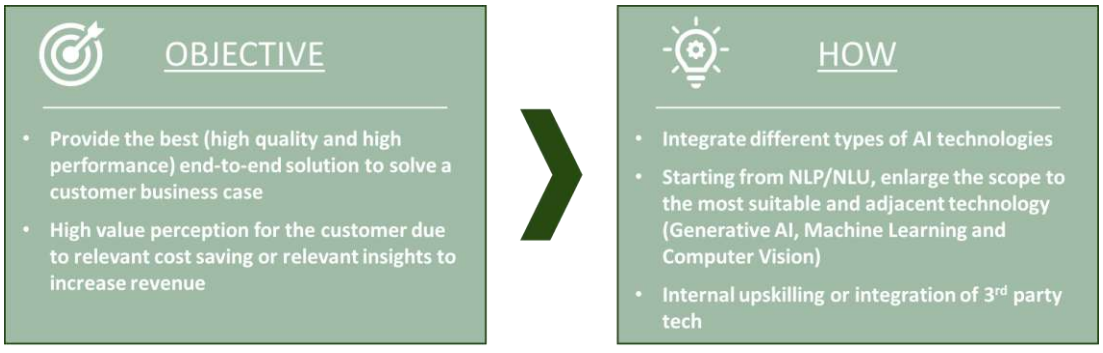



Source: company data

Expert.ai's hybrid AI approach delivers precise language analysis using knowledge graphs (maps of related concepts and meanings), understanding word meanings based on context, grouping synonyms into shared concepts connected by logical and linguistic relationships. This enables accurate interpretation beyond simple word recognition. The company has enhanced its NLU technology to improve comprehension, expand applications, and accelerate customization. By integrating symbolic and semantic methodologies, Expert.ai ensures adaptability to complex scenarios, while mitigating LLM hallucinations. This fusion of explicit knowledge and advanced AI techniques enhances reliability, making Expert.ai's solutions highly accurate and effective across diverse business use cases

**Expert.ai solves complex business cases using the best AI technologies**

*Expert.ai delivers high-performance AI solutions, integrating advanced technologies to drive cost savings and revenue growth*




Source: company data

Building AI that reads and understands text is just the foundation for true language intelligence. The platform must also be tailored to perform specific tasks based on the end user's needs. Before deployment, Expert.ai's NLU solutions undergo a customization phase, incorporating domain-specific knowledge for targeted applications such as research, content enrichment, or business process optimization. This process involves:

- **Data collection,** gathering domain-specific texts relevant to the intended application, insurance claim documents, financial reports, or geopolitical intelligence. The level of detail varies depending on the task at hand.

- **AI training,** the system is trained by identifying key concepts within the provided texts. Through correlation analysis, the AI learns to recognize and correctly interpret these concepts across different contexts.

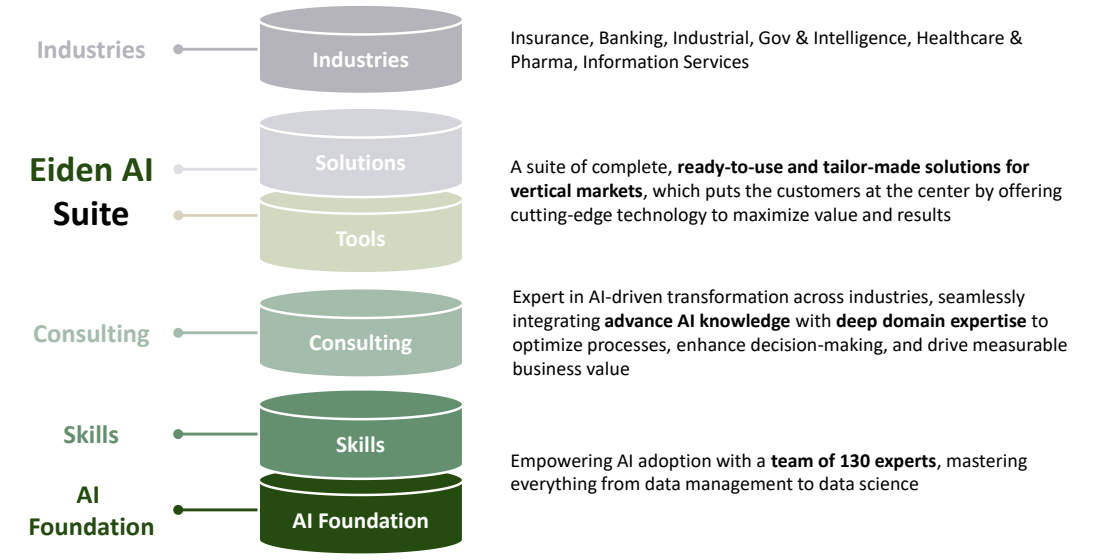
Once trained, the software is deployed within the client's existing ecosystem, integrating seamlessly with enterprise applications. In many cases, the AI operates invisibly, enhancing workflows without altering user experience. For example, in the insurance sector, AI-driven solutions automatically extract and pre-fill key claim information, reducing manual processing time, while maintaining a familiar interface for end users. Expert.ai's proprietary technologies are designed for effortless integration into enterprise systems, equipping entire teams or organizations with advanced language understanding capabilities without requiring additional training or new tools.

## Scalable, customizable, and cloud-enabled solutions

Expert.ai offering is based on the company suite of solutions 'EidenAI Suite'. It's an exclusive combination of the most advanced AI technologies and tools blended in a unique Hybrid AI approach, deep business process expertise, vertical market specialization and solid industry experience.

**AI-enabled value chain driving vertical growth and scalability**

*Expert.ai delivers end-to-end value, from core AI infrastructure to industry-specific solutions, scaling impact and monetization*




Source: company data

EidenAI Suite leverages a modular, robust and scalable model. It integrates and offers different AI technologies (neuro-symbolic AI, machine/deep learning techniques, LLM, Generative AI and Agentic AI) and a broad set of AI tools to provide both end-to-end solutions purpose-built for vertical industries as well as the best capabilities to address specific use cases, expand the reach of automation and enhance legacy systems.

## Industry-specific end-to-end solutions available through the EidenAI Suite

As part of a broader set of initiatives, Expert.ai delivers vertical-specific AI solutions that automate regulatory tracking, streamline insurance claims, and accelerate clinical research by extracting critical insights from unstructured data, enhancing compliance, decision-making, and operational efficiency across banking, insurance, and life sciences sectors.

**Regulatory Tracking & Change Management (Banking, Financial Services Industry) -** Monitor regulatory and legal changes and their impact on the business to augment regulatory managers to monitor legislative changes in real time, keep track of all news of interest, send automated alerts and notifications, and adapt and modify workflows, documents and processes to ensure they are up-to-date and compliant with regulations.

Claims automation (Insurance Industry) - Automatically extract critical content and the most common insurance data records entities from unstructured and semi-structured data sources (e.g., legal, medical and police records) needed to accelerate claims processes, expedite routing or eliminate reviews, and let claims handlers focus on high-value tasks.

Clinical Trials Innovation (Pharma, Life Sciences Industry) - Monitor clinical trials, modern literature and other sources to gain insights about the competition, follow trial outcomes, gather real-world data and optimize trial requirements, automating the identification and qualification of trial candidates and helping R&D teams distill the most accurate, up-to-date information.

## A broad range of AI tools available through the EidenAI Suite

Including, but not limited to, the EidenAI Suite offers modular, enterprise-grade AI tools (including hybrid agents, authoring environments, and NLP pipelines) that combine neural and symbolic intelligence to drive automation, decision-making, and scalability across key industries such as finance, insurance and PA.

Ei-RAG - A hybrid agent RAG combines neural language models with symbolic retrieval systems to deliver accurate, context-aware responses. By leveraging both generative AI and structured information access, it ensures grounded, real-time insights. This fusion enhances enterprise decision-making, scalability, and performance across customer service, operations, and knowledge management functions.

Ei-Agentic - An AI agent powered by hybrid technology combines neural intelligence with symbolic reasoning to autonomously execute tasks, adapt to changing contexts, and deliver reliable outcomes. This architecture enables seamless integration of unstructured data understanding with structured logic, empowering enterprises to scale automation, enhance decision intelligence, and drive operational efficiency with trust and control.

Ei-Authoring - The authoring environment provides end-to-end management of the natural language workflow, from data annotation and labeling to model training, testing, and deployment. It streamlines every stage with precision and efficiency, ensuring models are built on high-quality data. This integrated approach delivers outcomes with the highest levels of confidence, accuracy, and enterprise readiness.

Ei-Flow - This tool facilitates the creation of robust NLP pipelines by integrating machine learning models, custom language packs, generative AI, and tailored business logic into a seamless workflow. This flexible architecture supports easy integration with existing systems, enabling scalable, high-performance language solutions that drive innovation, enhance automation, and accelerate decision-making across diverse enterprise applications.

Thanks to EidenAI Suite modular architecture, expert.ai enables organizations in different industries to quickly start pilot projects and expand their AI solutions in a scalable way. Expert.ai key vertical industries include Banking and Financial Services, Insurance, PA and Intelligence, Pharma and Life Sciences, Industrial (manufacturing) and Information Services.

## Industry applications, Expert.ai's verticals and client distribution

Expert.ai's technologies serve a wide range of industries, empowering organizations in banking and financial services, insurance, healthcare, pharmaceuticals, PA, media, and defense. Clients leverage Expert.ai's solutions to improve decision-making, optimize research and classification, enhance customer service innovation, and accelerate intelligent automation—especially in robotic process automation (RPA). More specifically, Expert.ai's key verticals include:

- Banking & financial services: Expert.ai's solutions optimize financial text analysis for compliance, risk management, and regulatory tracking. Applications include AML detection, fraud prevention, adverse news screening, and ESG risk assessment for smarter investments. The platform also enhances back-office efficiency and customer interactions through AI-driven automation, ensuring seamless regulatory adherence and strategic decision-making.

- **Insurance:** Expert.ai empowers insurers with AI-driven chatbots and self-service tools for automated customer support. It processes queries, delivers direct responses, and manages emails autonomously. The platform enhances claims management, underwriting, and fraud detection by analyzing policy documents and linking claims to coverage details, improving efficiency and decision-making across operations.
- **Publishing & media**: Expert.ai streamlines content retrieval and archival searches, expediting new content creation by leveraging existing material. The platform also enables automated article classification and personalized content recommendations, increasing reader engagement and site retention.
- **Gov. & intelligence**: Expert.ai has established a track record of collaboration with the public sector and government agencies, providing AI-driven solutions for intelligence gathering, risk assessment, and strategic analysis.
- **Pharmaceuticals & Healthcare**: The platform extracts and analyses critical information from scientific publications, pre-clinical reports, clinical trial data, and medical records. Key applications include drug discovery support, adverse event monitoring, medical data anonymization, and AI-assisted diagnostic interpretation. The solution also enables automated email processing, medical coding, and AI-powered chatbots to facilitate patient and healthcare provider interactions.
- **Industrial**: In the industrial sector, Expert.ai's enables industrial sector clients to unlock actionable insights from complex technical documents, optimizing decision-making and operational efficiency.

Expert.ai verticals breakdown

*Expert.ai's diversified revenue streams, with Insurance and Banking & Finance as key sectors*




Source: Company data

## Revenue Diversification and Client Base

Expert.ai maintains a well-diversified revenue base, with no excessive reliance on a limited number of clients. As of 31 December 2024, the company's top ten clients contributed approximately Eu11.5mn, representing 42% of total revenue, with contracts extending between 2025 and 2028. The top twenty clients accounted for Eu16.1mn, or 59% of total revenue, with agreements maturing between 2025 and 2028.

Expert.ai clients concentration in 2024

*Top clients represent a balanced share of the total with multi-year contract visibility*




Source: Company data

## Governance and management

The strength of Expert.ai resides in its specialized talents and cohesive organizational culture. As a technology-driven company operating in the fast-evolving field of artificial intelligence, Expert.ai fosters a collaborative environment that values technical expertise, continuous learning, and innovation. The company maintains a streamlined organizational structure, enabling agility and responsiveness in a dynamic market context. Expert.ai's management framework is designed to uphold robust oversight and strategic guidance, ensuring alignment with its corporate objectives and stakeholder interests. The core management includes:

### Dario Pardi, Executive Chairman & CEO

Dario Pardi brings extensive executive experience in the ICT sector, having held senior international roles at companies including Storagetek, Cabletron, and Hitachi Data Systems. He later invested-with a favorable track record- and served as Chairman of Retelit and TAS Group, where he led strategic growth initiatives and value-creating transactions, culminating in both companies' acquisitions by international investment funds. In 2024, after acquiring the majority stake in Expert.ai, Dario become the CEO of the company.

### Fabio Montorselli, Group CFO

As Group CFO, Fabio is responsible for Finance, HR, and M&A, contributing to the company's strategic execution. With over 16 years of international experience, he has held CFO roles in the tech, AI, SaaS B2B, and Consumer Electronics sectors, driving company restructuring, growth, and exit processes. He also has significant expertise in fundraising from VC and Private Equity.

### Marco Varone, Founder & CTO

Marco Varone, founder and CTO, is one of the leading experts on semantic technology and natural language processing. He created the core technology of the company (formerly Cogito platform), and he has led the company throughout its consistent growth, achieving major successes in various business sectors. He coordinates all activities of Research and Development.

### Peter Caiazzi, COO

Peter brings extensive leadership experience from several prominent multinational IT firms, having held executive roles at Storagetek, Netscape, Oracle, TAS Group, Intesa Sanpaolo, and Postecom (a subsidiary of the Italian Post). He currently serves as Chief Operating Officer at Expert.ai, where he also sits on the board of Expert System USA (US subsidiary). In addition to his corporate career, Peter has a strong entrepreneurial track record. He was a founding investor and served as VP of Product and Technology at Certilogo (acquired by eBay) and H-care (acquired by Comdata), both successful exits in the tech space.

### Umberto Pardi, Chief Revenue Officer

Umberto is Chief Revenue Officer at Expert.ai, where he drives sales strategy across key AI verticals and supports product-market alignment through consulting on positioning and go-to-market execution. He is also CEO and Shareholder of Payglobe Srl and serves on the boards of GUM Group SpA. His prior experience includes senior roles such as VP Channel and Sales EMEA and EVP Sales and Marketing at European fintech firms specializing in payment and financial software solutions.

### Stefano Spaggiari, Founder & External Relation Director

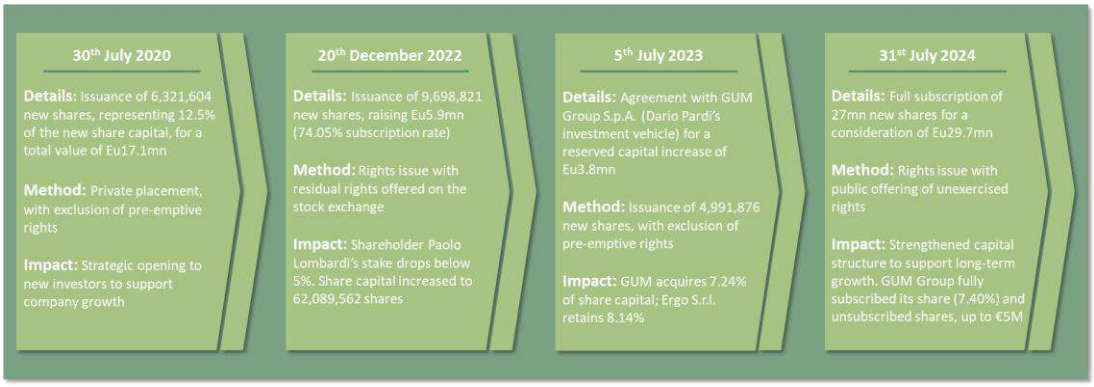
Stefano has led the Group as CEO. His guidance led the company to achieve a leading position, receive prestigious international awards, and establish itself among the top ICT companies in the world in the field of AI applied to NLU. Stefano has successfully managed the company IPO and its internationalization process.

## Shareholder structure and corporate governance

Expert.ai has undergone a significant governance transformation in recent years, aligning its organizational structure with its strategic evolution from a product-centric software vendor to a globally oriented AI platform company. The current governance framework reflects a strengthened oversight model and an increasingly institutionalized shareholder base. Following the capital increase and the strategic entry of Dario Pardi through GUM Group in 2024, the active management redefined its governance by appointing Mr. Pardi as Chairman of the Board of Directors. In November 2024, Expert.ai further reinforced its governance by appointing Ambrosella Landonio to the Control and Related Parties Committees, replacing Stefano Pedrini. This change was made to uphold statutory independence requirements, with Pedrini remaining on the Board as a non-independent director.

**Expert.ai's capital development**

*The company redefined its governance in July 2023, with the appointment of Dario Pardi as Exec. Chairman and CEO from 2024*




Source: company data

The Board of Directors currently features a mix of founding members and independent professionals, providing a balanced combination of continuity and external perspective. The governance structure complies with Borsa Italiana's STAR segment best practices, including the presence of independent directors and established internal control mechanisms.

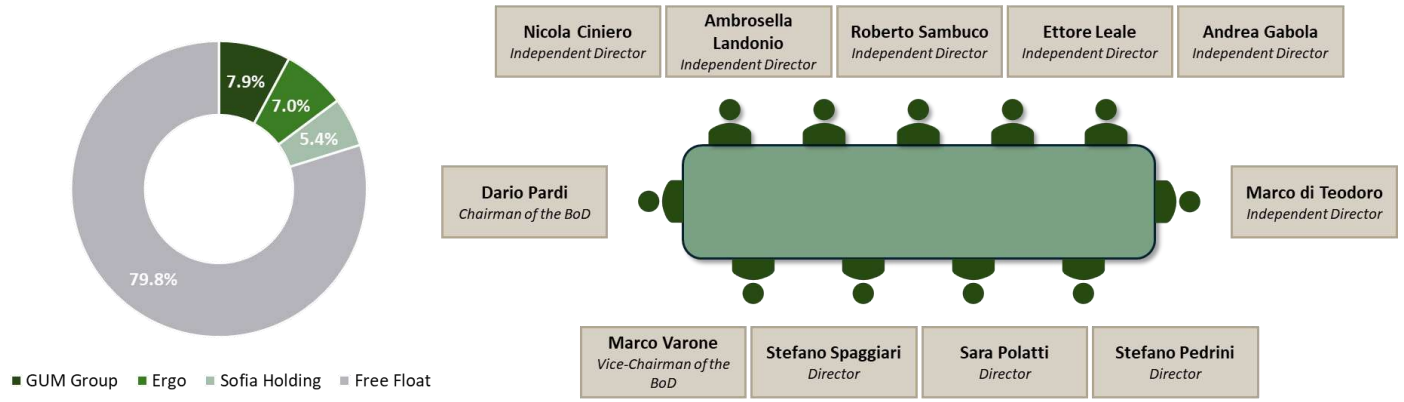
The current governance and shareholder structure strike a favourable balance between entrepreneurial drive and institutional discipline, which should support both execution capability and capital markets credibility moving forward.

Expert.ai's shareholding structure has progressively shifted from founder-dominated ownership to a more diversified and institutionally oriented shareholder base. GUM Group holds approximately 7.9% of the share capital, following multiple equity commitments that underscore its long-term strategic alignment with the company. Ergo, historically linked to the founding team, maintains a relevant 7.0% stake, while Sofia Holding has emerged with 5.4%. The company is managed by a board of Directors of eleven members:

| | |
|---|---|
| Dario Pardi | Chairman of the Board of Directors |
| Marco Varone | Vice-Chairman of the Board of Directors |
| Stefano Spaggiari | Director |
| Sara Polatti | Director |
| Stefano Pedrini | Director |
| Marco di Teodoro | Independent Director |
| Andrea Gabola | Independent Director |
| Ettore Leale | Independent Director |
| Roberto Sambuco | Independent Director |
| Ambrosella Landonio | Independent Director |
| Nicola Ciniero | Independent Director |

## Group Shareholders and Board of Directors

*The current governance and shareholder structure strike a favourable balance between entrepreneurial drive and institutional discipline*




Source: company information

# Strategic change and business model evolution

Expert.ai is undergoing comprehensive restructuring to enhance financial sustainability, operational efficiency, and long-term scalability. Historically burdened by an over-reliance on proprietary AI investments, direct sales dependency, and fragmented custom solutions, the company faced constrained profitability and limited scalability. The 2023 governance overhaul, highlighted by Dario Pardi's appointment as both Chairman and CEO, enhanced strategic execution by introducing a refreshed leadership team that effectively combines entrepreneurial drive with financial discipline. Recognized these inefficiencies, the new management initiated a 2024 restructuring plan focused on cost rationalization, financial discipline, and a streamlined organizational framework. Key restructuring initiatives include cost optimization, debt renegotiation, capital strengthening, and operational infrastructure enhancements. These measures are aimed at stabilizing cash flows, reducing financial risk, and establishing a foundation for sustainable growth. As a result, Expert.ai is shifting towards a scalable business model centered on SaaS-based recurring revenues. The 2024-2026 growth strategy builds on this foundation by prioritizing scalable AI solutions, transitioning from term licenses to Managed SaaS (MSaaS), and expanding strategic partnerships. The company is also refining its professional services model to drive efficiency while investing in R&D, innovation hubs, and targeted M&A to expand market reach and product capabilities. The pivot towards a SaaS-driven approach is at the core of Expert.ai's transformation, enabling predictable revenue streams, higher margins, and enhanced scalability. By leveraging AI-powered managed services across key enterprise verticals, the company is positioning itself as a leader in AI-driven SaaS solutions. This strategic shift underpins Expert.ai's long-term vision of delivering sustainable value and competitive differentiation in the AI industry.

## From restructuring to sustainable expansion

Expert.ai is undergoing a transformative shift aimed at ensuring long-term financial health, optimizing its business model, and unlocking scalable growth. This transition unfolds in three key stages: 1) addressing pre-2023 operational inefficiencies, 2) executing a 2024 restructuring plan, and 3) implementing a 2024-2026 growth strategy anchored in a SaaS-based approach. The company's evolution reflects a deliberate effort to shift from a fragmented, cost-intensive model to a streamlined, revenue-efficient structure capable of sustaining future demand in the AI industry.

From restructuring to…

*Strategic shift from high-cost inefficiencies to financial discipline, restructuring, and a scalable SaaS-driven future*

| Until 2023 | 2024: Restructuring |
|---|---|
| ○ Disproportionate investments in the core proprietary platform while the market has been moving to open-source AI | ○ **Cost restructuring**, aiming at positive free cashflow from 2024 |
| ○ Sales model only based on direct sales | ○ **Financial and Debt restructuring**, renegotiating duration and repayment schedule of bank loans |
| ○ Fragmented offering with custom solutions, not replicable and scalable | ○ **Capital increase** to sustain the growth |
| ○ Not enough financial planning and controlling discipline | ○ **New international structure:** internationalization and simplification of the company structure |
| ○ Business model still based on recurrent term licenses mostly on premise and professional services with limited profitability | ○ **New infrastructure to serve the company:** increasing management and financial discipline by simplifying and automating processes |

Source: company data

## Phase 1: pre-2023 challenges and operational bottlenecks

Before the restructuring initiative, Expert.ai operated under a model that struggled to achieve sustainable profitability. The company directed substantial investments into its proprietary AI platform at a time when the industry was moving towards open-source technologies, limiting cost-effectiveness. While these investments demonstrated technological ambition, they resulted in a capital-intensive structure that lacked scalability. The

sales strategy was overly dependent on direct sales, curbing market penetration and restricting revenue growth potential. Additionally, the company's solutions were largely customized, making them difficult to standardize and scale efficiently. Custom-built solutions, while tailored for specific client needs, inherently lacked repeatability, increasing operating costs and reducing margin potential. Moreover, weak financial planning and control mechanisms exacerbated these inefficiencies. The business model remained heavily reliant on recurrent term licenses and professional services, which, while providing steady revenue streams, constrained profit margins due to labor-intensive delivery and high overhead costs. Without a scalable pricing model, profitability was limited, making financial sustainability a growing challenge.

## Phase 2: 2024 restructuring – laying a new foundation

Recognizing the need for fundamental change, Expert.ai initiated a comprehensive restructuring program in 2024 to establish a leaner, more agile organization. This program prioritized operational efficiency, financial discipline, and strategic realignment. Key components of this plan include:

- Cost optimization: Implementing stringent cost controls to enhance operational efficiency, eliminate redundant expenses, and drive positive free cash flow. This involved reassessing internal processes, streamlining workflows, and enhancing automation.
- Financial and debt restructuring: Renegotiating debt terms and repayment schedules to improve financial flexibility and reduce short-term liquidity pressures.
- Capital strengthening: Raising additional funds through capital increases to support long-term growth ambitions, ensuring the company has the necessary resources to execute its transformation plan.
- International expansion and organizational streamlining: Simplifying the corporate structure to enable a more agile and efficient global presence, reducing bureaucracy, and enhancing decision-making speed.
- Operational infrastructure boosts: Improving financial controls, adopting automation to refine internal processes, and increasing efficiency in managing customer relationships and product development cycles.

These measures are designed to stabilize the company, enhance financial discipline, and create a robust framework to support future expansion. The restructuring program not only addresses past inefficiencies but also sets the stage for a more scalable, growth-oriented business model.

## Phase 3: 2024-2026 Growth Strategy – Scaling for the Future

With the restructuring phase laying the groundwork, Expert.ai is executing a strategic growth plan that focuses on product development, business model refinement, and market expansion.

…the new 2024-26 business plan

*Focus on scalable AI solutions, SaaS transition, partnerships, innovation, and targeted M&A expansion*

**2024 – 2026 growth trajectory**

- **New products/solutions roadmap:** focus on vertical end-to-end enterprise solutions and cost-effective integration of open source GenAI models
- **New business model and strategy:**
  - Focus on replicable and scalable proprietary products/solutions (less dependency on custom projects) on selected market segments
  - Accelerating transition from Term Licenses to MSaaS model
  - Customer retention programs
- **Partnership program:** strategic partnerships development for both product and market development
- **Professional services carve out** to assure efficiency and profitability around system integration activities
- **New foundation** for future (R&D, spinoff, startups)
- Targeted **M&A** activities to expand customer base and/or complete products and solutions offering

Source: company data

The key priorities include:

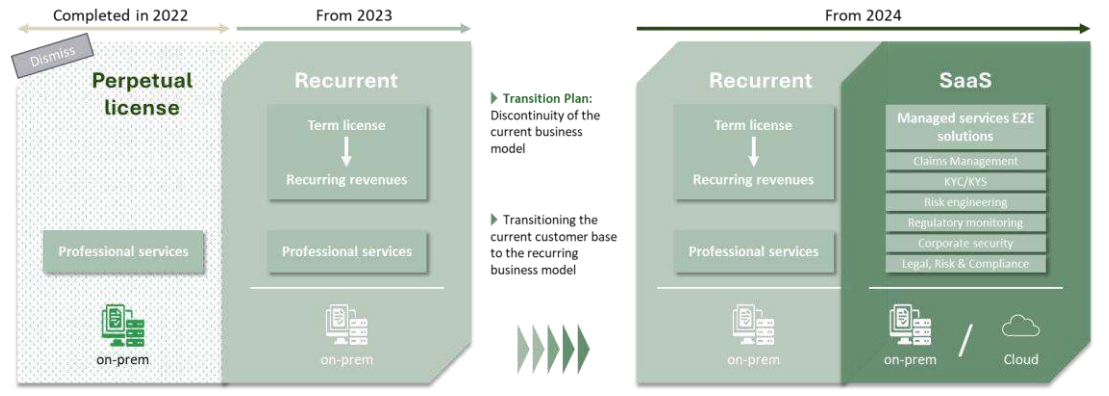
- **Product and solutions innovation**: Developing scalable, end-to-end AI solutions tailored to specific industries while integrating cost-efficient open-source Generative AI models. This allows the company to remain competitive while reducing the financial burden of proprietary technological development.
- **Business model evolution**: Transitioning from bespoke solutions to standardized, replicable AI products, accelerating the shift from term licenses to a Managed SaaS (MSaaS) model, and reinforcing customer retention initiatives through value-added services.
- **Partnership development**: Strengthening strategic alliances to enhance both product capabilities and market penetration. This includes forging partnerships with technology providers, system integrators, and enterprise customers.
- **Optimization of professional services**: Streamlining service operations to improve profitability and ensure efficiency in system integration projects. The focus is on reducing custom development work while maintaining high customer satisfaction.
- **Investment in future innovation**: Establishing a dedicated hub for research, startup collaborations, and spinoff ventures. This initiative aims to provide future-proof Expert.ai's product offering and ensure it remains at the forefront of advancements in AI.
- **Targeted M&A activity**: Pursuing acquisitions that align with the company's strategic roadmap, whether to expand the customer base, enhance product capabilities, or strengthen its competitive positioning in key AI verticals.

## The shift towards a SaaS-based revenue model

At the core of Expert.ai's transformation is a fundamental pivot in its revenue model. Historically dependent on perpetual licenses and professional services, the company is transitioning to a subscription-based SaaS framework. This shift enhances revenue predictability and aligns the business with the industry's best practices, ensuring long-term sustainability. The SaaS model allows for greater scalability, reduced dependency on service-intensive revenue streams, and improved margins over time.

### The business model evolution

*The transition from proprietary software licenses is evolving towards a recurring revenue model, with a focus on SaaS adoption*




Source: company data

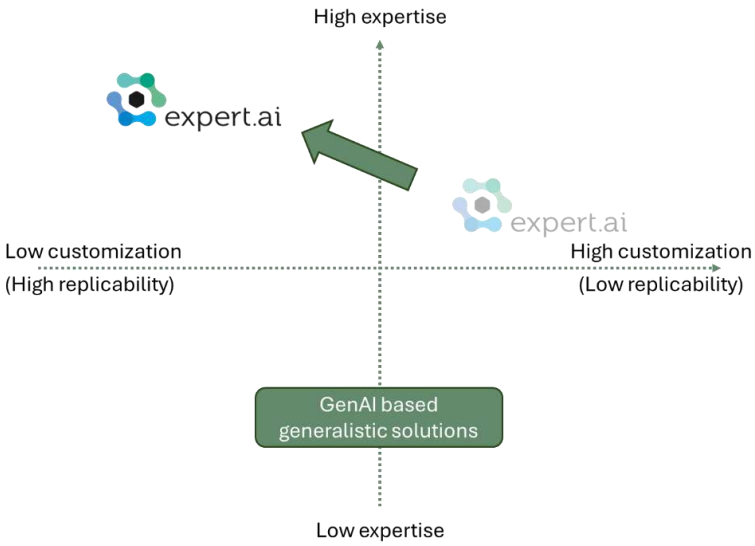
The introduction of **Managed Services E2E Solutions** will provide AI-driven capabilities for claims management, compliance (KYC/KYS), regulatory monitoring, risk engineering, corporate security, and legal risk & compliance. This approach allows Expert.ai to scale efficiently while delivering value-added solutions to enterprise clients. The transition to SaaS-based recurring revenue models also supports stronger financial visibility and higher-margin revenue generation.

As part of this shift, Expert.ai is also investing in enhancing its cloud infrastructure and operational capabilities, ensuring that it can support a growing SaaS customer base with the required levels of reliability, security, and performance. The company's long-term goal is to establish itself as a leader in AI-powered SaaS solutions, leveraging its expertise in natural language processing and machine learning to create differentiated offerings that provide measurable business impact.

Expert.ai's transformation reflects a decisive move towards a more agile, scalable, and financially resilient business model. By addressing legacy inefficiencies, implementing robust financial and operational reforms, and transitioning to a high-growth SaaS framework, the company is well-positioned to capitalize on emerging market opportunities. This strategic shift marks a defining moment in Expert.ai's evolution, reinforcing its commitment to long-term value creation and sustainable expansion.

**Expert.ai will be the AI leader in specialized vertical applications**

*Expert.ai delivers high-quality AI solutions that outperform benchmarks, drive ROI, and solve complex business challenges*




Source: company data

With a redefined operational structure, a focused growth strategy, and a scalable business model, Expert.ai is now better placed to serve enterprise clients with innovative AI-driven solutions. The company's ability to adapt to evolving market dynamics while maintaining financial discipline and technological leadership will be critical in shaping its future success. The evolution towards a SaaS-based model represents not just a business transition but a fundamental reinvention, setting Expert.ai on a trajectory for sustained, profitable growth.

**Company road to value 2024-2027**

*Expert.ai's SaaS pivot drives agility, scalability, and financial resilience, positioning it for sustained growth via a deep restructuring*



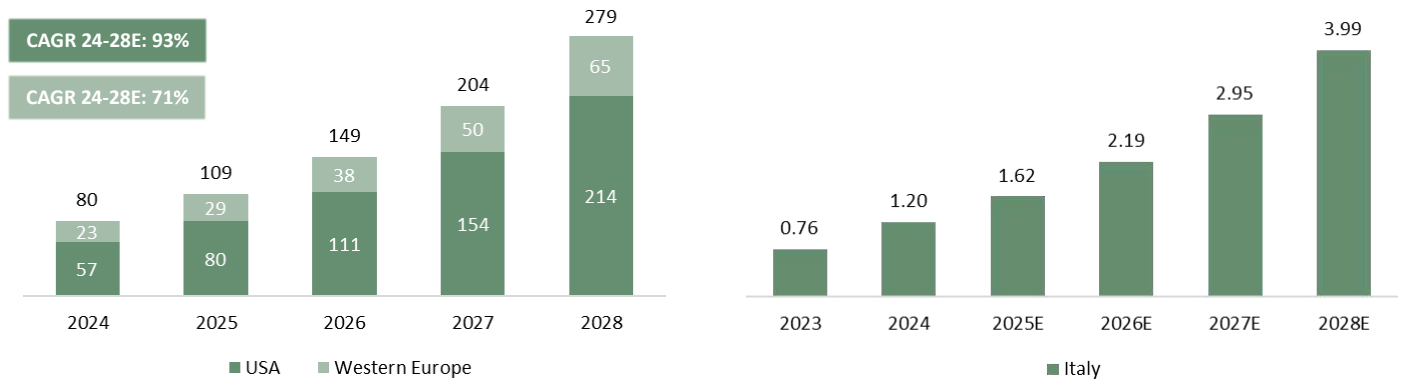

Source: company data

# AI shaping the future of global markets

AI is rapidly transforming global markets, with strong momentum across North America, Europe, and Asia-Pacific. The market is projected to grow from Eu80bn in 2024 to Eu279bn by 2028E, at an 87% CAGR, driven by advancements in cloud computing, machine learning, and NLP. North America leads, accounting for 36.9% of global spending, supported by robust enterprise adoption and investment. Western Europe follows, propelled by ethical frameworks and industrial automation. Asia-Pacific gains ground through strategic policies and industrial uptake, despite regulatory hurdles. Italy is emerging as a dynamic AI hub, with 2024 market value reaching Eu1.2bn (+58% YoY), dominated by large enterprises in telecom, finance, and energy. Key applications include text analysis, recommendation systems, and process orchestration. Expert.ai's core and adjacent markets, valued at Eu18bn in 2024, are forecast to grow at 40% CAGR through 2028, with GenAI expanding at 55%. The Italian reference market for Expert.ai totals Eu384mn. NLP and NLU are fast-growing AI subsegments, with global NLP markets projected to reach USD30.2bn by 2030. Applications include sentiment analysis, smart search, and conversational AI. Innovation, rising data volumes, and demand for automation are expected to fuel growth across AI's software stack.

**AI is a rapidly transforming global market (Eu bn)**

*The most developed regions are experiencing remarkable growth, with market size expanding to Eu279bn in 2028E*



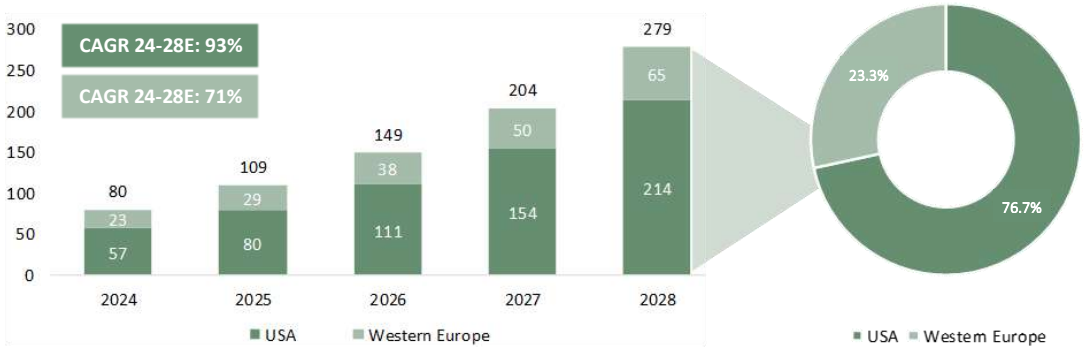

Source: McKinsey, Tech Trends Outlook 2024

## AI revolution gains global traction fast

Artificial Intelligence is positioned to become one of the most disruptive technologies of our era, with the potential to redefine key sectors of our economy and fundamentally reshape how businesses and institutions operate. The AI market is experiencing exponential growth, driven by headways in cloud computing, increasing availability of data, breakthroughs in natural language processing and machine learning. Geographically, the AI landscape is highly dynamic, with USA maintaining its dominant position thanks to the presence of major technology players, smart hubs and substantial investments in R&D. Asia-Pacific is rapidly emerging as a strategic hub for AI innovation, supported by government policies in China and Japan and the accelerated adoption of AI across industrial applications, nonetheless, this market continues to exhibit significant barriers to entry, chiefly attributable to enduring concerns regarding data privacy and the governance of user's data. Meanwhile, Europe, despite being a highly regulated market, is distinguished by its advanced regulatory framework and a strong emphasis on ethical and sustainable AI applications. Within this evolving landscape, Italy is playing an increasingly significant role, with AI adoption progressing across the financial, industrial, and PA sectors. This growth is further supported by national initiatives and a robust ecosystem of companies specializing in the segment. The AI market in the most developed regions is experiencing remarkable growth, with total market size projected to expand from Eu80bn in 2024 to Eu279bn in 2028E, globally, representing a CAGR of 87%. North America continues to dominate the market, accounting for 37% of global 2024 AI spending ($CAGR_{24\text{-}28E}$ of 93%), the highest among all regions, driven by strong investment in AI research, cloud infrastructure, and enterprise adoption. Western Europe follows, with a $CAGR_{24\text{-}28E}$ of 71%, supported by regulatory frameworks promoting ethical AI increasing industrial adoption.

### AI market overview of the most developed regions (Eu bn)

*The most developed regions are experiencing remarkable growth, with market size expanding to Eu279bn in 2028E*




Source: McKinsey, Tech Trends Outlook 2024

## AI Software Market Outlook

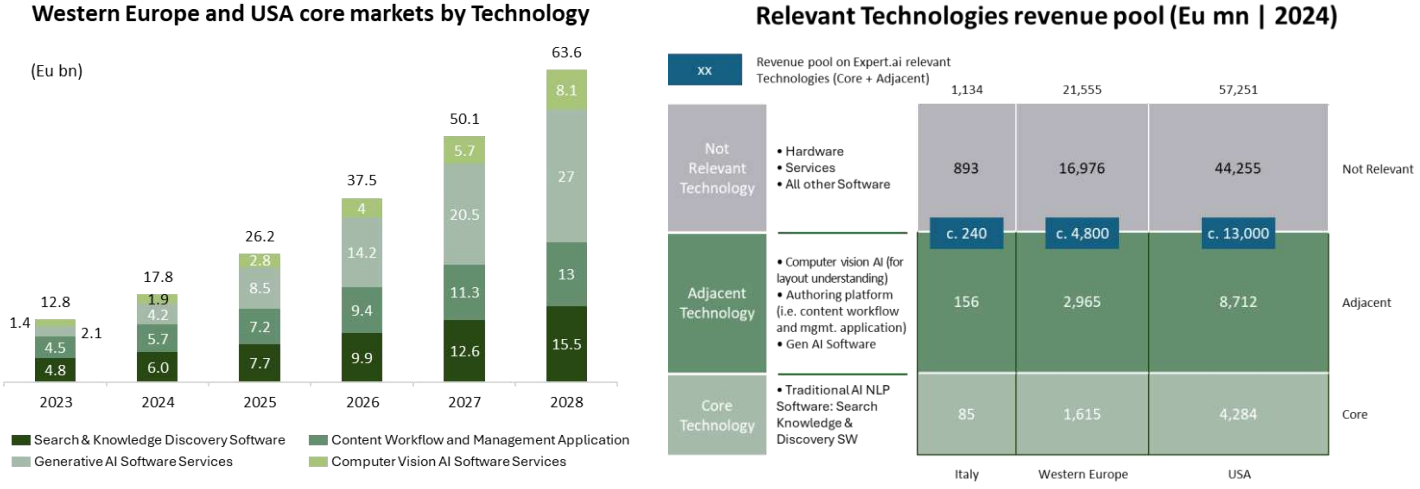
Based on IDC data and preliminary estimates from Politecnico di Milano, the addressable market for Expert.ai's core and adjacent technologies in 2024 is calculated at approximately Eu18bn across Italy, Western Europe, and the United States. The U.S. remains the primary geography, accounting for Eu13.0bn, of which Eu4.3bn pertains to core technologies such as search and knowledge discovery software, and Eu8.7bn relates to adjacent segments including generative AI and content workflow automation. Western Europe (ex-Italy) is expected to contribute Eu4.8bn, split between Eu1.6bn in core and Eu2.9bn in adjacent technologies. Italy represents a nascent but growing market with a combined reference market value of c. Eu240mn.

The overall market is supported by strong structural tailwinds, including accelerating enterprise AI adoption, regulatory push toward automation in financial services and PA, and the operationalization of GenAI use cases. AI-related spending in Europe is forecast to grow at a 30.3% CAGR over the 2024–2028 period, with GenAI alone expanding at 55% CAGR. Software remains the dominant layer of the value stack, absorbing 58% of total investments, and is expected to shift progressively toward flexible AI platforms by 2028.

Expert.ai is strategically positioned at the intersection of core AI infrastructure and high-growth GenAI applications, leveraging its proprietary hybrid AI approach and deep domain expertise in regulated industries. With reference markets expanding at a 40% CAGR over the forecasted period and increasing budget allocation, the company is well-placed to benefit from both the scaling of existing deployments and the potential expansion on new verticals.

### Expert.ai's core (LHS) and adjacent (RHS) addressable market

*TAM is projected at Eu18bn in 2024 across core and adjacent technologies, with 40% CAGR through 2028*




Source: Alantra elaborations on PoliMi 2023, 2024, IDC 2024

## The evolving Italian landscape

Italy represents a rapidly evolving market in the field of artificial intelligence, with a significant acceleration in investments in digital technologies supported also by government backed investment. In 2024, the AI market reached a value of Eu1.20bn, marking a 58% growth compared to the previous year. The Italian landscape is characterized by a strong contribution from large enterprises, which account for 90% of total AI spending, with key sectors including telecommunications, media, insurance, energy, banking, and finance. Among the main AI applications, text analysis, recommendation systems, and process orchestration stand out, highlighting the importance of natural language processing.

### Italian reference market growing at fast pace

*Expert.ai plays in a subset market totalling Eu384mn in 2024 and expected to grow at a fast-paced record*




Source: Alantra elaborations on PoliMi 2023, 2024, IDC 2024

The artificial intelligence market in Italy is experiencing significant growth, driven by several advancements in generative AI products, increasing demand for automated solutions across various industries and surging investment made by the PA to enhance its activities. Rising investments in AI technologies, coupled with the widespread adoption of big data and analytics, further contribute to market acceleration. Additionally, a surge in partnerships and collaborations within the industry is fostering innovation and enhancing AI capabilities.
The market landscape is highly fragmented, with numerous players competing for dominance. M&A activities are rising, as companies seek to consolidate their positions and expand their technological capabilities. Large players are making substantial investments in R&D to stay ahead in the competitive landscape. Despite the intense competition, company valuations remain exceptionally high, reflecting the strong market confidence in AI-driven solutions.

## Expert.ai core segment detailed overview

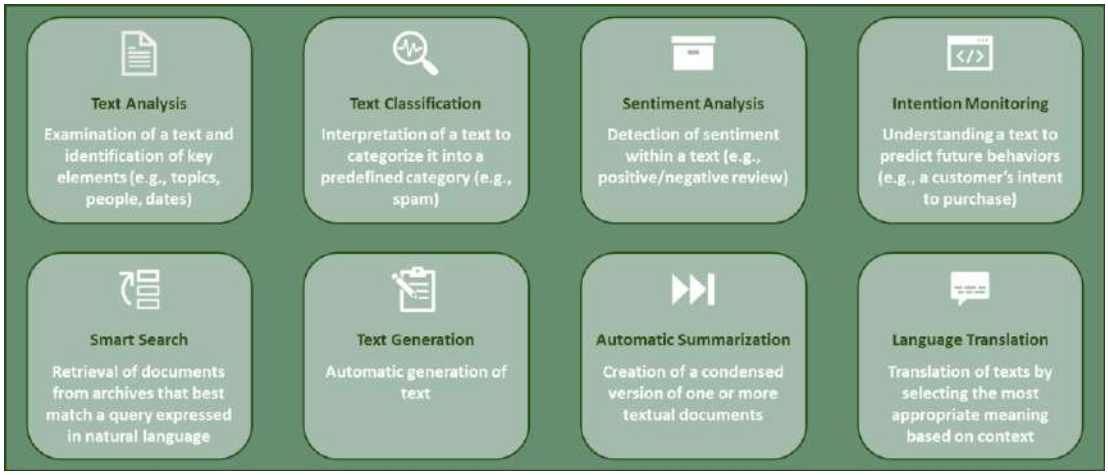
The NLP global market is valued USD12.1bn in 2022 and the global market is projected to reach USD30.2bn by 2030, growing at a CAGR of 12.3% from 2024 to 2030. Organizations across sectors are utilizing NLP for diverse use cases such as sentiment analysis, fraud detection, and virtual assistance. While significant market potential exists, key challenges remain, including data privacy, linguistic complexity, and integration costs. Nevertheless, advancements in Machine Learning and Deep Learning are expanding their capabilities and applications improving their reliability. In Italy, the adoption of NLP solutions is still in a developing phase, facing challenges related to the availability of training datasets and the complexity of the Italian language, which includes dialectal

variations and intricate semantic structures. However, the market holds significant potential, with growing interest from companies operating in industries such as finance, legal, healthcare, and media.

Key NLP applications include Text Analysis, Text Classification, Sentiment Analysis, and Smart Search, playing an increasingly strategic role in document management, information extraction, and the optimization of human-machine interactions. With the emergence of Large Language Models (LLMs) and Generative AI, NLP is entering a new stage of maturity, enabling the deployment of advanced chatbots, semantic search engines, and enterprise knowledge management solutions.

### The Natural Language Processing (NLP) applications

*NLP market holds significant potential, with growing interest from companies operating in various industries*




Source: Alantra elaborations

## Natural Language Understanding (NLU) market analysis and latest trends

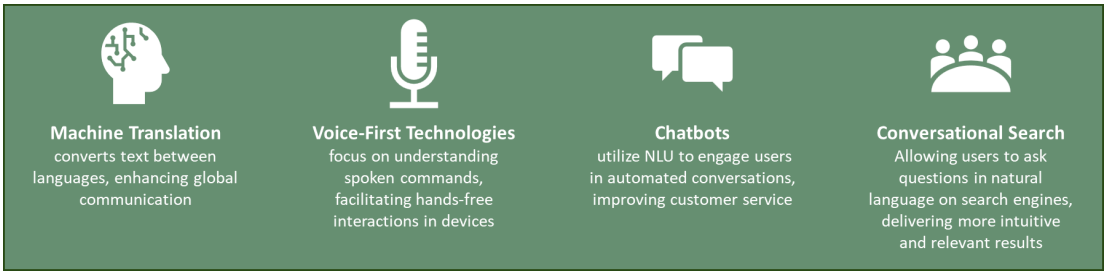
Natural Language Understanding (NLU) is a subset of artificial intelligence focused on enabling machines to comprehend and interpret human language in a meaningful way. NLU allows systems to parse text, extract information, and derive insights, facilitating human-computer interaction through conversational interfaces, sentiment analysis, and intelligent query resolution. The NLU market is witnessing significant growth driven by the increasing demand for automation in customer service, the proliferation of chatbots, and advancements in machine learning algorithms. The sector is expanding as businesses recognize the value of understanding customer intent and improving user experiences. The need for enhanced data analytics and natural language processing capabilities in various industries, including healthcare, finance, and e-commerce, further propels this growth.

Key trends influencing the market include the integration of NLU with voice recognition systems, the rise of multilingual capabilities, and the growing adoption of cloud-based solutions that enable scalability and accessibility. As organizations strive to leverage data-driven insights for competitive advantage, NLU technologies will play a crucial role in achieving these objectives.

NLU enables machines to comprehend and interpret human language. In the market, various applications emerge, such as Machine Translation, which converts text between languages, enhancing global communication. Voice-First Technologies focus on understanding spoken commands, facilitating hands-free interactions in devices. Chatbots utilize NLU to engage users in automated conversations, improving customer service. Conversational Search enhances traditional search engines by allowing users to ask questions in natural language, delivering more intuitive and relevant results.

The Natural Language Understanding (NLU) applications

*Enabling machines to comprehend and interpret human language*




Source: Alantra elaborations

# Vertical NLP/NLU enabler in a fragmented AI stack

Expert.ai operates as a vertical NLP/NLU specialist in the AI technology stack, positioned between general-purpose LLM platforms and hyperscalers, and fully interoperable with system integrators. The market segments into four pillars: LLM platforms (e.g. OpenAI, Mistral, Meta), NLP/NLU platforms (e.g. Expert.ai, C3.ai), hyperscalers (e.g. Google, Microsoft), and system integrators (e.g. Accenture, Capgemini). While LLMs offer generative capabilities, they lack transparency and control-critical in regulated sectors. Expert.ai's hybrid AI architecture (combining symbolic and statistical models) delivers deterministic, explainable, and domain-specific results, ensures extremely high semantic precision, traceability, and reliability. In contrast to generalist platforms and developer-first tools, Expert.ai provides off-the-shelf vertical solutions that are auditable, interoperable, and workflow-ready. Its suite is designed to plug into enterprise ecosystems through integrator channels, making it a strategic enabler, not just a tech vendor. With regulatory scrutiny intensifying and enterprises seeking trusted, explainable AI, Expert.ai's proposition (control over black-box opacity) positions it as a resilient, long-term player in enterprise AI.

## Bridging language intelligence and enterprise trust

Expert.ai is uniquely positioned within the evolving Natural Language AI ecosystem, operating as a specialized enterprise solution provider. The broader market can be divided into four principal categories: general-purpose LLM platforms, NLP/NLU AI platforms, global hyperscalers, and System Integrators. Each of these groups serves a different strategic function within the AI stack:

- LLM platforms deliver powerful generative capabilities, but they often lack transparency and control, functioning as probabilistic systems with limited explainability.
- AI Platforms specialists enable machines to read, interpret, and generate human language. It powers chatbots, translators, and voice assistants. They allow machines to engage in human-like conversations, answer questions, and process text intelligently.
- Hyperscalers provide the massive computing power, storage, and AI tools needed to train and deploy complex models. They support scalable AI development with GPUs, TPUs, and built-in frameworks, making them essential for sophisticated machine learning and deep learning workloads.
- System Integrators bridge the gap between complex technologies and real-world business needs by integrating AI solutions into existing IT infrastructures. Their responsibilities are linked with the implementation of cloud migration, hybrid architecture design, and long-term strategic guidance. As advisors, they help organizations navigate the evolving technological landscape, ensuring scalable, secure, and effective deployments. The AI ecosystem relies on a distribution channel of system integrators spanning from generalist IT consulting firm to specialized AI integrators.

Expert.ai distinguishes itself through a domain-specific, hybrid AI approach that prioritizes explainability, reliability, and enterprise integration. By combining symbolic AI with machine learning, the platform provides deterministic outputs, linguistic precision, critical features in high-risk, compliance-driven sectors. This design enables clients to achieve greater transparency and control over AI-driven decision processes.

In a market segment that remains largely unregulated, it is understandable that enterprises and end users may find it difficult to fully trust the outputs generated by artificial intelligence. As regulatory barriers intensifies and the potential consequences of AI misalignment become increasingly material, Expert.ai presents a robust value proposition for organizations that prioritize a trustworthy and clear solution. By integrating Mistral (one of the most technically advanced LLMs developed in Europe), Expert.ai combines cutting-edge performance with a strong commitment to data privacy and regulatory compliance, offering a solution that is not only powerful but also aligned with the standards and expectations of the European Union.

Moreover, Expert.ai's positioning allows it to serve as a strategic enabler rather than a generic technology vendor. Its platform is built to be interoperable, auditable, and easily integrated into existing enterprise workflows, aligning well with the operational realities of large organizations. Unlike consumer-focused AI applications or developer-first environments, Expert.ai offers "on shelf" vertical solutions with a focus on semantic rigor and contextual accuracy.

In a market often dominated by hype cycles around large-scale generative models, Expert.ai presents a mature, differentiated alternative for enterprises seeking trust, control, and sustained business impact from their AI investments. Its strategic focus on reliability over novelty, precision over generalization, and explainability over abstraction, positions the company as a long-term, value-accretive player in the enterprise AI landscape.

Artificial Intelligence ecosystem divided in three principal categories

*The broader market can be divided into four principal categories: LLM platforms, AI platforms, global hyperscalers, and System Integrators*

| | | |
|---|---|---|
| AI Technology Players | LLM platforms: deepseek, Microsoft Azure, Gemini, LLaMA by Meta, databricks, MISTRAL AI_, OpenAI | An LLM is an AI system trained to understand and generate human-like text. It uses deep learning and learns from massive datasets. They often lack transparency and control, functioning as probabilistic systems with limited explainability. |
| | AI platforms: expert.ai, ALMAWAVE, SoundHound, C3.ai, wit.ai | An AI platform is a suite of tools, services, and infrastructure that enables the users to build, deploy, and manage artificial intelligence applications. |
| Hyperscalers | Google, Palantir, NVIDIA, salesforce, servicenow, Microsoft, aws | Major hyperscalers adopt a platform-centric approach to AI, investing heavily in infrastructure, foundation models, and cloud services. They integrate AI across their ecosystems while advancing research in large-scale, multimodal models. |
| System Integrators | accenture, Capgemini, REPLY, TCS, wipro, IBM, Infosys, Deloitte., cognizant, DXC TECHNOLOGY | System integrators bridge the gap between complex technologies and real-world business needs by integrating AI solutions into existing IT infrastructures. Their responsibilities extend beyond implementation to include cloud migration, hybrid architecture design, and long-term strategic guidance. As trusted advisors, they help organizations navigate the evolving technological landscape, ensuring scalable, secure, and effective deployments. |

Source: Alantra elaboration

# 2025-26 business plan anchored in scalable growth

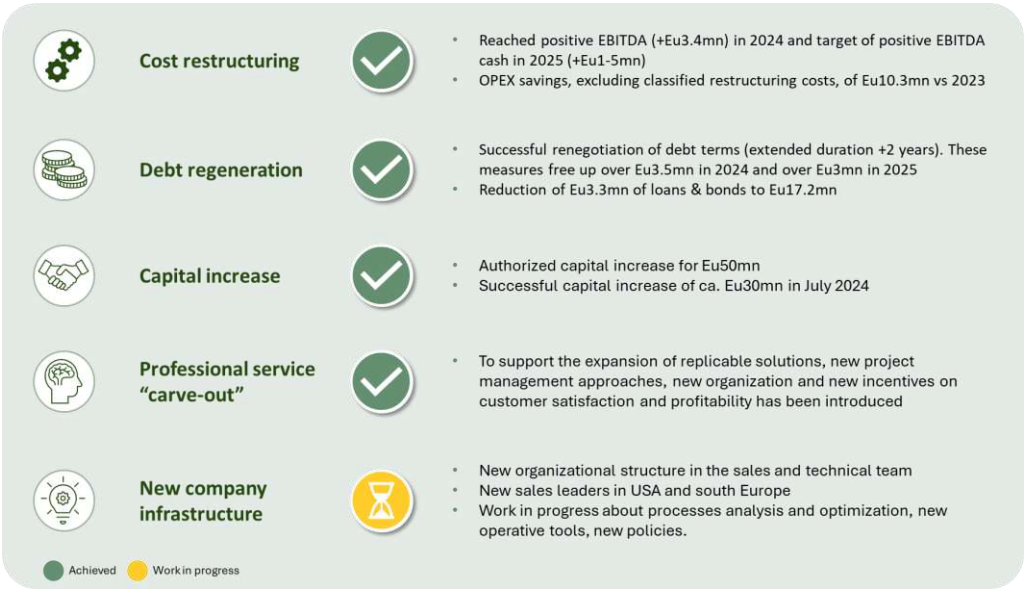
Expert.ai's updated 2025-26 business plan outlines a decisive phase of transformation, targeting revenue acceleration, operational efficiency, and financial sustainability. The company with the new management is executing a structured turnaround centered on cost optimization, capital strengthening, and a scalable SaaS-driven model. Revenues are projected to grow from Eu27.3mn in 2024 to Eu43-53mn by 2026, driven by increased commercial traction across verticals, the rollout of GenAI-enabled products, and a growing footprint in the US market, expected to contribute over one-third of total revenues. Margin expansion is supported by a shift from bespoke services to license-based offerings, alongside disciplined cost control. Gross margins are expected to remain robust (65-66%), while EBITDA cash is set to turn positive in 2025, reaching Eu3-8mn by 2026. The EBITDA margin is forecast to rise from 12% to up to 25% over the period, reflecting operating leverage and a more efficient cost structure. The plan assumes no major strategic capex beyond current operational needs, with organic growth supported by partner channels and selective M&A only if capital allows. Strong R&D investments (12-15% of revenues annually) continue to power innovation in NLU/NLP. Altogether, the plan positions Expert.ai for sustainable, profitable growth with a scalable business model.

## State of the art of Expert.ai business plan

Expert.ai is executing a disciplined turnaround and strategic repositioning plan focused on financial stability, long-term scalability, and value creation. The company is activating key levers across cost efficiency, capital optimization, organizational redesign, and business model evolution. Foundational initiatives have been solidly implemented, enabling a shift toward a more agile, capital-efficient, and growth-oriented structure. With financial actions largely completed and operational improvements in motion, Expert.ai is now well positioned to unlock the full potential of its AI platform and scale effectively in the years ahead.

### 10 pillars – profitability and financial sustainability

*Expert.ai executes a turnaround plan: cost cuts, debt renegotiation, capital boost, and operational restructuring*




Source: company presentation

### Cost restructuring (Achieved)

The company has completed a significant cost rationalization program, achieving positive EBITDA of EU3.4mn in 2024 and targeting a further improvement in EBITDA cash generation of Eu1-5mn by 2025. A remarkable result is the Eu10.3mn OPEX reduction vs. 2023, excluding extraordinary restructuring costs, demonstrating substantial operating leverage. This indicates not just tactical cuts but structural efficiencies, likely to involve staff, IT infrastructure, and external services. These savings provide Expert.ai with the financial breathing room to reinvest in scalable, high-growth areas like GenAI solutions and vertical-specific platforms.

### Debt renegotiation (Achieved)

A key milestone in strengthening the financial structure has been the successful renegotiation of debt terms with major financing institutions. The extension of debt maturities by two years and revised conditions free up Eu3.5mn in 2024 and a further Eu3mn in 2025, significantly improving liquidity. Moreover, the reduction of outstanding debt (from Eu20.5mn to Eu17.2mn) marks a prudent step toward deleveraging. These actions improve the company's risk profile and lay the foundation for future financing flexibility, particularly important in a fast-changing tech environment.

### Capital increase (Achieved)

Expert.ai secured an authorized capital increase of up to Eu50mn, of which approximately Eu30mn was successfully raised in July 2024. This capital injection provides financial headroom for strategic initiatives such as inorganic growth (M&A), product innovation, and international expansion. It also sends a strong signal to the market and investors regarding the company's commitment to growth and its ability to attract capital, even in a complex macroeconomic context.

### Professional Services 'carve-out' (Achieved)

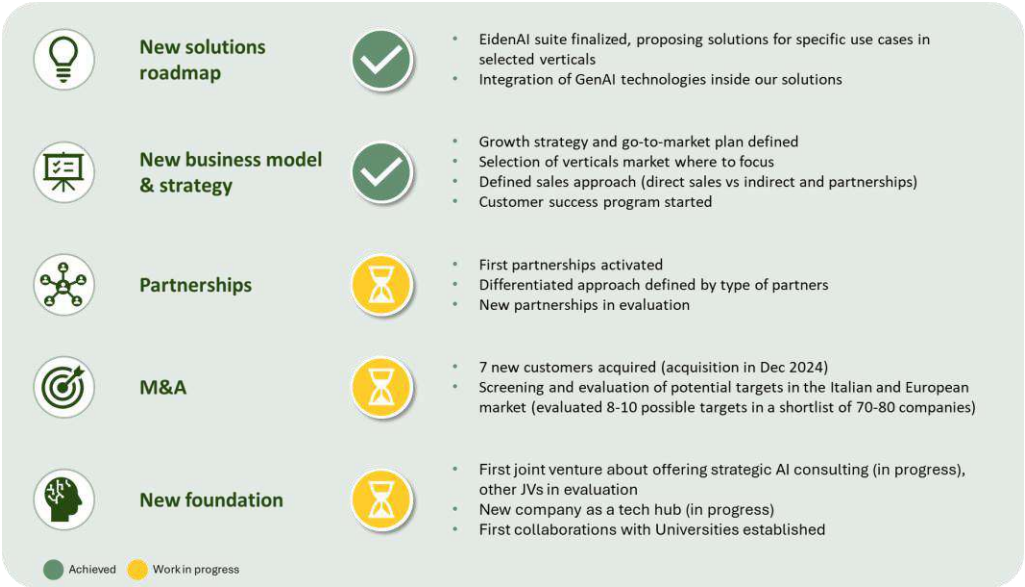
To enable scalable growth and higher margins, the company has decoupled its professional services from core operations. This move facilitates a sharper focus on replicable, productized solutions, while introducing new project management models, customer satisfaction incentives, and organizational improvements. The carve-out not only improves operational transparency but also allows for differentiated P&L tracking, potentially increasing profitability and attractiveness to enterprise clients. This shift aligns with a broader trend across SaaS and AI companies, transitioning from bespoke services to scalable, repeatable product platforms.

### New company infrastructure (Work in Progress)

A new organizational structure has been implemented across both sales and technical teams, including the appointment of new leadership in the USA and Southern Europe—key markets for future growth. While structural changes have been deployed, ongoing efforts focus on optimizing internal processes, enhancing productivity, and adopting new operational tools and policies. This transformation is crucial for sustaining growth, especially as the company seeks to standardize its go-to-market model and support international expansion. The "work in progress" label here acknowledges that while foundations have been laid, full operational excellence is still being built.

**10 pillars – preparing the ground for growth**

*Expert.ai advances on GenAI rollout, business model shift, and strategic growth via M&A and JV*




Source: company presentation

New solutions roadmap (Achieved)

The finalization of the EidenAI suite marks a strategic evolution in Expert.ai's technological offering. The company has moved from general-purpose AI capabilities to solutions designed around specific use cases within targeted verticals. This shift significantly enhances product-market alignment, making the offering more relevant to customer needs and enabling stronger, more durable engagement. At the same time, the integration of Generative AI across the platform introduces advanced functionalities such as intelligent automation, semantic data extraction, and natural language interaction, reinforcing Expert.ai's positioning in high-value enterprise environments.

New business model & strategy (Achieved)

Expert.ai has redefined its growth strategy through a focused approach on selected verticals and a hybrid go-to-market model that blends direct sales, indirect channels, and partner-led engagement. This structure allows for greater scalability and more effective resource allocation across markets. The introduction of a structured customer success program further strengthens the model, supporting client retention and expansion by ensuring continuity in value delivery and creating new opportunities for upselling, markedly in complex settings.

Partnerships (Work in progress)

The company is building a structured partner ecosystem, with initial collaborations already activated and a differentiated model under development based on the role of each partner—technology providers, service integrators, or distributors. This strategy aims to extend market reach, accelerate deployment, and complement internal capabilities without increasing operational complexity. Ongoing evaluations of new partnership opportunities reflect a deliberate effort to construct a scalable, high-impact network capable of supporting growth across geographies and segments.

M&A (Work in progress)

Inorganic growth remains a central pillar of Expert.ai's expansion strategy. The acquisition of seven new customers in Dec-24 demonstrates the company's ability to execute tactically. Beyond that, a broader M&A pipeline is being actively assessed: from an initial screening of 70 to 80 potential targets, a shortlist of 8 to 10 high-priority opportunities has been identified. The focus is on companies offering complementary technology, sector expertise, or access to strategic markets. This disciplined process is supported by the capital raised in mid-2024 and reflects a clear intent to accelerate both scale and capability through targeted acquisitions.

New foundation (Work in progress)

Expert.ai is laying the groundwork for long-term competitiveness through the launch of strategic initiatives aimed at reinforcing its organizational and innovation infrastructure. A first joint venture focused on AI consulting is already underway, broadening the company's positioning toward higher-value services. In parallel, the creation of a new tech hub and the establishment of university partnerships are designed to fuel research and development, attract top-tier talent, and anchor the company at the intersection of applied AI and academic excellence. These foundational efforts aim to sustain innovation and support future growth beyond the current planning cycle.

## The updated 2024-26 business plan

Expert.ai business plan has been revised and updated post publication of FY24 results. Buoyant market dynamics represent a key growth driver. The global AI market is anticipated to expand from Us538bn in 2023 to over Us2.5tn by 2032, with the NLP segment alone expected to grow from Us32bn in 2024 to Us93bn by 2029 (CAGR 24%). Against this backdrop, Expert.ai anticipates increasing revenues from Eu27.3mn in 2024 to Eu43-53mn by 2026, driven by deeper penetration in the European market and a growing focus on the US, which is expected to represent more than 1/3 of total revenues by the end of the plan.

The plan assumes a gradual but significant ramp-up in sales capacity, particularly in support of the transition to a SaaS-based business model and an ecosystem of commercial partners. This shift is expected to reduce the weight of professional services in the revenue mix, favoring license-based, cloud-delivered solutions. As a result, the cost structure will gradually evolve fixed personnel costs will become less significant in proportion to revenues, while cloud hosting, more variable in nature, will grow in line with platform usage.

The company is strongly focused on R&D investment, operational efficiency, and capital discipline. Expert.ai plans to allocate a significant portion of revenues to research and development, 18% in 2024, 14% in 2025, and 12% in 2026. These investments aim to sustain the development of proprietary NLP and NLU technologies, relying on internal resources and specialized external consultants. Revenue growth is expected to be driven primarily by organic initiatives, particularly through the expansion of strategic partnerships in the tech sector. While the plan does not incorporate M&A as a base-case scenario, inorganic growth opportunities may be pursued. On the cost side, the group is targeting a material reduction in G&A. This improvement is supported by planned workforce optimization, reskilling programs, and a shift to a SaaS-based commercial model. Finally, changes in the revenue mix, driven by recurring SaaS contracts, are expected to stabilize working capital dynamics, reduce seasonality, and lower the absorption of resources tied to multi-year licenses and service-heavy projects, shifting that burden to implementation partners.

Scaling revenues, improving profitability through 2026

*Strong top-line momentum with accelerating EBITDA margins and positive EBITDA cash turnaround as of 2025E*

| (Eu mn) | 2024 | 2025E | 2026E |
|---|---|---|---|
| Revenues | 27.3 | 37 - 43 | 43 – 53 |
| Gross Margin | 18.5 | 24 – 28 | 28 – 35 |
| *% revenues* | *68%* | *65%* | *65% - 66%* |
| EBITDA cash | (1.7) | 1 - 5 | 3 – 8 |
| EBITDA | 3.4 | 6 – 10 | 8 – 13 |
| *% revenues* | *12%* | *16% - 23%* | *19% - 25%* |

Source: company presentation

The growth trajectory outlined in the 2024-26 business plan signals a pivotal phase in Expert.ai's evolution, characterized by solid revenue growth, improving margins, and the return to positive EBITDA cash. These developments are the result of a strategic repositioning focused on scalability, operational efficiency, and long-term resilience. With the foundations now in place, the company is moving with clarity and discipline from a period of stabilization to one of controlled expansion. The outlook confirms the growing strength of the underlying business model and sets the stage for sustainable, profitable growth over the coming years.

Revenues are expected to rise sharply from Eu27.3mn in 2024 to a range of Eu37–43mn in 2025 and Eu43–53mn by 2026, pointing to an acceleration in commercial traction. This trend reflects the scaling of recently launched vertical-specific solutions, the participation in the Villanova project, the contribution of GenAI-enriched features, and the strengthening of go-to-market execution across core geographies. The topline growth confirms the increasing relevance of the company's offering and the initial success of its new sales and customer success organization.

Gross margin is forecast to expand in absolute terms, reaching Eu24–28mn in 2025 and Eu28–35mn in 2026, up from Eu18.5mn in 2024. As a percentage of revenues, margins remain solid in the 65%–66% range, slightly below the 2024 level of 68%, reflecting a broader customer base and greater solution volumes. This consistency confirms the soundness of pricing strategy and cost discipline, even as operations scale.

EBITDA cash is set to turn positive in 2025, after closing 2024 at Eu1.7mn negative. The guidance range of Eu1-5mn in 2025 and Eu3-8mn in 2026 signals a recovery in operating cash flow generation and confirms that the company's underlying business model is beginning to produce healthy financial returns. This positive shift is a result of both cost control and a growing revenue scale, with greater efficiency in operating structure and working capital absorption.

EBITDA reported improves from Eu3.4mn in 2024 (12% margin) to Eu6–10mn in 2025 (16%-23%) and Eu8-13mn in 2026 (19%-25%), benefiting from operating leverage and a more profitable revenue mix. Margin expansion reflects the evolution toward repeatable, high-value solutions and a business model that is becoming increasingly capital-efficient. At the upper end of guidance, EBITDA in 2026 would nearly quadruple compared to 2024, highlighting the transformation potential already embedded in the current strategy.

# FY24 results: EBITDA recovery signs structural reversal

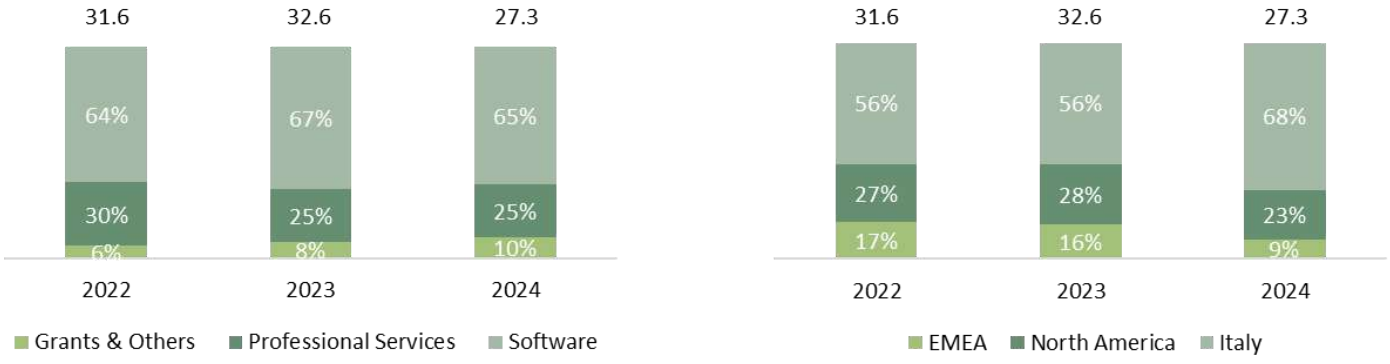
FY24 marked a pivotal year for expert.ai, representing both a structural inflection point and the first full year of execution under new leadership and strategic direction. The group returned to positive EBITDA after a prolonged period of operating losses, validating the comprehensive transformation undertaken throughout the year, which included a major organizational restructuring, the streamlining of its commercial model, and an Eu30mn capital increase. While revenues declined year-on-year to Eu27.3mn, largely due to the transition to SaaS-based pricing, increased project selectivity, and salesforce reorganization, the business demonstrated clear improvements in operating leverage, gross margin expansion, and financial discipline. These changes translated into stronger fundamentals and a significantly improved balance sheet, positioning Expert.ai to pursue sustainable growth with renewed optionality, both organically and through strategic M&A.

## Transition to SaaS, selectivity in project acquisition and reorganisation in EMEA and US

Revenues totaled Eu27.3mn, down from Eu32.6mn in FY23, mainly due to the transition towards SaaS-based pricing, increased selectivity in project acquisition, and the reshaping of commercial operations in EMEA and the US. The Italian market performed solidly, accounting for 68% of total sales (up from 56% in 2023), while the US and EMEA regions contributed 23% and 9% respectively. By revenue type, software (including licenses, maintenance, and hosting) made up 64% of the total, professional services 25%, and grants and other revenues 10%, with a broadly stable mix YoY.

**Expert.ai, FY22-24 sales breakdown by segment (LHS) and region (RHS), Eu mn**

*Expert.ai generates revenue through licensing its proprietary software (65%), mainly in Italy (68%)*




Source: company data

## Increase in Gross Margin and return to positive EBITDA

Gross profit reached Eu18.5mn, 68% of total revenues, improving from 61% in FY23. This uplift reflects tighter project evaluation, improved delivery models, and a more efficient cost base. EBITDA of Eu3.4mn compares with the negative Eu0.2mn figure reported in FY23, a clear turning point supported by an Eu5mn improvement in cash EBITDA, after excluding capitalized R&D. This demonstrates the early success of the group's new operational strategy and cost containment measures, which led to a structural saving of over Eu10mn YoY.

EBIT came in at minus Eu5.0mn, significantly reduced from the loss of Eu8.8mn in FY23. The figure includes Eu7.9mn D&A, o/w Eu7.1mn related to previously capitalized development costs. The bottom line remained negative, with a net loss of Eu10.1mn, marginally wider than the Eu9.9mn reported in FY23. This was primarily driven by Eu3.5mn of exceptional restructuring charges, comprising Eu1.2mn in advisory costs linked to the capital increase and debt renegotiation, and Eu2.3mn in personnel-related rationalization costs.

### Expert.ai, FY24 OPEX cut deepens margin recovery

*Eu10.3mn reduction in OPEX, driven by disciplined cost control across functions, reinforces the group's operating reset*




Source: company presentation

### expert.ai, FY24 EBITDA turns positive, margins expand

*EBITDA rebound and gross margin uplift validate cost discipline, despite top-line pressure from business model shift*

| €M | FY 2024 | FY 2023 | Var. |
|---|---|---|---|
| Total revenues | 27.3 | 32.6 | (5.3) |
| COGS | (8.8) | (12.7) | 3.9 |
| **Gross Margin** | **18,5** | **19.9** | **(1.4)** |
| *% Revenue* | 68% | 61% | |
| Sales & Marketing | (8.2) | (11.2) | 3.0 |
| Product & R&D | (5.5) | (8.1) | 2.6 |
| G&A and Management | (6.5) | (7.2) | 0.7 |
| **EBITDA Cash** | **(1.7)** | **(6.7)** | **5.0** |
| *% Revenue* | -6% | -20% | |
| Capitalized R&D expenses | 5.0 | 6.4 | (1.4) |
| **EBITDA** | **3.4** | **(0.2)** | **3.6** |
| *% Revenue* | 12% | -1% | |
| Amortization & Depreciation | (8.4) | (8.6) | 0.2 |
| **EBIT** | **(5.0)** | **(8.8)** | **3.8** |
| *% Revenue* | -18% | -27% | |
| Financial income/expenses | (0.6) | (1.0) | 0.4 |
| Restructuring Cost | (3.5) | 0.0 | (3.5) |
| **Result before Taxes** | **(9.0)** | **(9.8)** | **0.8** |
| Taxes | (1) | (0) | (1.0) |
| **Net Result** | **(10.1)** | **(9.9)** | **(0.2)** |
| *% Revenue* | -37% | -30% | |

- **Positive EBITDA** €3.4M, (excluding restructuring costs).
- **Improved gross margin %** (+7% vs 2023), thanks to better pricing estimate and process efficiency
- Sales offering oriented towards **volume pricing** will allow **major increases in future revenue**
- Targets revenue reached in Italy, confirming the solid presence in the market
- Revenue under expectations in US and EMEA areas
- **Reduction of €10.3M in OPEX** vs 2023 (excluding restructuring cost), of which €8.1M in personnel costs and €2.2M in other expenses
- **EBITDA Cash** improved of €5M vs 2023
- **Decreased CAPEX** thanks to more selective investments
- **Extraordinary restructuring costs**, due to costs related to the reorganization (ie. Severances, overrun payroll, legal), debt renegotiation and capital increase.

Source: company presentation

WC declined to Eu9.4mn from Eu11.2mn in FY23, reflecting tighter management of receivables and a leaner cost structure. NFP decreased to Eu1.7mn, a substantial improvement from Eu21.8mn in FY23. This was enabled by both the capital increase of Eu30mn and a reduction in bank borrowings, which declined to Eu17.2mn from Eu20.5mn, supported by the rescheduling of loan repayments.

# Leaner business model, stronger profitability

Expert.ai is entering a pivotal phase, evolving from restructuring to execution, with a clear roadmap toward scalable, profitable growth. Our forecasts point to a compelling inflection point in 2025E, marked by a return to positive EBITDA Cash, underpinned by recurring SaaS revenues, leaner operations, and enhanced go-to-market effectiveness. Following a transitional 2024, impacted by pricing model shifts, tighter project selection, and commercial resets, the company is now poised for acceleration. We see revenues rising from Eu27.3mn to Eu58.8mn by 2027E (29% CAGR), driven primarily by Software sales and increasing adoption of its vertical AI solutions. The EidenAI Suite, enriched by generative AI capabilities, is gaining traction, while pipeline visibility and renewals offer a solid growth base. Profitability dynamics are equally compelling. Gross profit is set to double over the period (CAGR +28%), while EBITDA is projected to expand from Eu3.4mn to Eu16.2mn in 2024-27E, reflecting operating leverage and efficiency gains. EBITDA Cash seen positive in 2025E, confirming the improving quality of earnings. With D&A stable, Expert.ai is on track to reach a net profit of Eu5.0mn in 2027E. The strategic repositioning is translating into stronger fundamentals, setting the stage for long-term value creation and validating the company's transition to a more resilient, capital-efficient model.

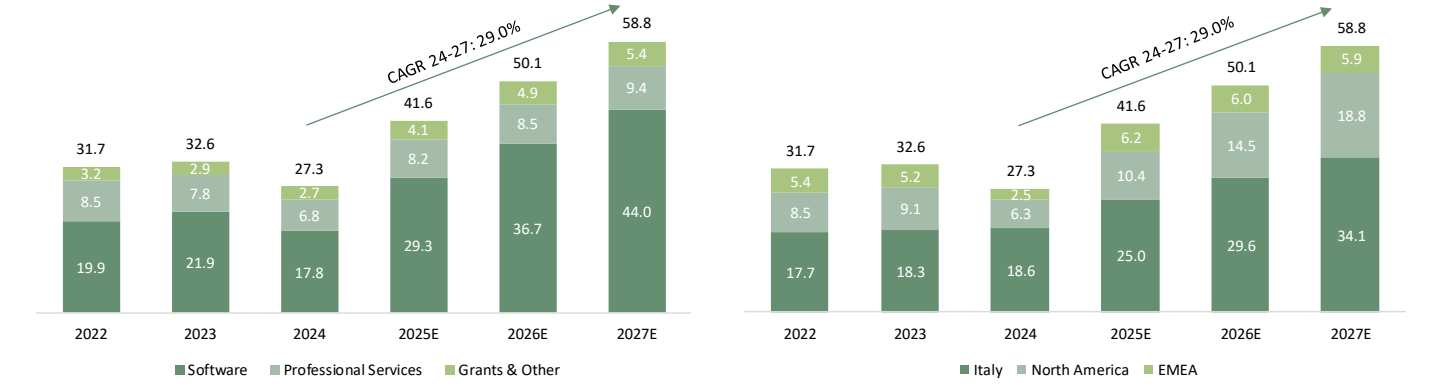
## Top line projected to reach Eu58.8mn in 2027E, 29% CAGR, driven by Software sales

Our forecasts point to a crucial turning point in Expert.ai's development, marked by consistent revenue expansion, margin recovery, and a return to positive EBITDA Cash generation as early as 2025. This progress reflects a strategic shift prioritizing scalable growth, leaner operations, and structural resilience. With the groundwork now firmly established, the company is transitioning decisively from a phase of consolidation to one of disciplined growth. The outlook highlights the increasing robustness of the business model and lays the groundwork for sustained, profitable performance in the years ahead.

2024 was a transitional year, marked by a topline decline driven by the shift to SaaS-based pricing, stricter project selection, and commercial reorganization in EMEA and the US. In particular, the move to SaaS replaces large upfront license fees with smaller, recurring subscription payments. While this model enhances long-term visibility and customer retention, it delays revenue recognition, especially during the transition phase. Expert.ai is projected to deliver a substantial growth in revenues, rising from Eu27.3mn to Eu58.1mn in 2027, CAGR of 29%. The growth plan builds on a solid base of recurring revenues from renewals and a reliable sales pipeline, with upside from new EidenAI Suite initiatives. Additional acceleration could come from a major AI project under negotiation. The revenue outlook reflects a meaningful step-up in commercial momentum, driven by several converging factors. Chief among them is the scaling of recently launched vertical-specific solutions, which are gaining ground across key markets. The addition of generative AI features is boosting value creation and differentiation, helping drive enterprise adoption. Strengthened go-to-market execution, a more focused direct sales approach and an evolving partner network, is also supporting broader reach and higher conversion. Overall, the topline growth highlights the increasing relevance of Expert.ai's offering and validates the early results of its revamped sales and customer success model.

### Software-led rebound drives revenue acceleration

*After a temporary dip in 2024, strong software growth fuels a 29% CAGR through 2027, reinforcing strategic positioning*




Source: Company data, Alantra

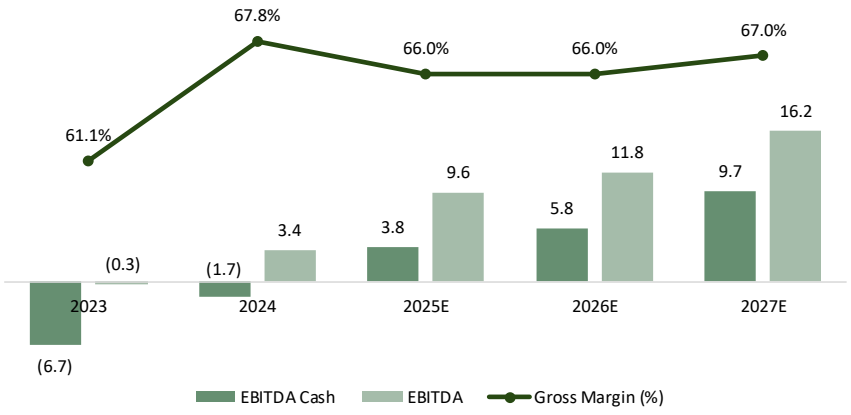
## EBITDA seen at Eu16.2mn in 27E, 24.8% margin, powered by scale and efficiency

Profitability is anticipated to grow due to a combination of expanding gross margins, tighter cost control, and increasing operating leverage as the business scales. While gross margin as a percentage of revenue remains solid, its absolute growth from Eu18.5mn in 2024 to Eu39.4mn in 2027E supports stronger cash generation. At the same time, the company is improving efficiency across its cost structure and working capital management. The evolution toward more repeatable, high-margin SaaS solutions also enhances profitability, resulting in a more capital-efficient model. These dynamics collectively drive the projected improvement in both reported and cash EBITDA through 2027.

- **Gross Profit** is expected to grow substantially in absolute terms, reaching Eu39.4mn by 2027E from Eu18.5mn in 2024, implying a 28% CAGR. Despite a modest decline in gross margin percentage, from 67% in 2024 to a projected 66-67%, the ratio remains robust, reflecting a deliberate balance between volume growth and pricing. The slight compression is attributable to a more diversified client base and rising delivery volumes, yet overall stability signals effective pricing execution and tight cost management as the business scales.
- **EBITDA Cash** is anticipated to turn positive by 2025E, after closing 2024 at Eu1.7mn negative. The strong growth signals a recovery in operating cash flow generation and confirms that the business is beginning to produce healthy financial returns. This positive shift is a result of both cost control and a growing revenue scale, with greater efficiency in operating structure and working capital absorption.
- **Reported EBITDA** is projected to rise from Eu3.4mn in 2024 (12.4% margin) to Eu16.2mn in 2027E (27.6%), driven by stronger operating leverage and a shift toward higher-margin revenue streams. This trajectory reflects the company's transition to scalable, repeatable solutions and a more disciplined, capital-efficient operating model.

**Profitability inflection with expanding margin**

*Following the 2024 governance change, EBITDA Cash is set to turn positive from 2025.*




Source: Company data, Alantra

D&A is expected to remain broadly stable, reflecting a consistent level of capex, almost entirely related to capitalized R&D, totaling Eu19.0mn over 2025-27E. After constant financial charges mainly related to financial costs and interests on legacy debt liabilities (4.8% cost) and tax rate to the tune of 27%, We expect the company to reach bottom line break-even in 2025E and Eu5.0mn net profit in 2027E.

# Financial discipline drives capital efficiency

Expert.ai has undergone a strategic transformation, moving from a period marked by over-investment and limited scalability to a phase of improving financial discipline and operational efficiency. Between 2020 and 2024, the company raised Eu56.5mn through four capital increases, culminating in the entry of GUM Group and a leadership reshuffle under CEO Dario Pardi. The renewed management team has focused on streamlining the business model, enhancing scalability, and preparing the ground for sustainable growth. Capex remains elevated due to capitalized R&D, primarily for the development of its proprietary AI platform. However, the shift toward recurring SaaS revenues is expected to ease working capital pressure and improve cash flow visibility. Starting in 2025E, Expert.ai is projected to generate positive FCF, while ROCE is set to rise steadily to 13.5% by 2027E, driven by rising EBIT and stable capital employed, a strong signal of long-term value creation.

## From capital-hungry model to efficient, cash-generating platform

Expert.ai has now a well-balanced financial structure, and should start to generate positive FCF as of 2025E. The company's past over-investment in proprietary AI, reliance on a direct sales model, and focus on fragmented, custom-built solutions led to inefficiencies, constrained profitability, and limited scalability. In 2020-24, the company executed four key capital increases, raising a total of Eu56.5mn to support growth and development, and strengthen its capital base. The most recent transactions, completed in Jul-23 and Jul-24, raised Eu33.5mn and marked the entry of GUM Group, an investment vehicle backed by Dario Pardi, the company's current CEO and Executive Chairman. Under Mr. Pardi's leadership, alongside a renewed management team that combines founder-led vision with financial discipline, the company undertook a comprehensive restructuring aimed at enhancing financial sustainability, operational efficiency, and long-term scalability. 2024 figures represent the first tangible results of this successful transformation, with the company ready to generate FCF as of 2025E. The business model is not particularly capex light. Capex for Expert.ai are predominantly represented by capitalized R&D. Capex are capitalized costs required to the development of its AI-based software platform, including upgrades to its NLU engine, EidenAI suite, and related tools.

### 2024A-27E Net debt/cash bridge

*Starting from Eu1.7mn debt in 2024, Expert.ai is expected to generate FCF, while continuing to invest in development: Net cash is anticipated at Eu9.3mn in 2027E.*

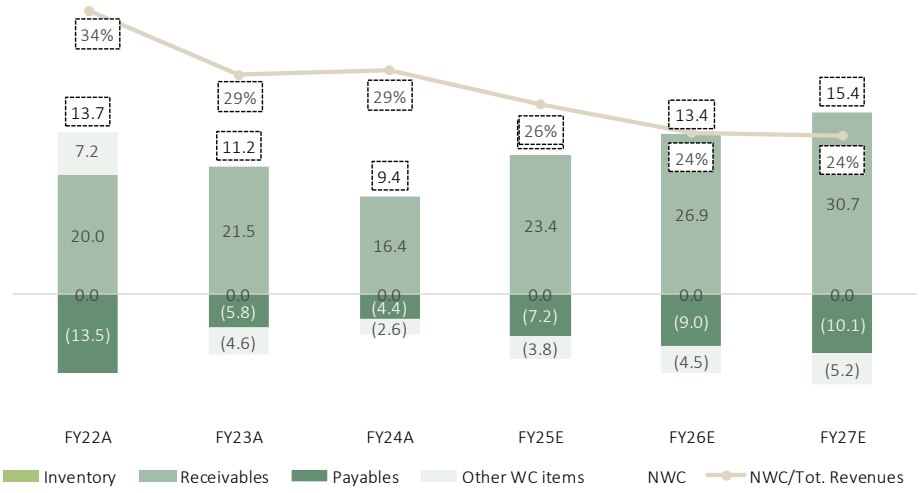



Source: Company data, Alantra

Changes in the revenue mix, driven by recurring SaaS contracts, are expected to stabilize working capital dynamics, reduce seasonality, and lower the absorption of resources tied to multi-year licenses and service-heavy projects, shifting that burden to implementation partners.

**SaaS shift improves working capital profile**

*Recurring SaaS revenues reduce seasonality and resource absorption, driving a projected decline in NWC/Revenues to 24–25%*

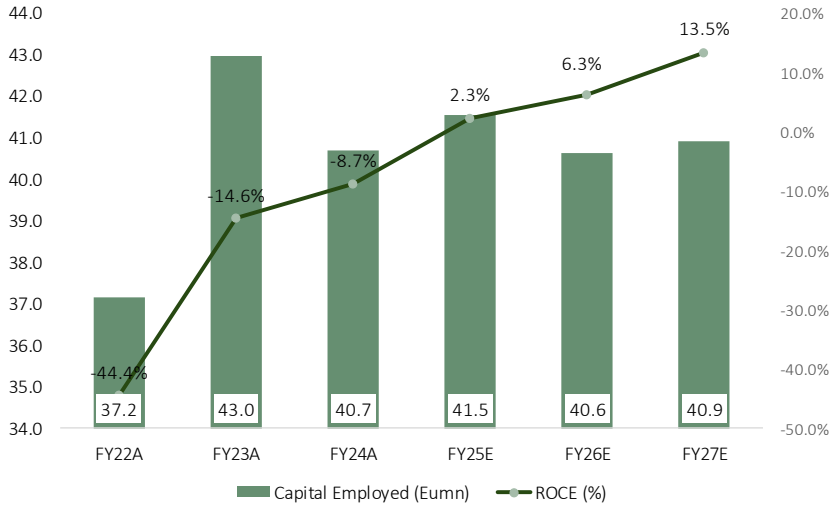



Source: Company data, Alantra

In 2024-27E, the company is expected to significantly improve its ROCE, moving from negative territory to a solid 13.5%. This sharp re-rating is primarily driven by a marked recovery in operating profitability, with EBIT set to rise meaningfully over the 3Y span. Importantly, this improvement comes without a substantial increase in the CE, seen broadly stable. The combination of higher earnings and efficient capital allocation underpins a gradual but consistent ROCE uplift, confirming a clear trajectory toward value creation. This not only reflects the success of the operational turnaround but also signals a more sustainable and disciplined financial profile.

**ROCE from negative to 13.5% in 2024-27E**

*The broad stability of capital employed during the period, combined with soaring EBIT, drives an increase in ROCE to 13.5% in 2027E*




Source: Company data, Alantra

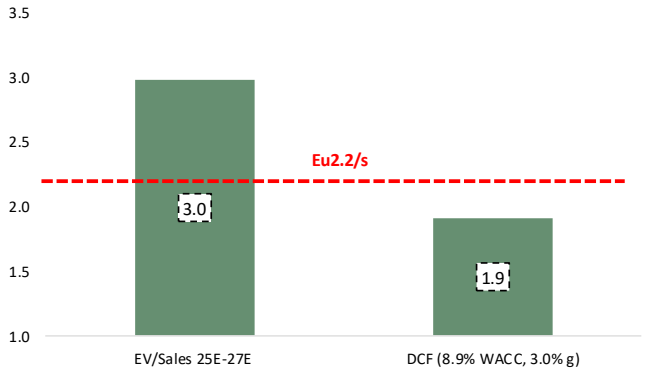
# Valuation: TP of Eu2.2/share

Expert.ai is undergoing a strategic transformation, rebounding from its post-IPO lows and repositioning itself as a differentiated player in the global AI space. Following a prolonged downturn, the July 2023 capital increase and leadership overhaul, spearheaded by Chairman and CEO Dario Pardi, marked a pivotal reset. The Eu3.8mn capital raise through a reserved placement to GUM Group acted as a de facto "second IPO," kickstarting operational restructuring, improved cost discipline, and renewed focus on execution. Since then, the stock has rebounded some 40%. We benchmark Expert.ai against global AI peers, such as C3.ai, OpenText, and BigBear.ai, rather than domestic IT and Technology players, given its unique neuro-symbolic AI platform, product-led strategy, and SaaS monetization roadmap. The company's core EidenAI suite addresses mission-critical needs in regulated sectors (insurance, finance, government) with enterprise-grade natural language understanding capabilities, distinct from service-based models of Italian peers. We value Expert.ai using a weighted average approach, combining a DCF model (70%) and an EV/Sales multiple-based valuation (30%). The DCF is built on 19% revenue CAGR and a 29% EBITDA margin by 2028E, assuming a 3.0% perpetuity growth rate and an 8.9% WACC, yielding an equity value of Eu1.9/share. The multiples-based valuation draws on international AI peers' EV/Sales across FY25-27, reflecting Expert.ai's shift from project-based revenues to a scalable SaaS model. FY25 captures the transitional phase, while FY26-27 are expected to benefit from improved visibility and operating leverage. This method implies an equity value of Eu3.0/share. We see Expert.ai as a long-term deep-tech play, with upside potential tied to execution and the SaaS ramp-up. BUY, TP Eu2.2/share.

### Expert.ai valuation summary

*The 70-30 weighted average of the DCF and multiple comparison methodologies yields a target price of Eu2.2/share for Expert.ai, implying a 55% upside potential*

| Method | Equity Value | | |
|---|---|---|---|
| | (Eu mn) | (Eu per share) | Weight (%) |
| DCF, 8.9% WACC, 3% g | 185.2 | 1.9 | 70% |
| Equity Value on EV/Sales | 289.5 | 3.0 | 30% |
| **Weighted AVG** | **216.5** | **2.2** | |
| N. of shares (mn) | | | 97.338 |




Source: Factset, Alantra

## Strategic reset sparks rebound from post-IPO lows

Expert.ai was listed on 18th February 2014 at an IPO price of Eu1.8/share, under a completely different structure, business model, and even corporate identity, it was known at the time as Expert System. The company initially captured investor attention, with the stock reaching significant peaks across the 2019-21 period. However, performance later faltered, and the share price fell below the IPO level. That said, after hitting a low in mid-22, the stock began to recover. A major turning point came in 2023 with a leadership transition that culminated in the appointment of Dario Pardi as both Chairman and CEO. This change represented a clear strategic inflection point, ushering in a refreshed management team that brought a more balanced approach between entrepreneurial drive and financial discipline.

Faced with structural inefficiencies and suboptimal execution, the new leadership team promptly launched a comprehensive restructuring program in early 2024. The plan focuses on improving cost efficiency, tightening financial controls, and simplifying the company's corporate setup to support scalable growth. In many ways, July 2023 resembled a second IPO moment: the company raised Eu3.8mn in fresh equity capital through a reserved share placement to GUM Group, the investment vehicle controlled by Mr. Pardi, aligning shareholder support with management vision.

Since that strategic move, the stock has increased approximately 50%, signaling renewed investor confidence and early traction in the turnaround effort, compared to +29% of the FTSE Italia Mid Cap index.

**The stock trades below its Feb-14 IPO price but has rebounded since the governance reshuffle started in Jul-23**

*Listed in 2014 as Expert System, Expert.ai reshaped its model post-2023/24 governance shift, triggering a 49% rebound*




Source: Factset, Alantra

## Eu3.0/s valuation using 2025E-27E 40% discounted average EV/Sales international AI peers

We have set up a panel of peers comprising two segments of companies: AI international players and domestic tech players. The Italian sample serves clients with AI-powered software, cybersecurity, and infrastructure solutions aimed at enhancing operational efficiency, data security, and digital agility. These are characterized by:

- AI and NLP technologies applied to voice, text, and big data (Almawave);
- Cyber intelligence, cyber security, and cyber warfare systems (CY4Gate, Cyberoo);
- Enterprise IT solutions and managed services, spanning ERP, CRM, BI, and digital commerce (Sys-Dat, Reply);
- Cloud infrastructure, business continuity, and cybersecurity solutions for critical applications (WIIT);
- Broad focus on digital transformation and enterprise process optimization, often through proprietary platforms and multi-channel systems.

## Italian Tech Peers – Company description

*Italian tech peers span AI, cybersecurity, digital transformation, and enterprise software, serving public and private sectors*

| PEERS Italian Technology Peers | | | | |
|---|---|---|---|---|
| Almawave S.p.A. | ITALY | 93 | Almawave SpA 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 Verbamatic. The company was founded on October 31, 2006 and is headquartered in Rome, Italy. | AI, NLP, big data platforms for speech/text |
| CY4Gate SpA | ITALY | 121 | CY4Gate SpA engages in the design, development, and production of technologies, products, systems and services to provide solutions for cyber intelligence, cyber security, and cyber electronic warfare. It operates through the Cyber Intelligence and Cyber Security business divisions. The Cyber Intelligence division creates and licenses programs which collect and analyze information from open sources in the Internet or social media through the use of electronic and digital devices. The Cyber Security division specializes in products and services which protect information technology systems as well as analyze, catalogue, and counteract threats. The company was founded on December 11, 2014 and is headquartered in Rome, Italy. | Cyber intelligence, cyber security, cyber warfare |
| Cyberoo S.p.A. | ITALY | 66 | Cyberoo SpA provides information technology solutions for the management, optimization, and support of business information systems with focus on cyber security. It operates through the following business segments: Cyber Security Services, Managed Services, and Digital Transformation. The Cyber Security Services segment provides software services such as anti-spam, anti-virus, web security, log management, treat hunting, and security awareness. The Managed Services segment involves in data center management, cloud management, and device management. The Digital Transformation segment develops systems for customer relationship management, human resources management, and product management. The company was founded in 2008 and is headquartered in Reggio Emilia, Italy. | Cyber security, managed/IT services, digital transformation |
| Reply S.p.A. | ITALY | 5,346 | Reply SpA engages in the development of communication and digital media solutions. It operates through the following segments: Technologies, Applications, and Processes. The company was founded by Mario Rizzante and Oscar Pepino in June 1996 and is headquartered in Turin, Italy. | Digital transformation, app development, communication tech |
| Sys-dat S.P.A. | ITALY | 219 | SYS-DAT SpA provides software development, consulting, and maintenance services. Its solutions include supply chain management, warehouse management systems, retail channel management, CRM, sales force automation, digital commerce, business intelligence, artificial intelligence, document management and networking, information security, ERP, HR management, cloud services, and RFID. The firm operates through three business segments: Core Business Software Solutions, Value-added Software Solutions, and ICT Services. The Core Business Software Solutions segment achieves a long-term customer fidelisation. The Value-added Software Solutions segment enables the upselling efforts. The ICT Services segment enhances the group offering and increase customers spend on Group's products. The company was founded in 1977 and is headquartered in Milan, Italy. | Enterprise software (ERP, CRM, AI, logistics) |
| WIIT SpA | ITALY | 470 | WIIT SpA is a holding company, which engages in the provision of hosted private and hybrid cloud services. It offers cloud computing, critical applications, business continuity and disaster recovery, cyber security, technology migrations, service desk, and digital transformation solutions. The company was founded by Alessandro Cozzi in 2001 and is headquartered in Milan, Italy. | Cloud computing, cyber security, business continuity |

Source: Factset, Alantra

The international AI peers provide platforms that harness advanced analytics, automation, and data-driven intelligence to accelerate digital transformation worldwide. Specifically, they focus on:

- Mission-critical analytics platforms for defense, intelligence, and commercial operators (BigBear.ai)
- Enterprise-scale AI suites enabling predictive analytics, IoT, and full-stack digital transformation (C3.ai)
- AI-infused information management and workflow automation across business and IT processes (Open Text)
- Large-scale data-fusion and intelligence systems serving governments and enterprises (Palantir)
- Computer-vision and embedded AI solutions delivering real-time insights across Asian markets (SenseTime)
- Cloud-native data-cloud architecture that unifies storage, compute, and services for AI-driven analytics (Snowflake)
- Conversational AI technologies powering voice, audio, and natural-language interactions (SoundHound AI)

## International AI Peers – Company description

*Global AI peers span enterprise, defense, and automation, with tailored platforms scaling across regions and verticals*

| Company | Country | Mkt Cap (Eu mn) | Company Description | Key Notes |
|---|---|---|---|---|
| **International AI Peers** | | | | |
| BigBear.ai Holdings, Inc. | UNITED STATES | 934 | BigBear.ai Holdings, Inc. engages in data-driven decision dominance and advanced analytics that provide its customers with a competitive advantage in a world driven by data that is growing in terms of volume, variety, and velocity. The firm operationalizes artificial intelligence and machine learning at scale through its end-to-end data analytics platform. It deploys its observe, orient and dominate products to customers throughout the defense, intelligence, and commercial markets. The company was founded in 2020 and is headquartered in McLean, VA. | AI-driven analytics for defense/intelligence |
| C3.ai, Inc. Class A | UNITED STATES | 2,588 | C3.ai, Inc. engages in the provision of enterprise artificial intelligence software for digital transformation. It delivers the C3 AI suite for developing, deploying, and operating large-scale AI, predictive analytics, and Internet of Things applications in addition to a portfolio of turn-key AI applications. It operates through the following geographical segments: North America, Europe, The Middle East, and Africa, Asia Pacific, and Rest of World. The company was founded by Thomas M. Siebel, Patricia A. House and Stephen Maurice Ward, Jr. on January 8, 2009 and is headquartered in Redwood City, CA. | Enterprise AI for digital transformation and IoT |
| Open Text Corporation | CANADA | 6,369 | Open Text Corp. engages in the design, development, marketing and sales of enterprise information management software and solutions. It includes customer experience management (CEM), digital process automation, business network, and enterprise content management, discovery, security, and artificial intelligence (AI) and analytics solutions. It also offers consulting, managed, and learning services. The company was founded on June 26, 1991 and is headquartered in Waterloo, Canada. | Enterprise software with AI, analytics, automation |
| Palantir Technologies Inc. Class A | UNITED STATES | 245,969 | Palantir Technologies, Inc. engages in the business of building and deploying software platforms that serve as the central operating systems for its customers. It operates through the Commercial and Government segments. The Commercial segment focuses on customers working in non-government industries. The Government segment is involved in providing services to customers that are the United States government and non-United States government agencies. The company was founded by Alexander Ceadmon Karp, Peter Andreas Thiel, Stephen Cohen, Joseph Lonsdale, and Nathan Dale Gettings in 2003 and is headquartered in Denver, CO. | Strategic AI platforms for governments and enterprises |
| SenseTime Group, Inc. Class B | HONG KONG | 5,735 | SenseTime Group, Inc. is an investment holding company, which develops AI software services to a broad range of industries. It engages in the sale of advanced artificial intelligence (AI) software, sale of AI software-embedded hardware and related services as well as research and development activities in relation to AI technology mainly in the People's Republic of China, Northeast Asia, Southeast Asia and other geographical areas. The company was founded by Xu Li, Tang Xiao'ou, Wang Xiaogang, Xu Bing and Yang Fan on October 15, 2014 and is headquartered in Shanghai, China. | AI software and embedded systems across Asia |
| Snowflake, Inc. Class A | UNITED STATES | 58,838 | Snowflake, Inc. engages in the provision of cloud data warehousing software. The firm offers Data Cloud, an ecosystem where Snowflake customers, partners, data providers, and data consumers can break down data silos and derive value from data. Its platform supports a range of use cases including data warehousing, data lakes, data engineering, data science, data application development, and data sharing. The cloud-native architecture consists of layers across storage, compute, and cloud services. The storage layer ingests structured and semi-structured data to create a unified data record. The compute layer provides dedicated resources to enable users to access common data sets for many use cases without latency. The cloud services layer optimizes each use case's performance requirements with no administration. The company was founded by Marcin Zukowski, Thierry Cruanes, and Benoit Dageville on July 23, 2012 and is headquartered in Bozeman, MT. | Cloud-native AI-driven platform for data analytics |
| SoundHound AI, Inc Class A | UNITED STATES | 3,118 | SoundHound AI, Inc. engages in the development, owning, and commercialization of voice, sound, and natural language artificial intelligence technologies and related activities. The company was founded on September 2, 2005 and is headquartered in Santa Clara, CA. | AI for voice, sound, and NLP applications |

Source: Factset, Alantra

We believe Expert.ai should be assessed against international AI peers rather than domestic tech players, due to its unique business model, deep-tech focus, and global strategy. Unlike Italian peers in IT services or cybersecurity, Expert.ai is a product-driven AI platform specializing in enterprise natural language understanding through a hybrid neuro-symbolic approach. Its shift to SaaS focuses on recurring revenues, and moves into regulated, data-heavy sectors like insurance, finance, and government make it more comparable to global AI firms such as C3.ai, OpenText, or BigBear.ai.

## Peers – Company financial

*Expert.ai delivers top-line growth and EBITDA margins above both international and domestic peer medians*

| Company | Country | Mkt Cap (Eu mn) | FY25E - FY27E average margins | | | | | CAGR FY24A - FY27E | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | EBITDA Margin | EBIT Margin | Net Income Margin | Capex / Sales | Dividend Payout | Sales | EBITDA | EBIT | EPS |
| Expert AI | ITALY | 138 | 24.8% | 7.8% | 4.2% | 12.9% | 0.0% | 29.0% | 68.5% | nm | nm |
| | Average | | 16.2% | 8.5% | 3.7% | 8.2% | 9.5% | 16.8% | 14.1% | -18.5% | -27.8% |
| | Median | | 20.1% | 12.8% | 10.3% | 3.0% | 0.0% | 15.4% | 20.9% | 15.1% | 13.3% |
| BigBear.ai Holdings, Inc. | UNITED STATES | 934 | -0.9% | -24.4% | -45.2% | 0.7% | na | na | na | na | na |
| C3.ai, Inc. Class A | UNITED STATES | 2,588 | -12.9% | -9.1% | -2.2% | 2.1% | 0.0% | 24.5% | na | -153.6% | -196.0% |
| Open Text Corporation | CANADA | 6,369 | 35.8% | 33.1% | 20.1% | 3.0% | 26.9% | -3.2% | -0.1% | -0.4% | 1.5% |
| Palantir Technologies Inc. Class A | UNITED STATES | 245,969 | 45.8% | 45.2% | 38.9% | 0.7% | 0.0% | 31.9% | 38.2% | 39.3% | 32.8% |
| SenseTime Group, Inc. Class B | HONG KONG | 5,735 | -19.8% | -34.0% | -24.0% | 19.3% | 0.0% | 26.4% | -55.6% | -41.4% | -66.0% |
| Snowflake, Inc. Class A | UNITED STATES | 58,838 | 14.2% | 10.6% | 10.3% | 1.8% | 0.0% | 23.6% | 41.9% | 57.4% | 35.7% |
| SoundHound AI, Inc Class A | UNITED STATES | 3,118 | -15.9% | -7.5% | -7.1% | 1.4% | na | na | na | na | na |
| International AI Peers | Average | 46,221 | 6.6% | 2.0% | -1.3% | 4.1% | 5.4% | 20.6% | 6.1% | -19.7% | -38.4% |
| | Median | 5,735 | -0.9% | -7.5% | -2.2% | 1.8% | 0.0% | 24.5% | 19.1% | -0.4% | 1.5% |
| Almawave S.p.A. | ITALY | 93 | 23.6% | 12.8% | 10.6% | 21.5% | 0.0% | 15.4% | 26.6% | 50.9% | -2.3% |
| CY4Gate SpA | ITALY | 121 | 25.0% | 6.7% | -0.9% | 17.8% | 0.0% | 9.7% | 30.1% | -227.0% | -187.7% |
| Cyberoo S.p.A. | ITALY | 66 | 39.5% | 26.5% | 17.5% | 17.5% | 0.0% | 14.6% | 15.9% | 16.2% | 13.3% |
| Reply S.p.A. | ITALY | 5,346 | 17.7% | 15.0% | 10.3% | 2.0% | 19.6% | 9.0% | 8.3% | 10.6% | 13.9% |
| Sys-dat S.P.A. | ITALY | 219 | 20.1% | 15.2% | 10.4% | 4.4% | 13.8% | 25.4% | 26.0% | 29.7% | 25.8% |
| WIIT SpA | ITALY | 470 | 38.5% | 21.0% | 9.6% | 14.2% | 44.3% | 7.0% | 9.6% | 15.1% | 22.9% |
| Italian Technology Peers | Average | 1,052 | 27.4% | 16.2% | 9.6% | 12.9% | 13.0% | 13.5% | 19.4% | -17.4% | -19.0% |
| | Median | 170 | 24.3% | 15.1% | 10.3% | 15.8% | 6.9% | 12.2% | 20.9% | 15.7% | 13.6% |

Source: FactSet, Alantra

## Trading multiples

*Expert.ai trades at a sharp discount to international AI peers on EV/Sales and EV/EBITDA, despite superior growth and improving margins*

| Company | Country | Mkt Cap (Eu mn) | EV/Sales | | | EV/EBITDA | | | EV/EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| Expert AI | ITALY | 138 | 3.2 x | 2.6 x | 2.2 x | 14.0 x | 11.2 x | 7.9 x | 100.2 x | 36.8 x | 16.5 x |
| *Prem. (disc.) to Int. AI Peers' Median* | | | *-67%* | *-67%* | *-72%* | *-88%* | *-89%* | *-85%* | *nm* | *-67%* | *-75%* |
| | Average | | 19.0 x | 15.2 x | 15.1 x | 96.2 x | 112.6 x | 49.6 x | 111.3 x | 80.7 x | 55.0 x |
| | Median | | 9.7 x | 7.9 x | 7.9 x | 119.3 x | 105.3 x | 51.9 x | 131.9 x | 109.9 x | 67.3 x |
| BigBear.ai Holdings, Inc. | UNITED STATES | 934 | 6.4 x | 5.8 x | na | na | 233.6 x | na | na | na | na |
| C3.ai, Inc. Class A | UNITED STATES | 2,588 | 4.9 x | 4.1 x | na | na | na | na | na | na | na |
| Open Text Corporation | CANADA | 6,369 | 2.4 x | 2.3 x | 2.1 x | 7.1 x | 6.4 x | 5.6 x | 7.6 x | 6.9 x | 6.1 x |
| Palantir Technologies Inc. Class A | UNITED STATES | 245,969 | 72.9 x | 56.7 x | 42.4 x | 162.3 x | 122.8 x | 91.2 x | 165.4 x | 125.4 x | 91.5 x |
| SenseTime Group, Inc. Class B | HONG KONG | 5,735 | 9.7 x | 7.9 x | 6.8 x | na | na | na | na | na | na |
| Snowflake, Inc. Class A | UNITED STATES | 58,838 | 14.2 x | 11.4 x | 9.0 x | 119.3 x | 87.8 x | 51.9 x | 173.7 x | 109.9 x | 67.3 x |
| SoundHound AI, Inc Class A | UNITED STATES | 3,118 | 22.4 x | 18.1 x | na | na | na | na | 98.5 x | na | na |
| International AI Peers | Average | 46,221 | 19.0 x | 15.2 x | 15.1 x | 96.2 x | 112.6 x | 49.6 x | 111.3 x | 80.7 x | 55.0 x |
| | Median | 5,735 | 9.7 x | 7.9 x | 7.9 x | 119.3 x | 105.3 x | 51.9 x | 131.9 x | 109.9 x | 67.3 x |
| Almawave S.p.A. | ITALY | 93 | 1.6 x | 1.3 x | 1.1 x | 7.0 x | 5.6 x | 4.4 x | 13.5 x | 10.2 x | 7.8 x |
| CY4Gate SpA | ITALY | 121 | 1.8 x | 1.6 x | 1.5 x | 7.6 x | 6.3 x | 5.5 x | 68.5 x | 20.9 x | 14.6 x |
| Cyberoo S.p.A. | ITALY | 66 | 2.3 x | 1.9 x | 1.7 x | 5.8 x | 4.6 x | 4.2 x | 8.6 x | 6.6 x | 6.2 x |
| Reply S.p.A. | ITALY | 5,346 | 2.0 x | 1.7 x | 1.5 x | 11.1 x | 9.8 x | 8.7 x | 13.2 x | 11.5 x | 10.2 x |
| Sys-dat S.P.A. | ITALY | 219 | 2.3 x | 2.0 x | 1.8 x | 11.5 x | 9.8 x | 8.8 x | 15.2 x | 12.9 x | 11.6 x |
| WIIT SpA | ITALY | 470 | 3.9 x | 3.5 x | 3.2 x | 10.2 x | 9.2 x | 8.3 x | 20.4 x | 16.7 x | 14.3 x |
| Italian Technology Peers | Average | 1,052 | 2.3 x | 2.0 x | 1.8 x | 8.9 x | 7.6 x | 6.6 x | 23.2 x | 13.1 x | 10.8 x |
| | Median | 170 | 2.1 x | 1.8 x | 1.6 x | 8.9 x | 7.8 x | 6.9 x | 14.3 x | 12.2 x | 10.9 x |

Source: FactSet, Alantra

## Market performance of our peer selection

*Expert.ai outperformed Italian peers over 1-3Y, aligning more with global AI leaders, despite weaker 5Y returns and smaller scale*

| Company | Country | Mkt Cap (Eu mn) | Performance 1M | 3M | 6M | YTD | 1YR | 3YR | 5YR |
|---|---|---|---|---|---|---|---|---|---|
| Expert AI | ITALY | 137 | 8.1% | 26.1% | -0.4% | 6.2% | 15.2% | 35.1% | -50.4% |
| | Average | | 12.9% | -4.8% | 12.8% | -1.7% | 53.3% | 111.4% | 48.1% |
| | Median | | 6.7% | -6.7% | 16.1% | -6.0% | -4.1% | -20.0% | 63.2% |
| BigBear.ai Holdings, Inc. | UNITED STATES | 934 | 34.8% | -46.4% | 48.6% | -18.2% | 139.5% | -64.0% | na |
| C3.ai, Inc. Class A | UNITED STATES | 2,588 | 11.4% | -20.3% | -39.3% | -34.0% | -5.1% | 27.8% | na |
| Open Text Corporation | CANADA | 6,369 | 6.6% | 0.5% | -6.8% | -5.7% | -8.1% | -24.3% | -30.9% |
| Palantir Technologies Inc. Class A | UNITED STATES | 245,969 | 22.3% | 21.7% | 91.6% | 63.0% | 495.1% | 1439.5% | na |
| SenseTime Group, Inc. Class B | HONG KONG | 5,735 | -2.1% | -25.5% | -2.1% | -6.0% | -5.4% | -71.4% | na |
| Snowflake, Inc. Class A | UNITED STATES | 58,838 | 35.7% | 12.5% | 19.5% | 29.6% | 29.4% | 44.1% | na |
| SoundHound AI, Inc Class A | UNITED STATES | 3,118 | 9.5% | -7.1% | 16.1% | -51.7% | 92.0% | 86.4% | na |
| International AI Peers | Average | 46,221 | 16.9% | -9.2% | 18.2% | -3.3% | 105.3% | 205.4% | -30.9% |
| | Median | 5,735 | 11.4% | -7.1% | 16.1% | -6.0% | 29.4% | 27.8% | -30.9% |
| Almawave S.p.A. | ITALY | 93 | 3.0% | -10.4% | 26.5% | 7.6% | -24.8% | -30.2% | na |
| CY4Gate SpA | ITALY | 121 | 36.9% | 30.4% | 26.4% | 3.6% | -21.8% | -50.8% | na |
| Cyberoo S.p.A. | ITALY | 66 | 6.7% | -6.7% | -28.4% | -25.0% | -52.7% | -19.3% | 71.0% |
| Reply S.p.A. | ITALY | 5,346 | -5.2% | -10.5% | -4.7% | -6.8% | 5.1% | 19.7% | 97.0% |
| Sys-dat S.P.A. | ITALY | 219 | 2.9% | 3.6% | 32.1% | 35.1% | na | na | na |
| WIIT SpA | ITALY | 470 | 5.0% | -4.3% | -13.8% | -13.2% | -3.1% | -20.7% | 55.4% |
| Italian Technology Peers | Average | 1,052 | 8.2% | 0.3% | 6.4% | 0.2% | -19.5% | -20.2% | 74.4% |
| | Median | 170 | 4.0% | -5.5% | 10.9% | -1.6% | -21.8% | -20.7% | 71.0% |

Source: FactSet, Alantra

Although US companies provide the closest operational match to Expert.ai's business model, they are not ideal valuation benchmarks due to consistently higher trading multiples. These elevated levels reflect enduring structural advantages such as greater scale, higher liquidity, broader investor access, more flexible capital structures, and more mature financial ecosystems. To neutralize this mismatch, we examined the relative performance of forward EV/Sales multiples in the US and Europe over the past decade. The data reveals that US tech firms have, on average, traded at a 40% premium to their European peers. We believe this spread reflects fundamental differences, including broader market reach and superior access to institutional capital. Accordingly, while US peers help contextualize Expert.ai's strategic positioning, our valuation framework applies a 40% downward adjustment to US multiples to correct for size and liquidity differentials.

Said that, based on the average EV/Sales for FY25-27 of international AI peers, we derive a valuation for Expert.ai of Eu3.0/share. We considered a three-year time frame to properly reflect the execution of Expert.ai's strategy to shift from project-based delivery to a scalable SaaS platform model centered on its proprietary EidenAI suite. FY25 likely reflects transitional metrics, as Expert.ai remains in the early stages of scaling its SaaS model while still absorbing a legacy cost base. By FY26 and FY27, the company is expected to show clearer signs of margin expansion and revenue visibility, moving closer to steady-state performance under its new business model. Averaging these three years helps smooth out year-specific volatility, particularly relevant in a turnaround scenario where operating leverage unfolds progressively.

Valuation (Eu mn), using peers' multiples

| Eu mn | AI Peers International | | |
|---|---|---|---|
| | FY25E | FY26E | FY27E |
| Net Revenues | 50.1 | 58.8 | 58.8 |
| EV/Sales Peer Group | 9.7x | 7.9x | 7.9x |
| *Discount* | *40%* | *40%* | *40%* |
| EV based on multiples | 292.0 | 279.1 | 278.0 |
| (Net debt)/Net cash | (0.5) | 3.5 | 9.3 |
| Adjustments | 3.5 | 2.4 | 1.2 |
| Equity Value on EV/Sales | 295.1 | 285.0 | 288.5 |
| Eu Per Share | 3.03 | 2.93 | 2.96 |

Source: Alantra

## Eu1.9/share valuation with DCF method

We have used a DCF model as a cross-check. We highlight that Expert.ai's back-end-loaded cash flow profile makes the outcome highly sensitive to medium-term assumptions and the perpetual growth rate. Our cash flow projections are based on the following key assumptions:

- Our detailed 2025-27 estimates.
- 19% growth rate and 29% EBITDA margin in 2028E.
- Terminal growth based on 30% EBITDA margin and 8% Capex/Sales.

We use 3.0% perpetual growth rate and 8.9% WACC. We derive a valuation of Eu1.9/share.

Valuation of Expert.ai based on DCF

*We used 8.9% WACC and terminal growth rate is set at 3.0%*

| (Eu mn) | FY24A | FY25E | FY26E | FY27E | FY28E | TV |
|---|---|---|---|---|---|---|
| Value of Production | 32.4 | 47.5 | 56.1 | 65.2 | 78.4 | 80.7 |
| *YoY growth* | - | *47%* | *18%* | *16%* | *20%* | |
| EBITDA | 3.4 | 9.6 | 11.8 | 16.2 | 22.7 | 24.2 |
| *EBITDA Margin* | *10%* | *20%* | *21%* | *25%* | *29%* | *30%* |
| taxes on EBIT | (0.6) | (0.4) | (1.0) | (2.1) | (3.8) | (5.7) |
| Non recurring Cash-out | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NWC Change | (0.8) | (3.0) | (1.0) | (2.0) | (1.9) | (0.3) |
| Capex | (5.3) | (6.1) | (6.3) | (6.8) | (7.4) | (5.3) |
| *Capex/Revenues* | *-16%* | *-13%* | *-11%* | *-10%* | *-9%* | *-7%* |
| Free cash flow | | 0.1 | 3.5 | 5.3 | 9.6 | 222.6 |
| Disc. Free Cash Flow | | 0.1 | 3.1 | 4.3 | 7.2 | 166.7 |

| | |
|---|---|
| Total Disc. FCF | 14.8 |
| Terminal value | 166.7 |
| Total EV (Eu mn) | 181.5 |
| NFP FY24A (debt)/cash | (1.7) |
| Adjustments FY24A | 5.4 |
| TOTAL Equity Value | 185.2 |
| # of shares (mn) | 97.3 |
| Fair Value per share (Eu) | 1.90 |

Source: Alantra

Valuation with sensitivity based on DCF

| | | Wacc | | | | |
|---|---|---|---|---|---|---|
| | | 9.9% | 9.4% | **8.9%** | 8.4% | 7.9% |
| Terminal Growth | 3.5% | 1.7 | 1.9 | 2.0 | 2.3 | 2.5 |
| | 3.3% | 1.6 | 1.8 | 2.0 | **2.2** | 2.4 |
| | **3.0%** | 1.6 | 1.7 | **1.9** | 2.1 | 2.3 |
| | 2.8% | 1.5 | **1.7** | 1.8 | 2.0 | 2.2 |
| | 2.5% | 1.5 | 1.6 | 1.8 | 1.9 | 2.1 |

Source: Alantra

# SWOT

## Strengths

- **Proprietary hybrid AI architecture**: Expert.ai's neuro-symbolic model blends LLMs with symbolic reasoning, enabling explainable, efficient, and deterministic outcomes – a key differentiator in compliance-heavy sectors like insurance, finance, and PA.
- **Domain expertise and vertical specialisation**: Strong traction across regulated industries with deep integration in insurance, banking, pharma, and public entities, underpinned by tailored solutions (e.g., expert.ai for Insurance/Life Sciences).
- **Positive EBITDA turnaround in FY24**: Structural cost reductions (Eu10.3mn OPEX cut), return to positive EBITDA (Eu3.4mn), and improved WC and NFP show successful execution of the 2024 restructuring.
- **Transition to scalable SaaS model**: Shift from custom projects to standardised, recurring SaaS revenue improves scalability, predictability, and gross margins (68% in FY24).
- **Geographical diversification & US expansion**: Growing footprint in North America (23% of FY24 revenues), poised to surpass one-third of sales by 2026.

## Weaknesses

- **Relatively high customer concentration**: Top 10 clients contribute 42% of revenues; top 20, 59%, despite diversified sectors, this implies potential revenue volatility from contract churn.
- **Legacy customization and service dependence**: Historically high exposure to professional services created low-margin dependency, now under transition but still a drag on scalability.
- **Limited penetration outside Italy**: 68% of sales still generated domestically, underscoring need for deeper traction in Western Europe and the US.
- **Ongoing reorganization**: Some initiatives (M&A, partner ecosystem, new operational infrastructure) remain in-progress, posing execution risk and potential delay in expected scale benefits.

## Opportunities

- **Explosive AI market growth**: Addressable market (Italy, WEU, US) expected to grow at 35-40% CAGR through 2028; GenAI at 55%. NLP/NLU market alone to reach Usd30.2bn by 2030.
- **SaaS scaling & managed services rollout**: New managed solutions (E2E claims, KYC, compliance, legal risk) to fuel adoption and increase average contract value.
- **Partner ecosystem development**: Shift toward partner-led go-to-market could accelerate penetration without increasing SG&A intensity. System integrators to act as commercial multipliers.
- **Regulatory tailwinds in Europe**: EU's emphasis on ethical and explainable AI aligns with Expert.ai's value proposition (traceability, domain specificity, transparency).
- **M&A pipeline**: Identified 8-10 actionable targets out of a screened 70-80 – potential to boost scale, tech capabilities, and customer base.
- **Innovation & R&D**: Ongoing investment (12-15% of sales) in proprietary NLP/NLU tech and GenAI integration ensures future proofing of product suite and margin protection.

## Threats

- **Competition from hyperscalers & LLM platforms**: Generalist players (Google, OpenAI, Microsoft) may outpace Expert.ai on scale and pricing, posing a threat despite its explainability edge.
- **High valuation in AI sector**: Overheating valuations can complicate M&A activity or lead to overpayment in inorganic growth scenarios.
- **Customer retention without contractual lock-in**: High integration helps retention, but no contractual stickiness increases renewal risk.
- **Lag in partner execution:** Partner model still 'work in progress', underperformance in building ecosystem could limit international traction and overextend internal sales capacity.
- **IT talent competition & wage inflation**: Scaling AI companies face pressure to retain specialized talent amidst rising wage benchmarks in AI/NLP.

# Main risks

Expert.ai operates in a dynamic and rapidly evolving sector, and as such, faces a broad spectrum of risks that could materially affect its growth trajectory, margin expansion, and long-term value creation. Expert.ai faces a range of risks tied to its SaaS transition, competitive pressures, and evolving AI regulation. Execution challenges, partner dependencies, and fast-paced innovation may hinder scalability and margin expansion. Regulatory tightening could delay sales cycles, while inorganic growth efforts risk integration strain. Timing mismatches in contract revenue and macro-driven IT budget cuts may further pressure cash flow and visibility. Despite a strong repositioning, sustained discipline is required to navigate operational, financial, and strategic complexities in an increasingly competitive landscape. In greater detail:

Execution risk, SaaS transition. While the shift towards a scalable SaaS-based business model is a structural positive, its success hinges on the company's ability to standardize deployments, reduce dependency on professional services, and effectively scale recurring revenue. Delays or missteps in this transition, whether due to operational bottlenecks, suboptimal resource allocation, or inadequate commercial traction, could compromise revenue visibility and operating leverage.

Competitive risk, market intensity. Although the integration of generative AI and neuro-symbolic architectures positions the company at the technological frontier, the pace of innovation in the broader AI landscape remains a moving target. Hyperscalers and well-funded start-ups continue to invest aggressively in adjacent areas such as enterprise LLMs and semantic AI. Should larger players compress pricing or commodities key capabilities, Expert.ai may be forced to adjust its pricing strategy or increase R&D investment, both of which could dilute margins.

Go-to-market risk, partner model. The transition to a partner-led commercial strategy introduces a new layer of risk. While the model is designed to improve scalability and reach, it also creates dependencies on the performance of third-party distributors and system integrators. Commercial misalignment, underperformance, or delays in onboarding new partners may impede revenue growth, particularly in the strategically critical US market.

Regulatory risk, AI compliance. The tightening of regulatory frameworks around artificial intelligence, notably within the EU, presents potential friction points in sales and delivery. Although Expert.ai's explainable AI architecture aligns well with forthcoming standards, evolving legal requirements, such as those stemming from the EU AI Act, may introduce new compliance costs or delay procurement cycles, particularly in highly regulated sectors.

Financial and integration risk, inorganic growth. Despite recent improvements to its balance sheet and capital structure, the company may face renewed financial strain should future M&A or JV activity proceed without strict discipline. Integration complexity, cultural misalignment, or failure to achieve expected synergies could erode shareholder value. Moreover, the execution of inorganic initiatives may temporarily divert management bandwidth away from core operations.

Working capital risk, contract timing. The business remains exposed to timing mismatches between revenue recognition and cash collection, particularly given its mix of multi-year licensing and Q4-weighted contracting patterns. These factors may lead to short-term volatility in cash flows and resource allocation.

Macroeconomic risk, demand sensitivity. While the client base is well diversified, Expert.ai remains vulnerable to cyclical slowdowns in enterprise IT spending. Prolonged macro uncertainty across Europe could delay AI project rollouts or lead to reduced software budgets in key verticals, impacting growth momentum.

# Appendix

## Expert.ai – P&L

| Eu mn | FY22A | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|---|
| **Software** | **19.9** | **21.9** | **17.8** | **29.3** | **36.7** | **44.0** |
| *YoY Growth* | - | *9.6%* | *-18.7%* | *65.0%* | *25.0%* | *20.0%* |
| *on division sales %* | *63.0%* | *67.0%* | *65.0%* | *70.4%* | *73.2%* | *74.9%* |
| **Professional Services** | **8.5** | **7.8** | **6.8** | **8.2** | **8.5** | **9.4** |
| *YoY Growth* | - | *-8.4%* | *-12.7%* | *20.0%* | *4.0%* | *10.0%* |
| *on division sales %* | *27.0%* | *24.0%* | *25.0%* | *19.7%* | *17.0%* | *16.0%* |
| **Grants & Other** | **3.2** | **2.9** | **2.7** | **4.1** | **4.9** | **5.4** |
| *YoY Growth* | - | *-7.2%* | *-6.9%* | *50.0%* | *19.5%* | *10.0%* |
| *on Total Revenues %* | *10.0%* | *9.0%* | *10.0%* | *9.9%* | *9.8%* | *9.2%* |
| **Total** | **31.7** | **32.6** | **27.3** | **41.6** | **50.1** | **58.8** |

| Eu mn | FY22A | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|---|
| **Total Sales** | **31.7** | **32.6** | **27.3** | **41.6** | **50.1** | **58.8** |
| *YoY Growth* | - | *3.1%* | *-16.2%* | *52.3%* | *20.3%* | *17.3%* |
| **Increases in fixed assets for internal works** | **8.9** | **6.4** | **5.0** | **5.8** | **6.0** | **6.5** |
| *YoY Growth* | - | *-27.5%* | *-21.6%* | *15.5%* | *3.1%* | *7.5%* |
| *% of net sales* | *28.0%* | *19.7%* | *18.4%* | *14.0%* | *12.0%* | *11.0%* |
| **Other revenues** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| *YoY Growth* | - | - | - | - | - | - |
| *on sales %* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* |
| **Value of Production** | **40.5** | **39.1** | **32.4** | **47.5** | **56.1** | **65.2** |
| *YoY Growth* | | *-3.6%* | *-17.1%* | *46.5%* | *18.2%* | *16.3%* |
| *on sales %* | *100.0%* | *100.0%* | *100.0%* | *100.0%* | *100.0%* | *100.0%* |
| **Raw materials** | **(2.4)** | **(2.1)** | **(1.8)** | **(3.1)** | **(3.8)** | **(4.4)** |
| *YoY Growth* | | *-13.3%* | *-12.5%* | *71.5%* | *21.8%* | *16.3%* |
| *on sales %* | *-5.8%* | *-5.3%* | *-5.6%* | *-6.5%* | *-6.7%* | *-6.7%* |
| **Services** | **(14.5)** | **(8.2)** | **(7.2)** | **(10.7)** | **(13.2)** | **(15.0)** |
| *YoY Growth* | | *-43.2%* | *-13.0%* | *49.3%* | *23.5%* | *13.8%* |
| *on sales %* | *-35.7%* | *-21.0%* | *-22.1%* | *-22.5%* | *-23.5%* | *-23.0%* |
| **Personnel** | **(34.9)** | **(23.8)** | **(17.6)** | **(19.4)** | **(21.2)** | **(23.1)** |
| *YoY Growth* | | *-31.7%* | *-26.2%* | *10.1%* | *9.4%* | *9.2%* |
| *on sales %* | *-86.1%* | *-61.0%* | *-54.3%* | *-40.8%* | *-37.7%* | *-35.5%* |
| **Other costs** | **(0.2)** | **(1.8)** | **(0.2)** | **(0.4)** | **(0.6)** | **(0.7)** |
| *YoY Growth* | | *792.5%* | *-89.4%* | *119.8%* | *31.3%* | *16.3%* |
| *on sales %* | *-0.5%* | *-4.7%* | *-0.6%* | *-0.9%* | *-1.0%* | *-1.0%* |
| **Third parties** | **(3.0)** | **(3.3)** | **(2.3)** | **(4.3)** | **(5.6)** | **(5.9)** |
| *YoY Growth* | | *12.0%* | *-32.2%* | *88.4%* | *31.3%* | *4.6%* |
| *on sales %* | *-7.4%* | *-8.6%* | *-7.0%* | *-9.0%* | *-10.0%* | *-9.0%* |
| **Total Costs** | **(54.9)** | **(39.3)** | **(29.0)** | **(37.8)** | **(44.3)** | **(49.0)** |
| *YoY Growth* | | *-28.5%* | *-26.2%* | *30.4%* | *17.1%* | *10.7%* |
| *on Total Revenues %* | *-135.5%* | *-100.5%* | *-89.5%* | *-79.7%* | *-78.9%* | *-75.2%* |
| **EBITDA** | **(14.4)** | **(0.2)** | **3.4** | **9.6** | **11.8** | **16.2** |
| *YoY Growth* | | *-98.6%* | *-1740.3%* | *184.6%* | *22.6%* | *37.2%* |
| *on Total Revenues %* | *-35.5%* | *-0.5%* | *10.5%* | *20.3%* | *21.1%* | *24.8%* |
| **D&A** | **(8.7)** | **(8.6)** | **(8.4)** | **(8.3)** | **(8.2)** | **(8.5)** |
| *YoY Growth* | | *-1.4%* | *-2.6%* | *-0.8%* | *-0.8%* | *3.4%* |
| *on total assets %* | *-786.1%* | *-36.2%* | *-26.2%* | *-26.5%* | *-28.2%* | *-31.2%* |
| **EBIT** | **-23.1** | **-8.8** | **-5.0** | **1.3** | **3.6** | **7.7** |
| *YoY Growth* | | *-61.9%* | *-43.4%* | *-127.1%* | *166.5%* | *114.7%* |
| *on Total Revenues %* | *-56.9%* | *-22.5%* | *-15.3%* | *2.8%* | *6.4%* | *11.8%* |
| **Net financial income (costs)** | **(1.2)** | **(1.0)** | **(4.1)** | **(1.2)** | **(0.9)** | **(0.9)** |
| *YoY Growth* | | *-13.4%* | *294.3%* | *-71.5%* | *-21.0%* | *-5.5%* |
| *on Total Revenues %* | *-2.9%* | *-2.6%* | *-12.5%* | *-2.4%* | *-1.6%* | *-1.3%* |
| *on Total Debt %* | *-4.3%* | *-4.4%* | *-20.5%* | *-6.2%* | *-5.1%* | *-5.1%* |
| **Pre-tax profits** | **(24.3)** | **(9.8)** | **(9.0)** | **0.2** | **2.7** | **6.8** |
| *YoY Growth* | | *-59.6%* | *-8.0%* | *-102.1%* | *1306.4%* | *155.8%* |
| *on Total Revenues %* | *-59.8%* | *-25.1%* | *-27.9%* | *0.4%* | *4.8%* | *10.5%* |
| **Taxes** | **0.5** | **(0.0)** | **(1.0)** | **(0.1)** | **(0.7)** | **(1.8)** |
| *tax rate %* | *2.0%* | *-0.1%* | *-11.5%* | *27.0%* | *27.0%* | *27.0%* |
| **Net Profit** | **(23.8)** | **(9.8)** | **(10.1)** | **0.1** | **2.0** | **5.0** |
| *YoY Growth* | | *-58.7%* | *2.4%* | *-101.4%* | *1306.4%* | *155.8%* |
| *on Total Revenues %* | *-58.7%* | *-25.1%* | *-31.1%* | *0.3%* | *3.5%* | *7.7%* |

Source: Company data, Alantra

Expert.ai – Balance Sheet

| (Eu mn) | FY22A | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|---|
| **Inventory** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |
| *% sales* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* | *0.0%* |
| *Days of Inventory* | *0* | *0* | *0* | *0* | *0* | *0* |
| **Receivables** | **20.0** | **21.5** | **16.4** | **23.4** | **26.9** | **30.7** |
| *% sales* | *49.4%* | *55.1%* | *50.8%* | *49.3%* | *47.9%* | *47.1%* |
| *DSO* | *180* | *201* | *185* | *180* | *175* | *172* |
| **Payables** | **(13.5)** | **(5.8)** | **(4.4)** | **(7.2)** | **(9.0)** | **(10.1)** |
| *% costs* | *24.9%* | *14.7%* | *14.8%* | *19.0%* | *20.0%* | *19.8%* |
| *Days of payables* | *247* | *136* | *142* | *142* | *142* | *142* |
| **Other current assets** | **19.3** | **7.5** | **5.9** | **8.5** | **10.1** | **11.7** |
| *% sales* | *47.6%* | *19.3%* | *18.2%* | *18.0%* | *18.0%* | *18.0%* |
| **Other current liabilities** | **(12.1)** | **(12.1)** | **(8.5)** | **(12.3)** | **(14.6)** | **(17.0)** |
| *% sales* | *-29.8%* | *-31.0%* | *-26.3%* | *-26.0%* | *-26.0%* | *-26.0%* |
| **Net Working Capital** | **13.7** | **11.2** | **9.4** | **12.4** | **13.4** | **15.4** |
| *% sales* | 33.9% | 28.7% | 29.0% | 26.2% | 23.9% | 23.7% |
| Proprierty, plant and equipment | 0.8 | 0.7 | 0.6 | 0.7 | 0.8 | 0.9 |
| Intangible assets | 20.3 | 19.4 | 16.9 | 15.0 | 13.4 | 11.8 |
| *o/w goodwill* | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 | 3.4 |
| Financial assets | 0.5 | 10.5 | 12.5 | 12.5 | 12.5 | 12.5 |
| Others/Right of use | 1.7 | 1.2 | 1.3 | 0.9 | 0.5 | 0.2 |
| **Total fixed assets** | **23.4** | **31.8** | **31.3** | **29.1** | **27.2** | **25.5** |
| Employee pension benefits | (3.8) | (4.1) | (4.1) | (6.0) | (7.1) | (8.3) |
| Other non current assets/liabilities (funds) | (0.0) | (4.8) | (3.0) | (3.0) | (3.0) | (3.0) |
| **Net Invested Capital** | **33.3** | **34.0** | **33.6** | **32.5** | **30.5** | **29.6** |
| Short Term debts | 8.6 | 12.7 | 8.1 | 7.1 | 6.1 | 5.1 |
| Long Term debts | 19.3 | 10.9 | 11.7 | 11.7 | 11.7 | 11.7 |
| Cash | (12.0) | (1.8) | (18.1) | (18.3) | (21.3) | (26.1) |
| **Net financial position** | **15.8** | **21.8** | **1.7** | **0.5** | **(3.5)** | **(9.3)** |
| Share capital | 0.6 | 0.7 | 30.4 | 30.4 | 30.4 | 30.4 |
| Reserves | 40.7 | 21.4 | 11.6 | 1.5 | 1.7 | 3.6 |
| Net result | -23.8 | -9.8 | -10.1 | 0.1 | 2.0 | 5.0 |
| **Shareholders Equity** | **17.5** | **12.2** | **31.9** | **32.0** | **34.0** | **39.0** |
| **Source of Funds** | **33.3** | **34.0** | **33.6** | **32.5** | **30.5** | **29.6** |

Source: Company data, Alantra

Expert.ai – Cash-flow statement

| (Eu mn) | FY22A | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|---|
| Net Profit | (23.8) | (9.9) | (10.1) | 0.1 | 2.0 | 5.0 |
| Interests | 1.2 | 1.0 | 4.1 | 1.2 | 0.9 | 0.9 |
| Taxes | (0.5) | 0.0 | 1.0 | 0.1 | 0.7 | 1.8 |
| Losses (gains) of disposal of fixed assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Provisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| D&A | 8.7 | 8.6 | 8.4 | 8.3 | 8.2 | 8.5 |
| Change in net working capital | 5.4 | (4.9) | (0.8) | (3.0) | (1.0) | (2.0) |
| Interests paid | (1.2) | (1.0) | (4.1) | (1.2) | (0.9) | (0.9) |
| Taxes paid | 0.5 | (0.0) | (1.0) | (0.1) | (0.7) | (1.8) |
| Use of funds | 3.8 | 5.2 | (0.7) | 1.9 | 1.1 | 1.2 |
| Other operating items | (3.5) | (3.4) | 2.3 | 0.0 | 0.0 | 0.0 |
| **Cash flow from operating activities** | **(9.4)** | **(4.5)** | **(0.9)** | **7.3** | **10.3** | **12.6** |
| Intangibles | (8.9) | (6.7) | (5.2) | (5.8) | (6.0) | (6.5) |
| Tangibles | (1.1) | (0.3) | (0.1) | (0.3) | (0.3) | (0.3) |
| Financials | (5.7) | 1.7 | (1.9) | 0.0 | 0.0 | 0.0 |
| Acquisitions/Righ of use | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals | 0.5 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from investment activities** | **(15.3)** | **(4.5)** | **(7.2)** | **(6.1)** | **(6.3)** | **(6.8)** |
| | | | | | | |
| New short term debt | (0.0) | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 |
| New M/L term debt | (2.0) | (4.7) | (4.9) | (1.0) | (1.0) | (1.0) |
| Remboursement | 0.0 | 0.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Change in shareholders equity | 9.3 | 4.6 | 29.7 | 0.0 | 0.0 | 0.0 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other items | 0.8 | 3.3 | 3.4 | 0.0 | 0.0 | 0.0 |
| **Change in NFP** | **(16.5)** | **(5.9)** | **20.1** | **1.2** | **4.0** | **5.9** |
| NFP at year beginning | 0.7 | (15.8) | (21.8) | (1.7) | (0.5) | 3.5 |
| **NFP at YE (debt)/cash** | **(15.8)** | **(21.8)** | **(1.7)** | **(0.5)** | **3.5** | **9.3** |
| Net Debt/EBITDA | *nm* | *nm* | *0.5x* | *0.1x* | *nm* | *nm* |

Source: Company data, Alantra

ALANTRA
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