

## Italy – Crowdfunding

## A first-mover ready to consolidate its market positioning

26<sup>th</sup> October 2023

### INITIATION OF COVERAGE

RIC: CFM.MI  
BBG: CFM IM

CrowdFundMe is one of the leading Italian crowdfunding platforms, enabling start-ups and SMEs to raise capital to fund their innovative projects by means of a comprehensive offering of both equity and debt instruments, along with P2P Lending initiatives. Despite tough market conditions, the company is now eager to consolidate its market positioning by generating synergies with Trusters and taking advantage of new regulatory changes predicted to shake up the crowdfunding industry.

#### Rating:

**Buy**

#### Price Target:

**€ 3.00**

Upside/(Downside): 51.5%

Last Price: € 1.98

Market Cap.: € 3.4m

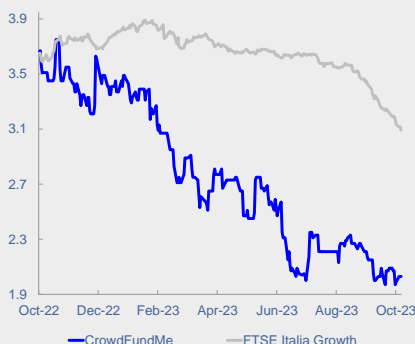
1Y High/Low: € 3.90 / € 1.86

Avg. Daily Turn. (3M, 6M): € 4k, € 5k

Free Float: 48.3%

#### Major shareholders:

Tommaso Baldissera Pacchetti	34.0%
Benedetto Pirro	12.0%
Digitech Srl (Trusters)	5.7%



#### Stock price performance

	1M	3M	12M
Absolute	-1.0%	-13.9%	-45.0%
Rel.to FTSE IT Growth	6.6%	1.3%	-29.5%
Rel.to Peers	9.8%	25.3%	-2.9%

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#### We initiate coverage with a Buy recommendation and a PT of € 3.00/s, 51.5% upside

CFO SIM initiates coverage of CrowdFundMe with a Buy recommendation and a PT of € 3.00/s, 51.5% upside. CFO SIM believes that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock and to avoid incorporating the increased volatility of the stock market. The DCF model is based on a beta=1, WACC=13.2%, 100%-equity structure, as CrowdFundMe still operates in an early-stage phase, along with a g=2.5%, in order to better factor in the long-term potential of the company.

#### A first-mover Italian crowdfunding platform able to offer a wide range of opportunities

Founded in 2013 by the current CEO, Tommaso Baldissera Pacchetti, CrowdFundMe is the first-mover and one of the leading crowdfunding platforms in Italy, allowing start-ups and SMEs to raise capital to fund their innovative projects via its user-friendly online portal. Originally focused on Equity Crowdfunding campaigns, over the years CFM continuously completed its offering of crowdfunding investment instruments, introducing Real Estate and P2P Lending projects as well as mini-bonds dedicated to debt investors. CrowdFundMe is authorised by CONSOB and, as of today, is the only crowdfunding portal listed on the Italian stock exchange.

#### Sales CAGR<sub>22-25</sub> of 37.7%, with EBITDA predicted to turn positive in 2024

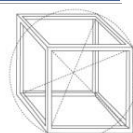
Over the 2023-25 period, CFO SIM expects revenues to exhibit a CAGR<sub>22-25</sub> to the tune of 37.7%, reaching € 2.6m in 2025, underpinned by a strong growth of both CrowdFundMe's equity crowdfunding campaigns and Trusters. EBITDA is expected to turn positive in 2024, mainly benefitting from economies of scales while Net Profit is anticipated to be almost at break-even in 2025. Net Financial Position is anticipated to slightly worsen in 2023 at ca. € 0.2m cash, while materially improving in the coming years, to reach € 0.6m in 2025, driven by a combination of a better profitability and lower forecasted capex in 2024-25.

#### Focus on the integration of Trusters and take advantage of deep regulatory changes

CrowdFundMe's short-medium term strategy will be mainly focused on 1) the integration of Trusters, by maximising both costs and revenues synergies, in light of Trusters' highly complementary offer, 2) taking advantage of the dematerialisation of shares of Srl (Limited Liability Company), which is expected to improve the liquidity and the efficiency of both the primary and secondary market, 3) improving both the average fee and funds raised per campaign by launching enticing projects of higher quality as well as of higher targeted amount, and 4) leveraging on its well-establish market positioning and expertise to fill the void of the platforms that will likely leave the market following the roll out of the ECSP Regulation, since some of them do not have the required financial resources to comply with the new procedures.

#### CrowdFundMe, key financials and ratios

€ m	2021	2022	2023e	2024e	2025e
Revenues	1.336	1.001	1.685	2.167	2.614
Value of Production	1.441	1.155	1.877	2.167	2.614
EBITDA	0.201	(0.121)	(0.045)	0.198	0.497
EBIT	(0.039)	(0.422)	(0.712)	(0.383)	(0.013)
Net Profit	(0.046)	(0.422)	(0.716)	(0.385)	(0.003)
NFP (cash)/debt	(0.985)	(0.435)	(0.187)	(0.212)	(0.563)
EBITDA margin	13.9%	-10.5%	-2.4%	9.1%	19.0%
EBIT margin	-2.7%	-36.5%	-37.9%	-17.7%	-0.5%
EPS stated FD €	(0.03)	(0.26)	(0.42)	(0.22)	(0.00)
EPS growth	n.m.	n.m.	n.m.	n.m.	n.m.
ROCE	Neg.	Neg.	Neg.	Neg.	Neg.
NWC/Sales	-10.2%	-18.7%	-9.0%	-4.6%	-2.2%
EV/Sales x	4.20	5.78	1.91	1.47	1.09
EV/EBITDA x	28.0	n.m.	n.m.	16.1	5.7
EV/EBIT x	n.m.	n.m.	n.m.	n.m.	n.m.
PER x	n.m.	n.m.	n.m.	n.m.	n.m.
Free Cash Flow Yield	5.0%	-57.0%	-7.3%	0.7%	10.3%



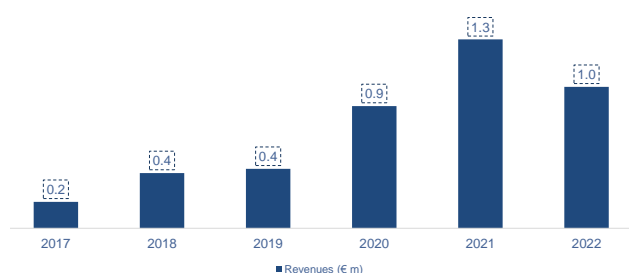
## The Company at a Glance

Founded in 2013 by the current CEO, Tommaso Baldisserra Pacchetti, CrowdFundMe is the first-mover and one of the leading crowdfunding platforms in Italy, allowing start-ups and SMEs to raise capital to fund their innovative projects via its user-friendly online portal. Originally focused on Equity Crowdfunding campaigns, over the years CrowdFundMe has continuously completed its offering of crowdfunding investment instruments, introducing Real Estate and P2P Lending projects as well as mini-bonds dedicated to debt investors. CrowdFundMe is authorised by the public authority responsible for regulating the Italian financial markets (CONSOB), and represents today the only crowdfunding platform listed on the Italian stock exchange.

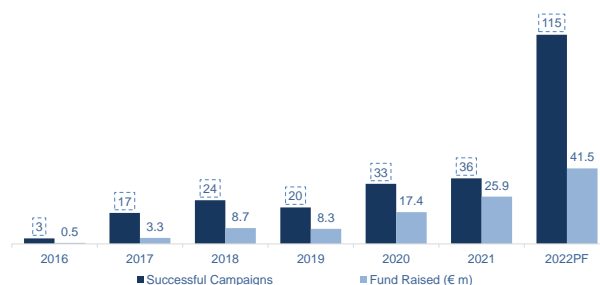
In the period 2016-22, the total funds raised per year as well as the number of projects launched on CrowdFundMe's platform soared exponentially. Indeed, the number of projects successfully concluded went from just 3 in 2016 to 38 in 2021, increasing more than tenfold. Moreover, by considering the acquisition of TruSters in 2022 as if it was consolidated at the beginning of the year, the total number of initiatives successfully concluded skyrocketed to 115. Consequently, total funds raised passed from € 300k in 2016 to € 41.5m in 2022, with approximately 18,000 investors participating to the campaigns compared to just 157 in 2016.

FY-22 pro-forma results shows revenues of € 1.0m, EBITDA negative for € 121k, as well as a bottom line negative for € 422k. Net Financial Position stands at € 435k cash.

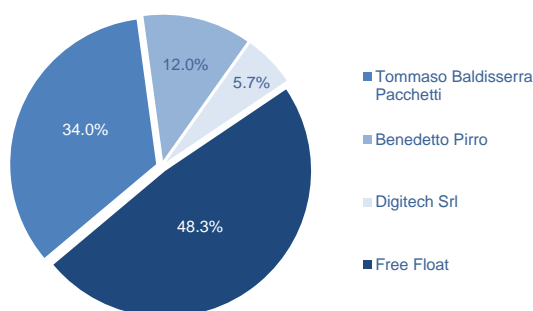
### 2017-22 top line evolution



### 2016-22PF n. of campaigns and funds raised



### Shareholders Structure



### Peer group absolute performance

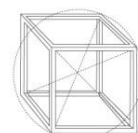
%	1D	1W	1M	3M	6M	YTD
Funding Circle Holdings PLC	(1.1)	2.5	(7.4)	(29.6)	(29.6)	(34.2)
LendingClub Corp	(2.6)	(3.9)	(14.1)	(48.9)	(26.4)	(41.1)
<b>Median</b>	<b>(1.9)</b>	<b>(0.7)</b>	<b>(10.8)</b>	<b>(39.2)</b>	<b>(28.0)</b>	<b>(37.7)</b>
<b>CrowdFundMe SpA</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>(13.9)</b>	<b>(27.7)</b>	<b>(42.4)</b>

Sources: CFO SIM, Refinitiv Eikon

### Peer group multiples table

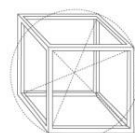
Price & EV multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Funding Circle Holdings PLC	0.65	0.59	neg.	20.0	7.1	3.1	neg.	neg.
LendingClub Corp	2.45	2.11	22.7	25.3	7.6	6.1	18.0	13.2
<b>Median</b>	<b>1.55</b>	<b>1.35</b>	<b>22.7</b>	<b>22.6</b>	<b>7.3</b>	<b>4.6</b>	<b>18.0</b>	<b>13.2</b>
<b>CrowdFundMe SpA</b>	<b>1.91</b>	<b>1.47</b>	<b>neg.</b>	<b>16.1</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>

Sources: CFO SIM, Refinitiv Eikon



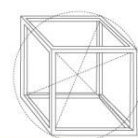


Income statement (€ m)	2021	2022	2023e	2024e	2025e
Revenues	1.336	1.001	1.685	2.167	2.614
Value of Production	1.441	1.155	1.877	2.167	2.614
Raw material and processing	(0.007)	(0.005)	(0.008)	(0.009)	(0.010)
Services	(0.781)	(0.719)	(1.230)	(1.278)	(1.399)
Personnel expenses	(0.408)	(0.489)	(0.586)	(0.595)	(0.604)
Other opex	(0.044)	(0.064)	(0.098)	(0.087)	(0.105)
EBITDA	0.201	(0.121)	(0.045)	0.198	0.497
D&A	(0.240)	(0.301)	(0.667)	(0.581)	(0.509)
EBIT	(0.039)	(0.422)	(0.712)	(0.383)	(0.013)
Financials	0.000	0.001	(0.006)	(0.006)	(0.006)
Re/(Devaluation) of financial assets	0.000	(0.002)	0.000	0.000	0.000
Forex gain/(loss)	0.000	0.000	0.000	0.000	0.000
Pre-Tax profit	(0.039)	(0.423)	(0.718)	(0.389)	(0.018)
Income taxes	(0.007)	0.000	0.000	0.000	0.000
Minorities	0.000	0.000	0.001	0.004	0.015
Net Profit	(0.046)	(0.422)	(0.716)	(0.385)	(0.003)
Balance sheet (€ m)	2021	2022	2023e	2024e	2025e
Net Working Capital	(0.136)	(0.187)	(0.151)	(0.100)	(0.057)
Net Fixed Assets	0.538	3.755	3.338	2.907	2.547
Equity Investments	0.001	0.001	0.001	0.001	0.001
Other M/L Term A/L	(0.113)	(0.152)	(0.240)	(0.275)	(0.328)
Net Invested Capital	0.290	3.417	2.948	2.533	2.164
Net Financial Position	(0.985)	(0.435)	(0.187)	(0.212)	(0.563)
Minorities	0.000	0.083	0.082	0.077	0.062
Group's Shareholders Equity	1.275	3.769	3.053	2.668	2.665
Financial Liabilities & Equity	0.290	3.417	2.948	2.533	2.164
Cash Flow statement (€ m)	2021	2022	2023e	2024e	2025e
Net income before minorities	(0.046)	(0.423)	(0.718)	(0.389)	(0.018)
Depreciation	0.240	0.301	0.667	0.581	0.509
Other non-cash charges	0.184	(0.350)	0.089	0.035	0.053
Cash Flow from Oper. (CFO)	0.377	(0.472)	0.038	0.227	0.544
Change in NWC	0.029	0.051	(0.036)	(0.051)	(0.043)
FCF from Operations (FCFO)	0.406	(0.420)	0.002	0.175	0.501
Net Investments (CFI)	(0.076)	(3.159)	(0.250)	(0.150)	(0.150)
Free CF to the Firm (FCFF)	0.330	(3.579)	(0.248)	0.025	0.351
CF from financials (CFF)	0.012	3.107	0.000	(0.000)	0.000
Free Cash Flow to Equity (FCFE)	0.342	(0.472)	(0.248)	0.025	0.351
Financial ratios	2021	2022	2023e	2024e	2025e
EBITDA margin	13.9%	-10.5%	-2.4%	9.1%	19.0%
EBIT margin	-2.7%	-36.5%	-37.9%	-17.7%	-0.5%
Net profit margin	-3.2%	-36.5%	-38.2%	-17.8%	-0.1%
Tax rate	-18.2%	0.0%	0.0%	0.0%	0.0%
Op NWC/Sales	-10.2%	-18.7%	-9.0%	-4.6%	-2.2%
Interest coverage x	n.m.	n.m.	n.m.	n.m.	n.m.
Net Debt/EBITDA x	n.m.	n.m.	n.m.	n.m.	n.m.
Net Debt-to-Equity x	n.m.	n.m.	n.m.	n.m.	n.m.
ROIC	Neg.	Neg.	Neg.	Neg.	Neg.
ROCE	Neg.	Neg.	Neg.	Neg.	Neg.
ROACE	Neg.	Neg.	Neg.	Neg.	Neg.
ROE	Neg.	Neg.	Neg.	Neg.	Neg.
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2021	2022	2023e	2024e	2025e
Number of shares # m	1.48	1.71	1.71	1.71	1.71
Number of shares Fully Diluted # m	1.48	1.71	1.71	1.71	1.71
Average Number of shares Fully Diluted # m	1.47	1.59	1.71	1.71	1.71
EPS stated FD €	(0.03)	(0.26)	(0.42)	(0.22)	(0.00)
EBITDA €	0.14	(0.08)	(0.03)	0.12	0.29
EBIT €	(0.03)	(0.26)	(0.42)	(0.22)	(0.01)
BV €	0.86	2.25	1.83	1.60	1.59
FCFO €	0.28	(0.26)	0.00	0.10	0.29
FCFF €	0.22	(2.24)	(0.14)	0.01	0.20
FCFE €	0.23	(0.30)	(0.14)	0.01	0.20
Dividend €	0.00	0.00	0.00	0.00	0.00





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## 1. Investment Summary

CrowdFundMe is the first-mover and one of the leading crowdfunding platforms in Italy, allowing start-ups and SMEs to raise capital to fund their innovative projects via its user-friendly online portal.

Originally focused on Equity Crowdfunding campaigns, over the years CrowdFundMe has continuously completed its offering of crowdfunding investment instruments, introducing Real Estate and P2P Lending projects as well as mini-bonds dedicated to debt investors. **CrowdFundMe** is authorised by CONSOB, and, as of today, **is the only crowdfunding portal listed on the Italian stock exchange.**

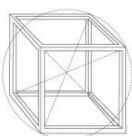
In the period 2016-22, **the total funds raised per year as well as the number of projects launched on CrowdFundMe's platform soared exponentially.** Indeed, the number of projects successfully concluded went from just 3 in 2016 to 38 in 2021, increasing more than tenfold. Moreover, by considering the acquisition of Trusters in 2022 as if it was consolidated at the beginning of the year, the total number of initiatives successfully concluded skyrocketed to 115. Consequently, **total funds raised passed from € 300k in 2016 to € 41.5m in 2022, with approximately 16,000 investors participating** compared to just 157 over the same period.

After being one of the first-movers crowdfunding portals, CrowdFundMe managed to steadily growth and maintain its leadership positioning and extend its offer also in light of the recent acquisition of Trusters. CrowdFundMe's short-medium term strategy will be focused on 1) **continuing the integration of Trusters** by maximising both costs and revenues synergies, in light of Trusters' highly complementary offer, 2) **enhancing both the average fee and funds raised per campaign** by launching projects of higher quality as well as of higher targeted amount, and 3) **seizing market opportunities arising from both the dematerialisation of shares of Srl (Limited Liability Company) and the roll out of the ECSP Regulation**, which is expected to decrease the number of Italian authorised portals, as some of them do not have the required financial resources to comply with the new procedures.

Over the 2023-25 period, **CFO SIM expects revenues to exhibit a CAGR<sub>22-25</sub> to the tune of 37.7%, reaching € 2.6m in 2025**, underpinned by a strong growth of both CrowdFundMe's equity crowdfunding campaigns and Trusters. **EBITDA is expected to turn positive in 2024**, mainly benefitting from economies of scales while **Net Profit is anticipated to be almost at break-even in 2025**. Net Financial Position is anticipated to slightly worsen in 2023 at ca. € 0.2m cash, while materially improving in the coming years, to reach € 0.6m in 2025, driven by a combination of a better profitability and lower capex in 2024-25.

**CFO SIM initiates coverage of CrowdFundMe with a Buy recommendation and a PT of € 3.00/s, 51.5% upside.** CFO SIM believes that the **DCF model** is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-long term value of the stock and to avoid incorporating the increased volatility of the stock market. The DCF model is based on a  $\beta=1$ , WACC=13.2%, 100%-equity structure, as CrowdFundMe still operates in an early-stage phase, along with a  $g=2.5\%$ , in order to better factor in the long-term potential of the company.

The **principal investment risks** associated with CrowdFundMe include: 1) higher interest rates or adverse macroeconomic conditions could harm equity crowdfunding campaigns as well as investors' risk appetite, 2) tight credit constraint could slow down business expansion, 3) a lower operating cash flow could jeopardise key investments to update and improve the crowdfunding platform, 4) regulatory changes could reshape competitive landscape and nullify previously secured competitive advantages.



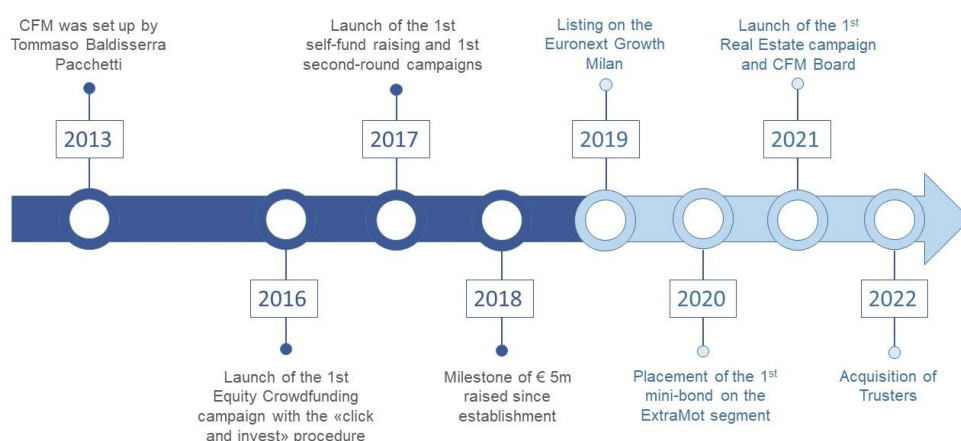


## 2. CrowdFundMe in a Nutshell

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Chart 1 – CrowdFundMe, Company history

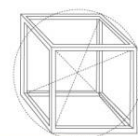


Source: Company data, CFO SIM

**CrowdFundMe was set up on the founder's idea of creating a digital showcase capable of connecting fresh and innovating entrepreneurial ideas and investors** through a user-friendly and effective platform. In 2014, the company entered in the register of authorised equity crowdfunding portals drafted by CONSOB, and launched its very first campaign in 2015. In Aug-16, the company launched the first campaign with the revolutionary procedure 'click and invest', enabling investors to participate directly from home. Moreover, just eight months later, it announced the successful completion of the 10<sup>th</sup> campaign, including the self-placement of the 13.8% of CrowdFundMe's share capital for a total consideration of € 278k. In 2019, it reached the milestone of € 5m raised since its foundation. **CrowdFundMe was admitted on Euronext Growth Milan in March 2019** and, still today, is the only crowdfunding portal listed on the Italian stock exchange.

The fresh resources collected with the IPO were used to execute the ambitious plan aimed at placing CrowdFundMe as a landmark of the Italian crowdfunding landscape, chiefly by means of targeted investments in order to support marketing activities, expand its product offering and take advantage of M&A opportunities. As a matter of fact, **CrowdFundMe placed in first mini-bond to qualified retail investors (2021), launched its first Real Estate crowdfunding campaign along with the Bulletin Board to improve investments liquidity (2021), and finalised the acquisition of Trusters in late 2022**, now offering P2P Lending projects. As of today CrowdFundMe, on a pro-forma basis, **has more than 90,000 registered users and 16,000 investors**, has successfully launched more than 500 campaigns and raised over € 160m.

CrowdFundMe allows crowdfunding investments in innovative start-ups and SMEs by making use of a very straightforward model, comprising the following main steps:

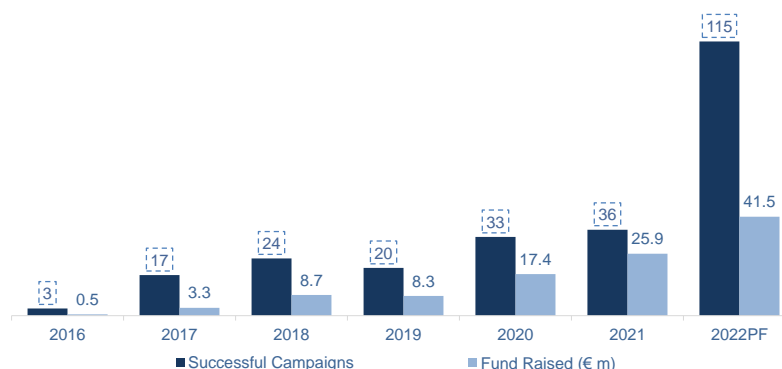


- **Project Analysis:** thanks to a user-friendly platform, an entrepreneur submits their project on CrowdFundMe's website. Afterwards, **a dedicated team analyses the project** to spot possible improvements and gauge its completeness, feasibility and overall potential.
- **Screening, Selection and Publication:** CrowdFundMe refines the Business Plan and starts focusing on a communication strategy along with the effectiveness of the storytelling. Additionally, it entrusts to third-party advisors activities focused on exploring market interest and valuation. If the initiative ticks all the boxes, CrowdFundMe launches the investment campaign by uploading the project on its portal **for 45 to even 90 days or until the targeted amount is achieved.**
- **Secondary Market:** in March-21, the company introduced the **Bulletin Board, an online proprietary section where investors are able to partially or totally cash out** their investment, materially enhancing the exchanges of these historically illiquid financial instruments.

Beyond acting as an intermediary matching demand for funding and supply, **CrowdFundMe offers additional services to start-ups and SMEs throughout the entire campaign**, among which: advisory services relative to corporate strategy, optimisation of the financial structure, draw up of Business Plans, marketing campaign and arrangement of meetings with investors.

**CrowdFundMe generates its revenues by applying a % fee on the total capital raised of successful campaigns**, which fluctuated around 5% over the past years. On top of that, a secondary source of revenues is represented by all the aforementioned advisory services. FY-22 results exhibit **revenues of € 1.0m, EBITDA negative for € 121k**, and a bottom line negative for € 422k. **Net Financial Position was € 435k cash.**

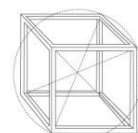
**Chart 2 – CrowdFundMe, 2016-22PF Successful campaigns and funds raised – € m**



Source: Company data, CFO SIM

In the period 2016-22, the total funds raised per year as well as the number of projects launched on CrowdFundMe's platform soared exponentially. Indeed, the number of projects successfully concluded went from just 3 in 2016 to 38 in 2021, increasing more than tenfold. Moreover, **considering the acquisition of Trusters in 2022** as if it was consolidated at the beginning of the year, **the total number of initiatives successfully concluded skyrocketed to 115**. Consequently, **total funds raised passed from € 300k in 2016 to € 41.5m in 2022, with approximately 16,000 investors participating compared to just 157 over the same period.**

**The average funds raised per campaign was just € 109k in 2016 and peaked in 2021 to € 725k**, mainly in light of CrowdFundMe's focus on initiatives with greater fund needs as well as the impact of the mini-bond campaigns which, on average, raised roughly € 1.1m each. Over the same period, the average ticket by an investor rose from approximately € 2,000 to € 4,300, which highlights the ever-increasing confidence of the Italian investors in CFM's projects and, overall, in the alternative finance industry.



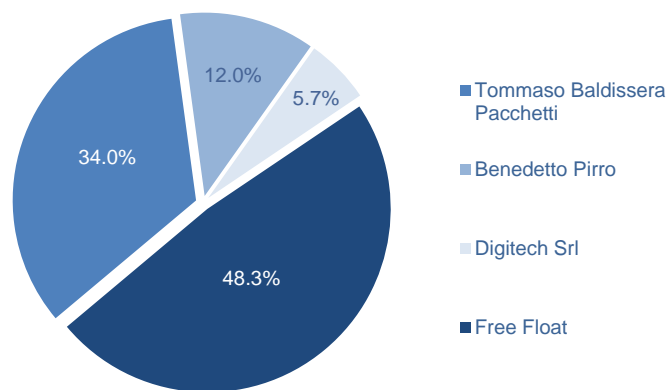
### 3. IPO Structure & Governance

CrowdFundMe went public on Euronext Growth Milan on 25-Mar-19 at € 9.0/share, corresponding to a post-money market capitalisation of € 13.3m with a free float equal to 30.1%. The IPO comprised a primary offering for a total amount of € 2.8m.

Currently, the founder and co-founder of CrowdFundMe hold 34.0% and 12.0% of the share capital, respectively, while Digitech Srl (Trusters) holds 5.7% of the share capital. **Free float stands at 48.3%.**

A warrant was assigned free of charge to every two shares held on the IPO date. Furthermore, an additional warrant was assigned to each two shares to whoever has been a shareholder of the company without interruption from the IPO date to June 20<sup>th</sup> 2019. The warrants' exercise periods ran mid-October 2019, 2020 and 2021, with an exercise price of € 9.90, € 10.89 and € 11.98 per share, respectively. The total number of warrant exercised amounted to 3,641 and, as of today, there are no warrants outstanding.

Chart 3 – CrowdFundMe, current shareholders structure



Source: Company data

CrowdFundMe operates with a management team composed of several key people:

- **Tommaso Baldissera Pacchetti** is the **Chairman and CEO** of CrowdFundMe. Born in the United States, he founded the company in 2013, after having co-founded and worked as Chief Marketing Officer of Doctor Dentist, where he focused on the openings of new clinics until 2014.
- **Benedetto Pirro** is the **co-founder and COO** of CrowdFundMe and responsible for all the processes related to the platform's technological infrastructure along with the screening and on-boarding activities of the issuing companies. After having graduated from Bocconi University in Economy and Management for Innovation and Technology, he served as Business Strategy Consultant in Accenture from 2010 to 2015 mainly in the Media & Communication sector. He worked on both national and international projects, dealing with a wide range of activities, among which commercial strategy, business transformation, management of digital customers and business process optimisation.
- **Edoardo Varacca Capello** serves as **Chief Financial Officer** of CrowdFundMe. He earned a bachelor's degree in Economics and Institutions of Financial Markets in 2006 at Bocconi University and a master's degree at Catholic University of Sacred Heart. From 2007 to 2014, he worked in Credit Suisse, first as Portfolio Manager focused on US equity. Then, he served as Assistant Fund Manager for the Credit Suisse Italy Fund and dealt with Asset Allocation decisions for private and





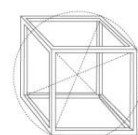
institutional customers, with a brief period in Singapore working on Risk Management activities. Since 2014, he has been serving as Head of Financial Assets and as a member of the investment committee of XY SA. He has also been a member of investment committee for Management Innovation Srl since 2018.

Currently, the **Board of Directors** is made up of 5 members, one of whom being an independent director.

**Table 1 – CrowdFundMe, Board of Directors**

Name	Role
Tommaso Baldissera Pacchetti	Chairman & Chief Executive Officer
Benedetto Pirro	Chief Operating Officer
Edoardo Varacca Capello	Chief Financial Officer
Enrico Pandian	Director
Leonardo Luca Etro	Independent Director

Source: Company data



## 4. The Reference Market

Crowdfunding is defined as the practice of funding businesses, usually start-ups, SMEs or a specific project, by raising financial resources from a large number (crowd) of investors via an online platform.

Generally, crowdfunding is broken down into two categories:

- **Equity Crowdfunding**, which entails the subscription of share capital increase in order to support the development of innovative start-ups and SMEs or to acquire shares in an investment vehicle set up to fund **real estate projects**, mainly focused on the renovation of a property or the construction from scratch;
- **Lending Crowdfunding**, which envisages the practice of lending money to individuals or businesses by means of an online match-making platform, usually in exchange of a fixed return.

It is worth to note that **crowdfunding can be used to fund non-profit activities too**, such as artistic and creative projects, along with community-oriented, philanthropic and cultural initiatives.

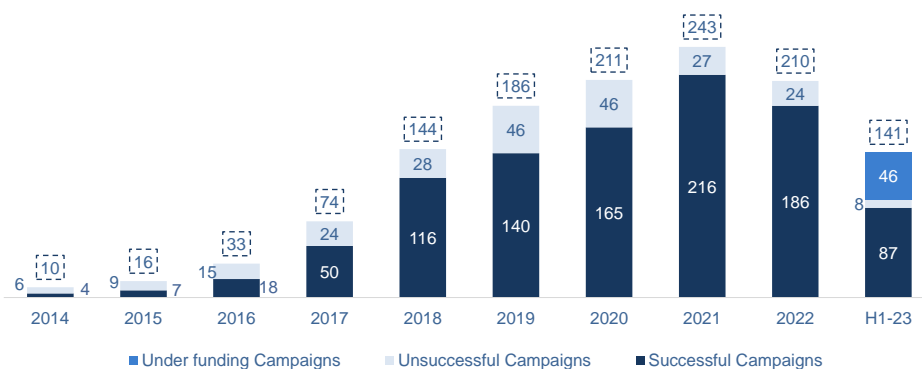
**Main risks relating to the investment in crowdfunding** are: 1) high information asymmetry between individuals or businesses and crowdfunders, 2) instruments' illiquidity, 3) a use of proceeds different from the one originally disclosed to the investors, and, 4) a limited role played by supervisors, i.e. CONSOB, although the new ESCP regulation will provide some improvements.

### 4.1. Equity Crowdfunding

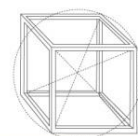
**Equity Crowdfunding was introduced in Italy in 2012 with the entry into force of the Legislative Decree 179/2012** (Decreto Sviluppo-bis), which also introduced the status of an 'innovative start-up' as well as the regulatory framework for mini-bonds. Moreover, the Legislative Decree n. 232/2016 extended equity crowdfunding to all SMEs and startups, even those which do not have the 'innovative' status.

**As of 30<sup>th</sup> June 2023, 48 equity crowdfunding portals were authorised**, slightly declining from 51 YoY. In addition, only 24 have published at least one campaign over the last twelve months. Moreover, seven portals still have not published a campaign since their foundation.

**Chart 4 – CrowdFundMe, 2014- H1-23 number of equity crowdfunding campaigns in Italy**



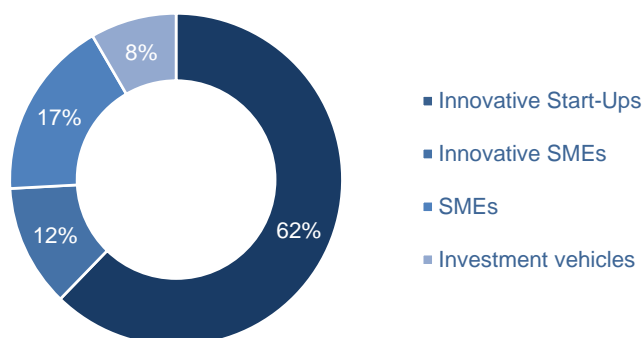
Source: Osservatorio EIFI



According to the '8th report on CrowdInvesting' drafted by Milan Polytechnic, **from 2014 to the first semester of 2023, 1,268 equity crowdfunding campaigns were proposed to the investors, of which 989 were successfully completed** while 233 (approximately 19%) were withdrawn as they did not reach the minimum target required. **The cumulative funds raised amounted to € 571.7m.**

Overall, the Italian equity crowdfunding market showed an outstanding growth since 2014, when only ten campaigns were launched, and peaked in 2021, a record year which envisaged a staggering amount of projects launched (243). **Over the same period, total funds raised soared from just € 1.3m to € 149.5m.**

**Chart 5 – CrowdfundMe, Funds raised by type of enterprise - %**



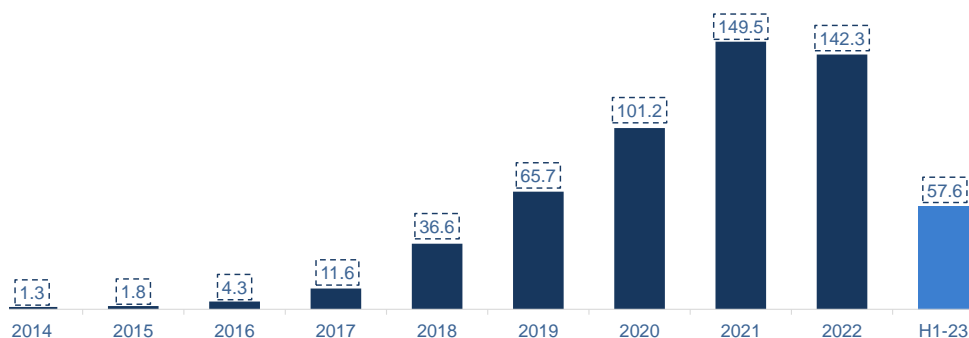
Source: 8<sup>th</sup> report on CrowdInvesting by Milan Polytechnic

In terms of the type of enterprise that raises fresh resources via an equity crowdfunding campaign, **the Italian market is broken down into four main groups**. If we consider the abovementioned 1,268 campaigns carried out since 2014, and subtract those relating to the same company that closed multiple investment rounds in different years or on different portals, we come up with **1,100 enterprises**.

**62% of the entire market comprises innovative start-ups, followed by SMEs (17%), innovative SMEs (12%) as well as Investment vehicles (8%).** The latter, in particular, invest in a well-diversified portfolio of innovative start-ups and SMEs, or are established as ad hoc vehicles with the aim to invest in a single project, operating more similarly to a club deal.

Furthermore, **the geographical breakdown since 2014 exhibits the dominance of the Lombardy region**, where 41% of companies that took part in a crowdfunding campaigns are located, followed by Emilia-Romagna (10%) and Lazio (9%).

**Chart 6 – CrowdfundMe, 2014 – H1-23 total funds raised via equity crowdfunding – € m**



Source: 8<sup>th</sup> report on CrowdInvesting by Milan Polytechnic

**In 2022, the number of campaigns launched declined by 13.6% YoY**, mainly in the wake of 1) an abrupt rise in interest rates, which made less risky asset classes such as government bonds and fixed income instruments more attractive, 2) inflationary



pressures and geopolitical instability that hampered both investors' purchasing power as well as risk appetite. However, **total funds raised fell by only 4.8% YoY to € 142.3m, reflecting the investors' preference for larger projects.**

**The first semester of 2023 still exhibits a flattish environment** for the Italian equity crowdfunding market, as the number of campaigns successfully launched, according to the Milan Polytechnic, totalled 88, broadly aligned YoY. Additionally, **total funds raised as of 30<sup>th</sup> June, reached € 57.6m.**

**Table 2 – CrowdFundMe, Top 3 Italian equity crowdfunding platforms - € m - %**

	2014-H1-23	H1-22 – H1-23
MamaCrowd	130.7	45.9
Walliance	105.0	36.6
CrowdFundMe	90.3	18.1
<b>EQUITY CROWDFUNDING TOTAL</b>	<b>571.7</b>	<b>114.5</b>
<b>% of the first three players on total</b>	<b>57%</b>	<b>88%</b>

Source: 8<sup>th</sup> report on CrowdInvesting by Milan Polytechnic

Since 2014, **MamaCrowd** is the leading equity crowdfunding portal, with an aggregate funds raised equal to € 130.7m, followed by **Walliance** (€ 105m), entirely focused on Real Estate equity crowdfunding projects, and **CrowdFundMe** (€ 90.3m). Indeed, these three players dominate the equity crowdfunding market, **having attracted to their portals 57% of the entire funds raised since 2014**, and 88% in the period 30<sup>th</sup> June 2022- 30<sup>th</sup> June 2023.

It is worth to note **that the average investment by individuals**, i.e., retail investors **was approximately € 6,000 in 2022**, higher if compared to both the historical average 2014-22 (c. €4,200) and 2021 (€ 4,925), mainly as a result of a greater number of real estate projects, which entails a higher investment ticket, as well as certain fiscal incentives. **Median value stood at € 1,000.**

## 4.1.1 Equity Crowdfunding Competitive Landscape

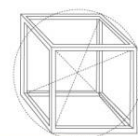
As of today, the still relatively young Italian equity crowdfunding landscape encompasses 48 authorised crowdfunding platforms. Moreover, **the market is rather concentrated as the top 5 companies propose on their portal the vast majority of the campaigns.**

According to the '8<sup>th</sup> report on CrowdInvesting', drafted by Milan Polytechnic, **from July-22 to June-23, the top 5 players published 66% of the campaigns.** Additionally, out of the previously mentioned 1,268 campaigns launched, both successful and unsuccessful, **almost 50% originated from the top 3 portals: MamaCrowd (175), CrowdFundMe (169) and Opstart (135).**

**Table 3 – CrowdFundMe, Top 10 Italian equity crowdfunding players - € m**

Platform	# of campaigns successfully launched	Cumulative funds raised	Average funds raised per campaign
MamaCrowd	175	130.0	0.74
CrowdFundMe	169	74.8	0.44
Opstart	135	47.1	0.35
BacktoWork 24	137	37.4	0.27
Two Hundred	50	19.5	0.39
We are Starting	54	7.7	0.14
EcoMill	15	5.9	0.39
Starsup	26	5.3	0.20
TheBestEquity	7	3.6	0.51
NextEquity	9	3.4	0.38

Source: Crowdfundingbuzz.it, data updated as of 10<sup>th</sup> October 2023



If we take into account only the successful campaigns in equity crowdfunding, thus excluding Real Estate projects and those related to investment vehicles and UCITS, **the leading market player is MamaCrowd, having recorded a cumulative funds raised through its platform of € 130m as of 10<sup>th</sup> October, followed by CrowdFundMe (€ 74.8m) and Opstart (€ 47.1m).** It is worth to underline how, in this case, the average funds raised per campaign is positively correlated with the cumulative funds raised by the platform.

As regards the competitive arena of the Italian Real Estate Equity Crowdfunding, Walliance is the undisputed leading platform with a cumulative funds raised standing at almost € 110m, followed by Concrete Investing (€ 54.8m) and, with a large gap, MamaCrowd (€ 9.2m).

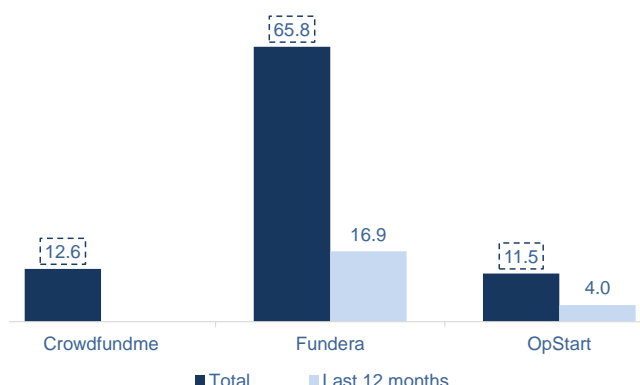
## 4.2 Debt Crowdfunding and Real Estate P2P Lending

Mini-bonds are debt financial instruments, alternative to the banking channel, having a total consideration of up to € 50m introduced in Italy in 2012 by the entry into force of the 'Decreto Sviluppo', with the aim to provide SMEs with the funds needed to finance their investment projects without recourse to bank credit. Moreover, **in 2019 CONSOB authorised crowdfunding portals to place mini-bonds to qualified investors compliant with specific requirements**, paving the way for the creation of a new alternative debt market for SMEs.

Mini-bonds can be issued only by **private companies**, excluding banks and micro-enterprises, with **at least 10 employees** as well as a **turnover of at least € 2m**.

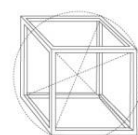
Among 48 crowdfunding portals, eight were authorised to place bond or debt securities although only three (Fundera, CrowdFundMe and OpStart) have successfully concluded at least one campaign as of 30<sup>th</sup> June 2023.

**Chart 7 – CrowdFundMe, Funds raised via mini-bonds by Italian portals – € m**



Source: 8<sup>th</sup> report on CrowdInvesting by Milan Polytechnic

Over the last twelve months, **funds raised via the subscription of mini-bonds totalled € 20.9m as a result of 23 campaigns carried out on 2 portals**, down 45% YoY, as the sharp rise in borrowing costs affected demand. Fundera remains the undisputed leader in the placement of mini-bonds, with a cumulative funds raised at € 65.8m, followed by CrowdFundMe (€ 12.6m) and OpStart (€ 11.5m).





**P2P (Peer-to-Peer) Lending envisages the practice of lending money to individuals or businesses, i.e. borrowers, by means of an online match-making platform**, without having to rely on conventional financial institutions. According to the Italian regulatory framework, the P2P Lending activity is set up as a mortgage contract, under which money is lent in exchange for a return, usually fixed.

There are two main business model adopted by the P2P Lending platforms, namely **direct lending** and **indirect lending**. As regards the direct lending, the lender actively selects the borrowers by evaluating the risk-reward ratio after a detailed due diligence of their creditworthiness was performed by the platform, more similar to the equity crowdfunding model. On the contrary, the indirect lending envisages a major role of the platform, which actively selects and makes capital allocation decisions given the investors' preference both in terms of available funds, expected return and risk-reward profile. **The indirect business model is less time-consuming for investors and provides for a better portfolio diversification.**

In addition, platforms can be subdivided into **consumers**, if borrowers are individuals, and **business**. The latter category, according to the Milan Polytechnic, can be further broken down into **real estate business** and **non-real estate business**.

**Trusters**, acquired by CrowdfundMe in Nov-22, **operates as a P2P Lending platform in the real estate business** by adopting the direct model, as all its Italian competitors.

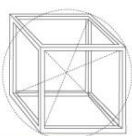
Such as the Italian equity crowdfunding's landscape, **the P2P Real Estate Lending is rather concentrated among three platforms, i.e. Rendimento Etico, Recrowd and Trusters**, which are those that have been active for longer.

**Table 4 – CrowdfundMe, Top 10 Italian equity crowdfunding players - € m**

Platform	# of campaigns successfully launched	Cumulative funds raised	Average funds raised per campaign
Rendimento Etico	265	98.8	0.37
Recrowd	161	81.7	0.51
Trusters	304	49.8	0.16
Bridge Asset	76	18.5	0.24
Housers	50	13.2	0.26
Re-Lender	38	12.8	0.34

Source: Crowdfundingbuzz.it, data updated as of 10<sup>th</sup> October 2023

According to Crowdfundingbuzz.it data, **Trusters is the Italian leading platform with respect to the number of campaigns successfully launched (304)**, followed by Rendimento Etico (265) and Recrowd (161) while, in terms of cumulative funds raised, Rendimento Etico leads the market (€ 98.8m), followed by Recrowd (€ 81.7m) and Trusters (€ 49.8m).



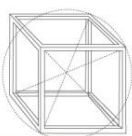
### 4.3. ECSP Regulation

The European crowdfunding industry is on the cusp of **a deep evolution**. In Oct-20, the EU rolled out the European Regulation 2020/1503, named ECSP (European Crowdfunding Service Provider), which lays down new major elements regarding the authorisation, organisation and supervision of the so-called 'crowdfunding service providers. Moreover, the regulation aims to introduce **more uniform rules on an EU-level**, with respect to compliance, marketing and communication, **improving the overall transparency, integrity as well as reputation**. In detail:

- all crowdfunding platforms must abide by **new rules in term of internal controls, governance**, suitability of internal members as well as the due diligence process on the new initiatives;
- all the initiatives' key investment details must be disclosed in **a standardised prospectus named KIIS (Key Investment Information Sheet)**;
- a European Passport will allow platforms to operate in other EU countries;
- an entry questionnaire must be submitted to all non-qualified investors;
- **platforms will be allowed to place mini-bonds to retail investors** while they will not be allowed to sell share of UCITS;
- access to capital raising via **equity crowdfunding will be extended to all kind of companies**, while it was previously reserved to SMEs and innovative start-ups only.

As regards the Italian market, **CONSOB** and **the Bank of Italy** have been appointed to supervise crowdfunding portals. In particular, the former is in charge of all the authorisation procedures along with the supervision of the transparency and fairness of portals, while the latter deals with capital adequacy, governance, risk mitigation as well as internal controls.

**All the Italian crowdfunding platforms must be compliant with the ECSP Regulation by 10<sup>th</sup> November 2023**, or they will not be anymore authorised to continue operations. Some authorised platforms may not have the necessary financial resources and means to comply with the new rules and procedures, leading to an overall decrease in number. As a result, **CrowdFundMe will leverage on its well-establish market positioning and expertise to fill the void left by the platforms that will likely exit the market**.

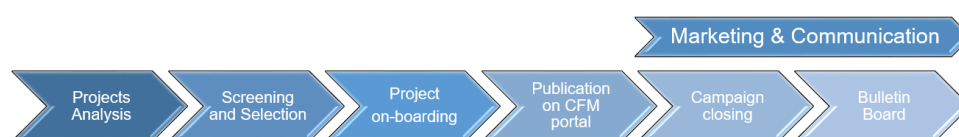


## 5. Business Model

Founded in 2013 by the current CEO, Tommaso Baldissera Pacchetti, **CrowdFundMe is the first-mover and one of the leading crowdfunding platforms in Italy**, allowing start-ups and SMEs to raise capital to fund their innovative projects via its user-friendly online portal.

Originally focused on Equity Crowdfunding campaigns, **over the years CFM has continuously completed its offering** of crowdfunding investment instruments, **introducing Real Estate and P2P Lending projects as well as mini-bonds** dedicated to debt investors. CrowdFundMe is authorised by CONSOB, and, as of today, is the only crowdfunding portal listed on the Italian stock exchange.

Chart 8 – CrowdFundMe, Business Model



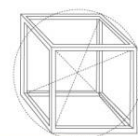
Source: Company data, CFO SIM

A CrowdFundMe campaign is usually organised as follows:

- **Project Analysis:** thanks to a user-friendly platform, an entrepreneur can submit their project on CrowdFundMe website by filling out a form with the required documentation attached. Afterwards, **a dedicated team analyses the project** to spot possible improvements and gauge its completeness, feasibility and overall potential.
- **Screening and Selection:** if the project clears the aforementioned step, CrowdFundMe carries out a more in-depth analysis in order to refine the Business Plan and starts focusing on communication strategy along with the effectiveness of the storytelling. Additionally, it entrusts to third-party advisors activities focused on exploring market interest and valuation and, where appropriate, appoints industry experts in the event of projects with complex technicalities.
- **Publication on CrowdFundMe portal:** if the initiative ticks all the boxes, CrowdFundMe launches the investment campaign by **uploading the project on its portal for 45 to even 90 days or until the targeted amount is achieved**. Once a project ends successfully, CrowdFundMe tracks progress for at least two years, updating shareholders with KPIs on a quarterly basis.

It is worth to note that CrowdFundMe, as all the other portals authorised by CONSOB, is not allowed to complete the orders received by investors but must transmit them to an authorised operator, primarily banks and Italian investment firms (SIMs).

- **Secondary Market:** in March-21, CrowdFundMe launched **Bulletin Board, an online proprietary section where investors are able to partially or totally cash out** their investment, materially enhancing the exchange of these historically illiquid financial instruments. A well-functioning secondary market sparks a virtuous cycle, as it enables market participants to partially or totally cash out their investment and redeploy the resources in other initiatives, thus attracting new class of investors and luring in innovative start-ups and SMEs to submit new projects to the platform. It is worth noting that the **Bulletin Board is exclusively dedicated to trading shares of the initiatives launched by CrowdFundMe** and that, above all, **CFM does not apply any brokerage commission**.



Beyond acting as an intermediary matching the demand for funding and supply, **CrowdFundMe offers additional services to start-ups and SMEs throughout the entire campaigns**, among which:

- advisory services relative to business development, corporate strategy by means of in-depth market researches and analysis and optimisation of the financial structure;
- draw up of business plans;
- targeted marketing campaigns, both online and offline;
- arrangement of meetings, workshops, panel discussions and events to promote the campaign.

**CrowdFundMe generates its revenues by applying a % fee on the total capital raised of the successful campaigns**, which fluctuated around 5% over the past years. On top of that, a secondary source of revenues is represented by all the aforementioned advisory services.

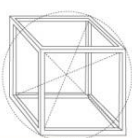
Since its foundation, CrowdFundMe was able to select, finance through its platform and support successful start-ups and SMEs, which, in some cases, managed to conclude second-round investments or be listed on Euronext Growth Milan or Euronext Access Paris, thus offering investors an exit opportunity with attractive returns.

**Table 5 – CrowdFundMe, Top 15 campaigns by funds raised in a single campaign**

Company	Project	Funds raised (€ m)	Year	# investors
Atiu	Sustainable glass decorations	5.0	2022	21
Tulip	Online supermarket	3.8	2022	207
GTV	Investment holding	3.8	2021	130
Deep Speed	Electric propulsion systems	2.9	2020	435
Biogenera	Biotechnology platform	2.8	2021	643
Innovative-RFK	Investment holding	2.5	2019	73
Bio4Dreams	Incubator of start-ups	2.5	2023	124
EgoSistema	Fitness Club network	2.5	2023	97
Glass to Power	Glass photovoltaic panels	2.3	2018	495
Arco FC	Battery for electric vehicles	2.1	2022	732
Infinityhub	Sustainability projects	2.0	2021	332
Biovalley	Investment holding	1.7	2022	14
MIEEG	Eco-friendly micro generators	1.7	2021	360
GasGas	EV charging stations	1.5	2022	268
EasyGlamping	Glamping	1.4	2023	252

Source: Company data, CFO SIM

**It is interesting to note how a good number of the top 15 initiatives relate to sustainability projects**, such as carbon-free propulsion systems (Deep Speed), revolutionary glass-made photovoltaic panels (Glass to Power), EV batteries (Arco FC) and recharging stations (GasGas) or eco-friendly micro generators of electricity (MIEEG). Indeed, it showcases the ever-increasing focus on sustainability projects by both nascent start-ups and investors.

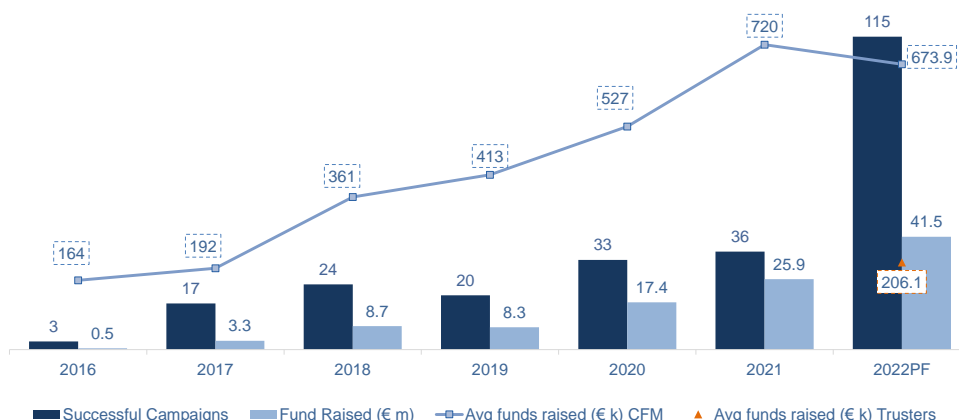


**Table 6 – CrowdFundMe, Successful campaigns concluded via IPO or M&A**

Company	Project	Funds raised (€ m)	Exit	Year
CleanBNB	Online services	3.9	IPO on EGM	2019
Crowdfundme	Crowdfunding portal	2.8	IPO on EGM	2019
TrenDevice	Phones refurbishment	2.7	IPO on EGM	2020
Innovative-RFK	Investment holding	2.5	Crowdlisting on EPA	2019
Glass to Power	Glass photovoltaic panels	2.3	Crowdlisting on EPA	2022
Innovative-RFK	Investment holding	1.3	Minibond crowdlisting	2020
3A Sport	Apparel distributor	1.2	Minibond crowdlisting	2021
Alea	Software	n.a.	Acquired by Leonardo	2021
Bloovery	Digital platform	n.a.	Acquired by Colvin	2022

Source: Company data, CFO SIM

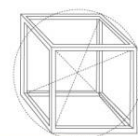
Notwithstanding crowdfunding investments are rather illiquid by nature, **there are three main exit opportunities for investors: 1) an IPO, 2) an M&A or, if available, 3) a sale on a secondary market**, such as on CrowdFundMe's Bulletin Board. Amongst CFM's initiatives, three offered investors an exit opportunity via an IPO on Euronext Growth Milan (CleanBNB, CrowdFundMe and TrenDevice), while four were admitted on a public exchange following the conclusion of the fund raising campaign. Additionally, two start-ups, Alea and Bloovery, were acquired by Leonardo and a Spanish star-up Colvin, respectively.

**Chart 9 – CrowdFundMe, 2016-22PF successful campaigns and key economic data**


Source: Company data, CFO SIM

Since 2016, the total funds raised per year as well as the number of projects launched on CrowdFundMe's platform soared exponentially. Indeed, the number of projects successfully concluded went from just 3 in 2016 to 38 in 2021, increasing more than tenfold. Moreover, **considering the acquisition of Trusters in 2022** as if it was consolidated at the beginning of the year, **the total number of initiatives proposed skyrocketed to 115**. Consequently, **total funds raised passed from € 300k in 2016 to € 41.5m in 2022, with approximately 16,000 investors participating to the campaigns compared to just 157 in 2016**.

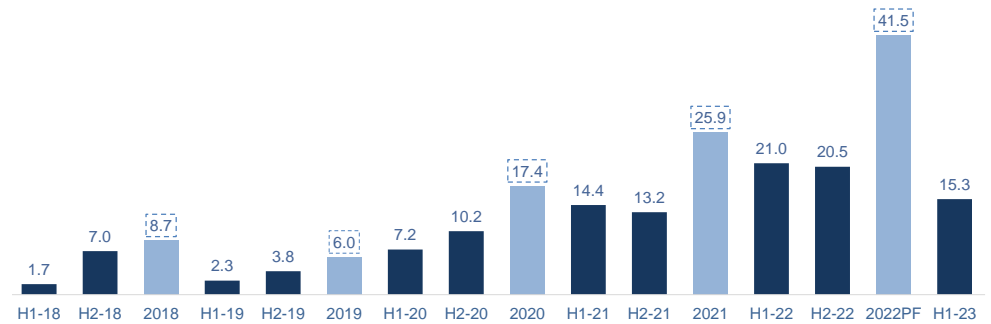
It is worth underlining that the remarkable rise in the total number of projects launched and funds raised went hand in hand with a rise in the average investment per campaign. As a matter of fact, **the average funds raised per campaign was just € 109k in 2016 and peaked in 2021 to € 725k**, mainly in light of CrowdFundMe's focus on initiatives with greater fund needs as well as the impact of the first mini-bond campaigns which, on average, raised roughly € 1.1m each.





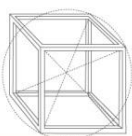
On the contrary, in 2022 the average funds raised per campaign dropped significantly to € 328k, mostly due to the impact of Truster's business model, which provides for a higher number of projects with an investment target, on average, spanning from € 150k to € 300k, lower compared to CrowdFundMe's. In addition, Trusters' minimum investment ticket is € 250, compared to € 500 of CrowdFundMe.

Chart 10 – CrowdFundMe, 2018-2022PF semester over semester funds raised - € m



Source: Company Presentation

Historically, total funds raised in the first semester accounted for 33%-36% of FY results, except for 2021, where results were approximately equally split.



## 6. Acquisition of Trusters

On Jun-22, CrowdFundMe signed a binding agreement for the purchase of 51% of the share capital of Trusters Srl, a leading portal focused on peer-to-peer Lending Crowdfunding projects in the Real Estate sector, via a stock deal.

In detail, the deal envisaged the acquisition of 51% of Trusters via a share capital increase reserved to Trusters' Selling Shareholders, for a total consideration equal to € 3.47m, by issuing a maximum amount of 284,696 shares at € 12.2/s. Furthermore, the agreement includes a Put&Call option for the remaining stake held by one of the Selling Shareholders, Digitech Srl, to be exercised starting from the approval of 2025 financial statements, whose price will be determined based upon certain undisclosed profitability targets. It is worth noting that Digitech Srl's put option will be exercisable if certain Value of Production targets will not be met.

In FY-21, Trusters reported revenues of € 620k, significantly higher compared to just € 73k in FY-20, with a negative EBITDA of € 80k along with a cash positive NFP of € 28k. Thus, Trusters valuation corresponded to 10.9x EV/Sales<sub>21</sub>.

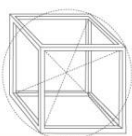
Selling Shareholders Laura Maffi and Digitech Srl will be subject to a lock-up period of 24 months since Nov-22, relative to 90% of shares subscribed in the event of the reserved share capital increase. Nonetheless, the agreement features an active role of the founders, as Andrea Maffi was confirmed as Chief Executive Officer, while Trusters' BoD will be made up of three members, two appointed by CrowdFundMe.

In addition, in Nov-22 CrowdFundMe acquired a further 7.3% of Trusters in the wake of the exercise of the selling rights envisaged in Trusters by-law by certain shareholders, which resulted with the issue of further 30,018 shares at € 12.2/s (ca. € 366k). Therefore, as of today CrowdFundMe holds 58.3% of Trusters.

Founded by Andrea and Laura Maffi in 2017, in few years Trusters established itself as a landmark platform offering high-quality real estate projects characterised by 1) a short investment period, usually 12 months, 2) a target fund raising ranging from € 200k to € 400k and, 3) a minimum investment ticket of € 250.

The purchase of a well-established crowdfunding portal such as Trusters represented a transformational and strategically important deal that allowed CrowdFundMe to strengthen its leading market positioning in Italy and significantly expand its comprehensive investment offering, now comprising Equity Crowdfunding (including Real Estate), Mini-bonds and P2P Lending Crowdfunding projects.

The combined entity will leverage on an extensive know-how and an expanded customer base to generate significant revenues and cost synergies, as CrowdFundMe and Trusters operate in different segments of the same market.

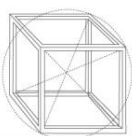


## 7. Strategy

After being one of the first-movers crowdfunding portals, CrowdFundMe managed to steadily growth and maintain its leadership positioning by continuously updating its platform with the introduction of new features and financial instruments. Moreover, CrowdFundMe managed to extend its offer thanks the recent acquisition of Trusters. However, profitability and cash flow generation are still an issue, as the business' characteristics are heavily reliant on the economies of scales.

CrowdFundMe's short-medium term strategy will be focused on the following pillars:

- ✓ **Integration of Trusters:** acquired in Nov-22, the integration of Trusters is already showing its first tangible results, as in H1-23 it reported a net profit of € 12k compared to a net loss equal to € 383k in FY-22. In the short term, management will continue to maximise both costs and revenues synergies, in light of Trusters' highly complementary offer, and update its platform to support users acquisition.
- ✓ **The dematerialisation of shares of Srl (Limited Liability Company):** in Apr-23, the Italian Council of Ministers approved a draft legislation envisaging the dematerialisation of shares of companies constituted as Srl (Società a Responsabilità Limitata), the equivalent of a LLC (Limited Liability Company). If approved by the Italian Parliament, it will revolutionise the Italian crowdfunding market, as it will allow investors to electronically exchange shares, such as listed companies, without having to resort to the act of a notary. **A more liquid and efficient secondary market will be beneficial to CrowdFundMe's Bulletin Board,** where the company plans to introduce a brokerage fee, **and will boost the primary market,** sparking a virtuous cycle for the industry as a whole.
- ✓ **Enhance both the average fee and funds raised per campaign:** management will focus on launching enticing projects of higher quality as well as of higher targeted amount, thus enhancing the average funds raised per campaign and fee applied.
- ✓ **Increase market share:** following the roll out of the ECSP Regulation, which provides for new binding rules in terms of organisation, authorisation, transparency and communication, it is likely that a several number of portals will cease to exist, as they do not have the required financial resources to comply with the new procedures. Consequently, **CrowdFundMe will leverage on its well-establish market positioning and expertise to fill the void left by the platforms that will likely exit the market.**



## 8. SWOT Analysis

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

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

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

### S.W.O.T. ANALYSIS

#### STRENGTHS

- ❑ CrowdFundMe is the Italian crowdfunding portal with the **highest number of successfully launched projects**
- ❑ **A comprehensive and highly-diversified offer** of crowdfunding investment instruments
- ❑ **Highly-skilled management team with extensive know-how** in equity crowdfunding projects
- ❑ **CrowdFundMe's Bulletin Board will increase the liquidity** and facilitate disinvestments

#### WEAKNESSES

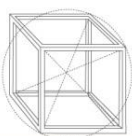
- ❑ **Few key people represent a vital asset** for the company
- ❑ CrowdFundMe still operates in an **early-stage phase**
- ❑ CrowdFundMe is expected to remain **unprofitable in the short-term**

#### OPPORTUNITIES

- ❑ **Crowdfunding as an asset class is still very underdeveloped** compared to the Anglo-Saxon countries
- ❑ **Dematerialisation of LLC shares** will considerably enhance the attractiveness of crowdfunding investments
- ❑ New European Regulation opens up **cross-border campaigns**
- ❑ **M&A opportunities via a stock deal** in a still very fragmented and rising market

#### THREATS

- ❑ A **high interest rate environment** could harm equity crowdfunding campaigns
- ❑ **Tighter credit constraints** could slow down business expansion
- ❑ A **low operating cash flow** could jeopardise key investments
- ❑ An **enter of a cross-border player with larger scale** could increase competition



## 9. Recent Results

Since its listing on Euronext Growth Milan, CrowdFundMe grew with a **CAGR<sub>19-22</sub> equal to 33.5%**, from € 0.4m in 2019 to € 1.0m in 2022, as a result of a solid increase in both the number of campaigns launched and the average funds raised. Moreover, the company managed to enlarge its offering of alternative financial instruments, namely by introducing Real Estate, P2P lending projects and mini-bonds.

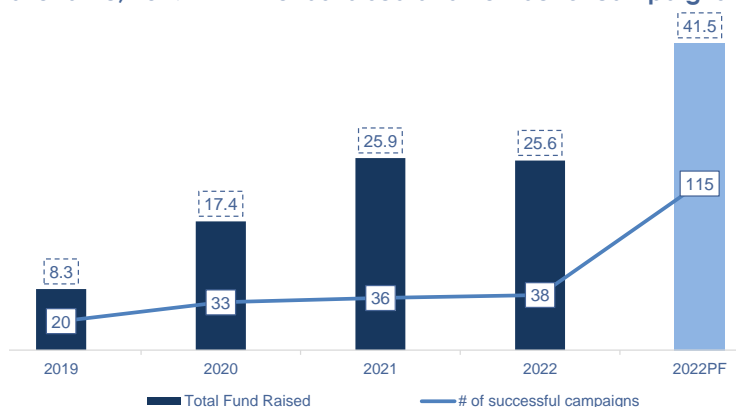
However, profitability still remains an issue as CrowdFundMe was at a break-even point only in FY-21, a year driven by a post-pandemic impetuous growth of equity projects in a still near-zero interest rate environment.

**Table 7 – CrowdFundMe, FY 2019-22 key figures**

€ m	2022	2021	2020	2019	% CAGR <sub>19-22</sub>
<b>Revenues</b>	<b>1.001</b>	<b>1.336</b>	<b>0.865</b>	<b>0.420</b>	<b>33.5</b>
Other revenues	0.154	0.104	0.103	0.000	
<b>Value of Production</b>	<b>1.155</b>	<b>1.441</b>	<b>0.967</b>	<b>0.421</b>	<b>40.0</b>
<b>EBITDA</b>	<b>(0.121)</b>	<b>0.201</b>	<b>(0.512)</b>	<b>(0.846)</b>	<b>n.m.</b>
% margin	(12.1)	15.0	(59.2)	(201.3)	
<b>EBIT</b>	<b>(0.422)</b>	<b>(0.039)</b>	<b>(0.740)</b>	<b>(1.044)</b>	<b>n.m.</b>
% margin	(42.2)	(2.9)	(85.5)	(248.4)	
<b>Net Profit</b>	<b>(0.422)</b>	<b>(0.046)</b>	<b>(0.748)</b>	<b>(1.041)</b>	<b>n.m.</b>
% margin	(42.2)	(3.4)	(86.5)	(247.6)	
<b>NFP debt/(cash)</b>	<b>(0.435)</b>	<b>(0.985)</b>	<b>(0.645)</b>	<b>(1.321)</b>	<b>n.m.</b>
<b>Group equity</b>	<b>3.852</b>	<b>1.275</b>	<b>1.311</b>	<b>2.048</b>	<b>23.4</b>

Source: Company data, CFO SIM

**Chart 11 – CrowdFundMe, 2019-22PF- Funds raised and number of campaigns - € m**

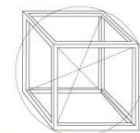


Source: Company data, CFO SIM

Over the last four years, the total funds raised increased more than proportionally compared to the number of campaigns successfully launched, driven by the management focus on bigger projects, such as the four mini-bonds launched in FY-21, each raising more than € 1m, on average. **On a pro-forma basis**, thus taking into account Trusters' results for the entire 2022, **the group successfully launched 115 projects with funds raised totalling € 41.5m.**

**EBITDA significantly improved from € -846k in FY-19 to € -121k in FY-22**, after turning positive for € 201k in FY-21, in the wake of a record number of both projects and funds raised coupled with a lower incidence of cost of services, by far the main line in the company's P&L.

Over the same period, **Net Financial Position declined from € 1.3m cash to € 0.4m cash**, mainly as a consequence of a still negative Op. Cash Flow coupled with a cumulative capex of approximately € 3.8m in order to improve CFM's portal, **only partially offset by the IPO proceeds (€ 2.8m) and the reserved capital increase subscribed by Trusters' Selling Shareholders.**





## 9.1. FY-22 Results

CrowdFundMe's 2022 results were heavily affected by a harsh macroeconomic environment. In fact, the geopolitical uncertainty sparked by the outbreak of the Russia-Ukraine conflict as well as the sharp rise in interest rates had several knock-on effects on risky investments, including equity crowdfunding.

In Nov-22, **CrowdFundMe finalised the acquisition of Trusters Srl**, a leading portal focused on peer-to-peer Lending Crowdfunding projects in the Real Estate sector, via a stock deal. As it was consolidated for only one month, Trusters had a rather negligible contribution to FY-22 results.

**Table 8 – CrowdFundMe, FY 2021-22 results summary**

€ m	2022	2021	% YoY
<b>Revenues</b>	<b>1.001</b>	<b>1.336</b>	<b>(25.1)</b>
Increase in finished products	0.000	0.000	
Other revenues	0.154	0.104	
<b>Value of Production</b>	<b>1.155</b>	<b>1.441</b>	<b>(19.8)</b>
Raw material and processing	(0.005)	(0.007)	
Services	(0.719)	(0.781)	
Personnel expenses	(0.489)	(0.408)	
Other opex	(0.064)	(0.044)	
<b>EBITDA</b>	<b>(0.121)</b>	<b>0.201</b>	<b>n.m.</b>
% margin	(12.1)	15.0	
D&A	(0.301)	(0.240)	
<b>EBIT</b>	<b>(0.422)</b>	<b>(0.039)</b>	<b>n.m.</b>
% margin	(42.2)	(2.9)	
Financials	(0.001)	0.000	
<b>Pre-Tax profit</b>	<b>(0.423)</b>	<b>(0.039)</b>	<b>n.m.</b>
% margin	(42.2)	(2.9)	
Income taxes	0.000	(0.007)	
Tax rate	0.0%	-18.2%	
Minorities	0.000	0.000	
<b>Net Profit</b>	<b>(0.422)</b>	<b>(0.046)</b>	<b>n.m.</b>
% margin	(42.2)	(3.4)	
<b>NFP debt/(cash)</b>	<b>(0.435)</b>	<b>(0.985)</b>	<b>55.9</b>

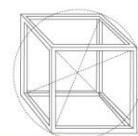
Source: Company data, CFO SIM analysis

**In FY-22, revenues were € 1.0m**, compared to € 1.3m recorded in FY-21. The sharp decline YoY was primarily due to a tough macroeconomic environment characterised by several rate hikes performed by the ECB to counter soaring inflation, and then worsened by the Russia-Ukraine conflict, which sparked fear among investors, who preferred less risky assets. If the newly-acquired Trusters is taken into account, **total funds raised exceeded € 41m**.

**EBITDA turned negative for € 121k compared to € 201k, 15% margin, registered in FY-21**, while **EBIT was negative for € 422k (negative for € 39k in FY-21)**, as a result of a lower EBITDA coupled with slightly increased D&A expenses.

**Net loss amounted to € 422k**, compared to a net loss of € 46k recorded in FY-21.

**Net Financial Position stood at € 0.4m cash**, compared to € 1.0m cash at year-end 2021, mainly reflecting a still negative Op. Cash Flow. **Group equity was € 3.9m**, mainly reflecting the share capital increase reserved to Trusters' Selling Shareholders.



## 9.2. H1-23 Results

2023 interim results showed growing sales, mainly thanks to the consolidation of Trusters, acquired in Nov-22, while, on an organic basis, top line declined YoY as a consequence of several interest rate hikes that seriously undermined investors' risk appetite for risky asset classes. Bottom line was mostly impacted by the goodwill amortisation stemming from the acquisition of Trusters.

**Table 9 – CrowdFundMe, 2022-23 interim results summary**

€ m	H1-23	H1-22	% YoY
<b>Revenues</b>	<b>0.717</b>	<b>0.525</b>	<b>36.6</b>
Increase in finished products	0.000	0.000	
Other revenues	0.184	0.060	
<b>Value of Production</b>	<b>0.901</b>	<b>0.585</b>	<b>54.0</b>
Raw material and processing	(0.002)	(0.003)	
Services	(0.604)	(0.353)	
Personnel expenses	(0.302)	(0.262)	
Other opex	(0.070)	(0.025)	
<b>EBITDA</b>	<b>(0.080)</b>	<b>(0.058)</b>	<b>(38.5)</b>
% margin	(11.2)	(11.0)	
D&A	(0.364)	(0.123)	
<b>EBIT</b>	<b>(0.442)</b>	<b>(0.181)</b>	<b>(143.9)</b>
% margin	(61.6)	(34.5)	
Financials	(0.002)	0.001	
<b>Pre-Tax profit</b>	<b>(0.444)</b>	<b>(0.180)</b>	<b>(146.5)</b>
% margin	(61.9)	(34.3)	
Income taxes	0.000	0.000	
Tax rate	0.0%	0.0%	
Minorities	(0.005)	0.000	
<b>Net Profit</b>	<b>(0.449)</b>	<b>(0.180)</b>	<b>(149.3)</b>
% margin	(62.6)	(34.3)	
<b>NFP debt/(cash) *</b>	<b>(0.214)</b>	<b>(0.435)</b>	<b>(50.9)</b>

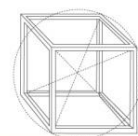
Source: Company data, CFO SIM analysis; \* compared to FY-22

**Revenues soared by 36.6% to € 0.7m**, mainly driven by the consolidation of Trusters. Organically, CrowdFundMe's top line fell by almost 40% YoY, as the several rate hikes performed by the ECB as of the beginning of 2023 highly impacted investors' risk appetite for investments in equity crowdfunding projects. **Value of Production reached € 0.9m**, compared to € 0.6m in H1-22.

**EBITDA was negative for € 80k (negative for € 58k in H1-22)** as a result of increased marketing costs to promote fund raising campaigns. However, the integration of Trusters has delivered the first tangible results, especially in terms of cost synergies, as the subsidiary booked a net profit of € 12k in H1-23, compared to a net loss of € 382k recorded in FY-22.

**EBIT was negative for 442k** (negative for € 181k in H1-22), primarily resulting from the amortisation of goodwill stemming from the acquisition of Trusters. **Net Loss reached € 449k**, compared to a net loss equal to € 180k in the first semester of 2022.

**Net Financial Position slightly worsened to € 0.2m cash** from € 0.4m cash at year-end 2022, mainly due to Op. Cash flow negative for € 176k and capex equal to € 123k.



## 10. Financial Forecasts

Since its listing on Euronext Growth Milan, **CrowdFundMe grew with a CAGR<sub>19-22</sub> equal to 33.5%**, a result of a solid increase in both the number of campaigns launched and the average funds raised. Furthermore, the company managed to enlarge its offering of alternative financial instruments, namely by introducing Real Estate equity crowdfunding projects, mini-bonds as well as P2P Lending initiatives thanks to M&A.

Over the 2023-25 period, **CFO SIM expects revenues to exhibit a CAGR<sub>22-25</sub> to the tune of 37.7%, reaching € 2.6m in 2025**, underpinned by a strong growth of both CrowdFundMe's equity crowdfunding campaigns and Trusters. More in detail:

- **CrowdFundMe** is expected to report FY-23 broadly unchanged YoY, on the back of unfavourable market trends for the equity crowdfunding industry, as ECB lifted interest rates to historically high levels in order to tame inflationary pressures. However, in 2024-25 the equity crowdfunding business should experience a strong recovery, chiefly driven by the management's focus on improving the average funds raised per campaign as well as the fee applied. Moreover, deep regulatory changes such as the dematerialisation of shares of LLCs and the entry into force of the ECSP regulation could represent additional tailwinds for the company.
- ✓ **Trusters** is foreseen to continue its growth path in the 2023-25 period, bolstered by a steady rise in both the number of projects launched as well as the average funds raised per campaign. In fact, Trusters is less sensitive to the economic cycle, due to its well-established business model based upon short investment horizon (usually 12 months) coupled with fixed returns, whereas equity crowdfunding's returns are, by definition, highly uncertain both in terms of size and time horizon.

**Table 11 – CrowdFundMe, 2022-25e profitability evolution**

€ m	2022	2023e	2024e	2025e	% CAGR <sub>22-25</sub>
<b>Revenues</b>	<b>1.001</b>	<b>1.685</b>	<b>2.167</b>	<b>2.614</b>	<b>37.7</b>
Increase in finished products	0.000	0.000	0.000	0.000	
Other revenues	0.154	0.193	0.000	0.000	
<b>Value of Production</b>	<b>1.155</b>	<b>1.877</b>	<b>2.167</b>	<b>2.614</b>	<b>31.3</b>
Raw material and processing	(0.005)	(0.008)	(0.009)	(0.010)	
Services	(0.719)	(1.230)	(1.278)	(1.399)	
Personnel expenses	(0.489)	(0.586)	(0.595)	(0.604)	
Other opex	(0.064)	(0.098)	(0.087)	(0.105)	
<b>EBITDA</b>	<b>(0.121)</b>	<b>(0.045)</b>	<b>0.198</b>	<b>0.497</b>	<b>n.m.</b>
% margin	(12.1)	(2.7)	9.1	19.0	
D&A	(0.301)	(0.667)	(0.581)	(0.509)	
<b>EBIT</b>	<b>(0.422)</b>	<b>(0.712)</b>	<b>(0.383)</b>	<b>(0.013)</b>	<b>n.m.</b>
% margin	(42.2)	(42.3)	(17.7)	(0.5)	

Sources: Company data, CFO SIM estimates

**Value of Production is projected to reach € 1.9m in 2023, while in 2024-25 is expected to be equal to top line**, as 2023 is the last year where CrowdFundMe will take advantage of the IPO-related tax incentive. The main cost item, i.e. services, is anticipated to grow less proportionately to top line, benefitting from economies of scale. Furthermore, personnel costs should only see a tiny increase, as management is not planning to enlarge workforce in the short term.

As a consequence, **EBITDA is projected to turn positive in 2024 for ca. € 0.2m, 9.1% margin**, and reach € 0.5m, 19.2% margin, in 2025.

**D&A are expected to peak at ca. € 0.7m in 2023**, mainly as a result of the goodwill amortisation relating to the acquisition of Trusters, which amounts to ca. € 0.3m coupled with capex carried out to update the company's platform. In 2024-25, however, D&As are projected to progressively decline, in light of lower investments.

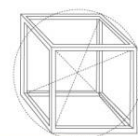




Table 12 – CrowdFundMe, 2022-25e below EBIT evolution

€ m	2022	2023e	2024e	2025e	% CAGR <sub>22-25</sub>
<b>EBIT</b>	<b>(0.422)</b>	<b>(0.712)</b>	<b>(0.383)</b>	<b>(0.013)</b>	<b>n.m.</b>
% margin	(42.2)	(42.3)	(17.7)	(0.5)	
Financials	0.001	(0.006)	(0.006)	(0.006)	
Re/(Devaluation) of financial assets	(0.002)	0.000	0.000	0.000	
Forex gain/(loss)	0.000	0.000	0.000	0.000	
<b>Pre-Tax profit</b>	<b>(0.423)</b>	<b>(0.718)</b>	<b>(0.389)</b>	<b>(0.018)</b>	<b>n.m.</b>
% margin	(42.2)	(42.6)	(17.9)	(0.7)	
Income taxes	0.000	0.000	0.000	0.000	
Tax rate	0.0%	0.0%	0.0%	0.0%	
Minorities	0.000	0.001	0.004	0.015	
<b>Net Profit</b>	<b>(0.422)</b>	<b>(0.716)</b>	<b>(0.385)</b>	<b>(0.003)</b>	<b>n.m.</b>
% margin	(42.2)	(42.5)	(17.8)	(0.1)	

Sources: Company data, CFO SIM estimates

Below EBIT, we expect interest expenses to be close to zero as the company is almost debt-free. As a result of higher EBITDA and slightly declining D&A expenses, **bottom line is forecasted to improve significantly, almost reaching the break-even point in 2025.**

Table 13 – CrowdFundMe, 2022-25e Net Financial Position and financial solidity

€ m	2022	2023e	2024e	2025e
<b>Year-end NFP debt/(cash)</b>	<b>(0.435)</b>	<b>(0.187)</b>	<b>(0.212)</b>	<b>(0.563)</b>
Gross debt	0.113	0.113	0.113	0.113
<b>EBITDA</b>	<b>(0.121)</b>	<b>(0.045)</b>	<b>0.198</b>	<b>0.497</b>
<b>Shareholders' equity</b>	<b>3.769</b>	<b>3.053</b>	<b>2.668</b>	<b>2.665</b>
Minorities	0.000	0.001	0.004	0.015
Interest charges	0.001	(0.006)	(0.006)	(0.006)
<b>NFP/EBITDA (x)</b>	<b>n.m.</b>	<b>n.m.</b>	<b>(1.072)</b>	<b>(1.135)</b>
NFP/Equity (x)	(0.115)	(0.061)	(0.080)	(0.211)
Interest Coverage (EBITDA) (x)	n.m.	n.m.	35.0	87.8
Debt/Equity (x)	0.030	0.037	0.042	0.042

Sources: Company data, CFO SIM estimates

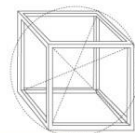
CrowdFundMe has an extremely asset-light business model, as the vast majority of investments are related to the update and improvement of its platform. **Capex are forecasted to peak at € 250k in 2023**, as a result of the renovation of Truster's platform, while are predicted to **remain at € 150k per year in 2024-25.**

Table 14 – CrowdFundMe, 2022-25e Net Working Capital, NFP and return on capital

€ m	2022	2023e	2024e	2025e
<b>Op NWC</b>	<b>(0.187)</b>	<b>(0.151)</b>	<b>(0.100)</b>	<b>(0.057)</b>
Inventories	0.000	0.000	0.000	0.000
Receivables	0.230	0.323	0.386	0.466
Payable	(0.417)	(0.474)	(0.485)	(0.522)
<b>Op NWC/Sales (%)</b>	<b>-18.7%</b>	<b>-9.0%</b>	<b>-4.6%</b>	<b>-2.2%</b>
Capital Employed	3.980	3.265	2.877	2.858
Capital Employed turnover	3.446	1.739	1.328	1.093
<b>NFP debt/(cash)</b>	<b>(0.435)</b>	<b>(0.187)</b>	<b>(0.212)</b>	<b>(0.563)</b>
NFP repayment YoY	0.550	0.248	(0.025)	(0.351)
<b>ROACE%</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>
<b>ROCE %</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>
<b>ROE %</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>	<b>Neg.</b>
EBITDA	(0.121)	(0.045)	0.198	0.497
Capex	(3.129)	(0.250)	(0.150)	(0.150)
Free Cash Flow	(3.550)	(0.248)	0.025	0.351
<b>EBITDA FCF conversion %</b>	<b>n.m.</b>	<b>n.m.</b>	<b>12.9</b>	<b>70.7</b>

Sources: Company data, CFO SIM estimates

As a consequence of improved profitability, **FCF is expected to turn slightly positive in 2024** and exceed € 0.3m in 2025. Thus, **Net Financial Position is anticipated to** slightly worsen in 2023 at ca. € 0.2m cash, while materially improving in the coming years, to reach € 0.6m in 2025. **Net Working Capital** is foreseen to **stay structurally negative over the period**, as DSO and DPO are anticipated to be stable at 70 and 90 days, respectively.

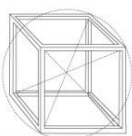


## 11. Valuation & Risks

CFO SIM initiates coverage of CrowdFundMe with a **Buy recommendation** and a **PT of € 3.00/s, 51.5% upside to current price levels**. CFO SIM believes that **the DCF model is the most appropriate methodology to get a reasonable valuation**, in order to better factor in the medium-long term value of the stock and to avoid incorporating the increased volatility of the stock market.

The **DCF model** is based on a  $\beta=1$ ,  $WACC=13.2\%$ , 100%-equity structure, as CrowdFundMe still operates in an early-stage phase, along with a  $g=2.5\%$ , in order to better factor in the long-term potential of the company. In accordance with the DCF model, we attain a **valuation of CrowdFundMe of € 3.00/s**.

We also ran a **market multiples analysis** by setting up a peer group composed of two small-medium companies operating in the crowdfunding and P2P lending industry. Nevertheless, **it is worth noting that there are no listed companies strictly comparable to CrowdFundMe**, especially in Italy where, we recall, the company is the only listed crowdfunding portal.





## 11.1. DCF

In applying the DCF valuation method, we assess explicit estimates until 2027 and a cautious long-term growth of 2.5%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

**Table 15 – WACC derived from:**

Interest costs, pre-tax	3.5%
Tax rate	27.5%
<b>Int. costs, after taxes</b>	<b>2.5%</b>
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	4.20%
Beta levered (x)	1.00
<b>Required ROE</b>	<b>13.2%</b>

Source: CFO SIM, Refinitiv Eikon

**Risk premium at 9.0%** factors in the minute size of the company and basically all Euronext Growth Milan market segment related concerns that an investor might have. The WACC is computed using a **Beta = 1** and a **100%-equity** structure, as CrowdFundMe still operates in an early-stage phase and is virtually debt-free.

**Table 16 – CrowdFundMe, DCF model**

€ m	2023e	2024e	2025e	2026e	2027e	TV
EBIT	(0.7)	(0.4)	(0.0)	0.5	0.8	
Tax rate	27.5%	27.5%	27.5%	27.5%	27.5%	
<b>Operating profit (NOPAT)</b>	<b>(0.5)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>0.4</b>	<b>0.6</b>	
Change working capital	(0.0)	(0.1)	(0.0)	(0.0)	0.0	
Depreciation	0.7	0.6	0.5	0.4	0.3	
Investments	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	
<b>Free Cash Flows</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>6.2</b>
Present value	(0.1)	0.1	0.2	0.4	0.4	3.7
WACC	13.2%	13.2%	13.2%	13.2%	13.2%	
<b>Long-term growth rate</b>	<b>2.5%</b>					

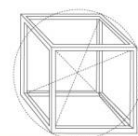
Source: CFO SIM

**Table 17 – CrowdFundMe, DCF derived from:**

€ m	
<b>Total EV present value € m</b>	<b>4.6</b>
thereof terminal value	79.5%
NFP FY-22	0.4
Pension provision	(0.0)
<b>Equity value € m</b>	<b>5.1</b>
#m shares	1.7
<b>Equity value €/s</b>	<b>3.00</b>
% upside/(downside)	51.5%

Source: CFO SIM

The application of our DCF model generates an equity value of € 5.1m, € 3.00/s for CrowdFundMe, entailing a 51.5% upside with respect to current price levels.



The following tables illustrate that sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of **€ 2.80-3.13/s (perpetuity range between 1.75% and 3.25%)**, while 2) if compared to changes in the free risk rate it produces an equity value of **€ 2.75-3.19/s (free risk range between 4.95% and 3.45%)** and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 2.56-3.48/s (risk premium range between 10.5% and 7.50%)**.

**Table 18 – CrowdFundMe, equity value sensitivity to changes in terminal growth rate**

€ m	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
Present value of CF	1.0	1.0	1.0	1.0	1.0	1.0	1.0
PV of Terminal Value	3.4	3.5	3.6	3.7	3.8	3.9	4.0
<b>Total value</b>	<b>4.4</b>	<b>4.5</b>	<b>4.6</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>	<b>5.0</b>
NFP FY-22	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Pension provision	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Equity value</b>	<b>4.8</b>	<b>4.9</b>	<b>5.0</b>	<b>5.1</b>	<b>5.2</b>	<b>5.3</b>	<b>5.4</b>
<b>Equity value/share €</b>	<b>2.80</b>	<b>2.85</b>	<b>2.90</b>	<b>3.00</b>	<b>3.01</b>	<b>3.07</b>	<b>3.13</b>

Source: CFO SIM

**Table 19 – CrowdFundMe, equity value sensitivity to changes in free risk rate**

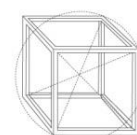
€ m	3.45%	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
Present value of CF	1.0	1.0	1.0	1.0	0.9	0.9	0.9
PV of Terminal Value	4.1	3.9	3.8	3.7	3.6	3.5	3.4
<b>Total value</b>	<b>5.1</b>	<b>4.9</b>	<b>4.8</b>	<b>4.6</b>	<b>4.5</b>	<b>4.4</b>	<b>4.3</b>
NFP FY-22	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Pension provision	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Equity value</b>	<b>5.5</b>	<b>5.3</b>	<b>5.2</b>	<b>5.1</b>	<b>4.9</b>	<b>4.8</b>	<b>4.7</b>
<b>Equity value/share €</b>	<b>3.19</b>	<b>3.11</b>	<b>3.03</b>	<b>3.00</b>	<b>2.88</b>	<b>2.81</b>	<b>2.75</b>

Source: CFO SIM

**Table 20 – CrowdFundMe, equity value sensitivity to changes in risk premium**

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	1.0	1.0	1.0	1.0	0.9	0.9	0.9
PV of Terminal Value	4.5	4.2	3.9	3.7	3.5	3.3	3.1
<b>Total value</b>	<b>5.5</b>	<b>5.2</b>	<b>4.9</b>	<b>4.6</b>	<b>4.4</b>	<b>4.2</b>	<b>4.0</b>
NFP FY-22	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Pension provision	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Equity value</b>	<b>6.0</b>	<b>5.6</b>	<b>5.3</b>	<b>5.1</b>	<b>4.8</b>	<b>4.6</b>	<b>4.4</b>
<b>Equity value/share €</b>	<b>3.48</b>	<b>3.28</b>	<b>3.11</b>	<b>3.00</b>	<b>2.81</b>	<b>2.68</b>	<b>2.56</b>

Source: CFO SIM



## 11.2. Market Multiples

CrowdFundMe is one of the leading crowdfunding platforms in Italy, allowing start-ups and SMEs to raise capital to fund their innovative projects via its user-friendly online portal. Over the years CFM has continuously completed its offering of crowdfunding investment instruments, introducing Real Estate and P2P Lending projects as well as mini-bonds dedicated to debt investors.

Given the absence of a domestic peer, as **CrowdFundMe is the only listed crowdfunding platform in Italy, we set up a peer group made up of two international companies operating in the crowdfunding, P2P Lending as well as micro-credit industry.** As such, we have selected:

**Funding Circle Holdings plc** provides a loan platform for small and mid-size enterprises. The company operates through four segments: 1) United Kingdom Loans, 2) United States Loans, 3) United Kingdom Flexipay and, 4) Other Loans. The Other Loans segment includes the company's businesses in Germany and the Netherlands. It reinvents small business lending through machine learning, technology, and data. Its 4D work system includes data accumulation, data engineering, data science, and decision engine platform. The company's products include FlexiPay, FlexiPay card, and embedded finance. FlexiPay is a line of credit that allows businesses to make purchases and then spread the cost over three months, paying it back in three equal monthly installments. FlexiPay card is another way for customers to use their FlexiPay line of credit, helping them to pay for everyday business expenses and make purchases. Its embedded finance solution enables partners to offer its loans on their platforms.

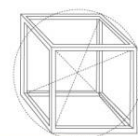
**LendingClub Corporation** is a bank holding company, which operates a digital marketplace bank. The bank's customers can gain access to a range of financial products and services designed to help them digitally manage their lending, spending and savings. It offers a range of products and services aimed at supporting its members and further improving their financial health. The company offers products and services to commercial customers, as well as to range of institutional investors for its unsecured personal loans and auto loans, and for its patient and education finance loans. For depositors, it offers digital experience features, such as ATM fee rebates, rewards and interest rates. Its commercial lending business includes commercial and industrial loans, commercial real estate loans, small business loans and equipment loans and leases.

Based on CFO SIM estimates, entailing only organic growth, **CrowdFundMe offers investors stronger Sales growth**, while profitability figures are not comparable as they are still negative over the period considered.

Table 21 – CrowdFundMe, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	Sales CAGR <sub>22-25</sub>	EBITDA CAGR <sub>22-25</sub>	EBIT CAGR <sub>22-25</sub>	EPS CAGR <sub>22-25</sub>	NFP/EBITDA	NFP FY1
Funding Circle Holdings PLC	UK	151	187	(13)	neg.	21.9%	137.5%	n.m.	n.m.	n.m.	(28)
LendingClub Corp	US	533	821	89	10.8%	-3.8%	-24.4%	36.2%	65.0%	16.7	1,483
<b>Median</b>		<b>342</b>	<b>504</b>	<b>38</b>	<b>7.6%</b>	<b>9.0%</b>	<b>56.6%</b>	<b>36.2%</b>	<b>65.0%</b>	<b>16.7</b>	<b>727</b>
<b>CrowdFundMe SpA</b>	<b>IT</b>	<b>3</b>	<b>2</b>	<b>(0)</b>	<b>neg.</b>	<b>37.7%</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>(0.19)</b>

Sources: CFO SIM, Refinitiv Eikon



**Table 22 – CrowdFundMe, peer group EV multiple table**

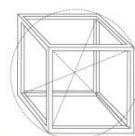
x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Funding Circle Holdings PLC	0.65	0.59	0.55	neg.	20.0	2.9
LendingClub Corp	2.45	2.11	1.39	22.7	25.3	17.3
<b>Median</b>	<b>1.55</b>	<b>1.35</b>	<b>0.97</b>	<b>22.7</b>	<b>22.6</b>	<b>10.1</b>
<b>CrowdFundMe SpA</b>	<b>1.91</b>	<b>1.47</b>	<b>1.09</b>	<b>neg.</b>	<b>16.1</b>	<b>5.7</b>
% premium/(discount) to peers	22.8	9.1	11.7	n.m.	(28.7)	(43.4)

Sources: CFO SIM, Refinitiv Eikon

**Table 23 – CrowdFundMe, peer group EV & price multiple table**

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Funding Circle Holdings PLC	7.1	3.1	1.4	neg.	neg.	7.0
LendingClub Corp	7.6	6.1	3.8	18.0	13.2	6.6
<b>Median</b>	<b>7.3</b>	<b>4.6</b>	<b>2.6</b>	<b>18.0</b>	<b>13.2</b>	<b>6.8</b>
<b>CrowdFundMe SpA</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>	<b>neg.</b>
% premium/(discount) to peers	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Eikon



## 11.3. Peer Stock Performance

CrowdFundMe was listed on Euronext Growth Milan on 25-Mar-19 at € 9.00/share corresponding to a post-money market capitalisation of € 13.3m. **CrowdFundMe now trades below the IPO price**, and reached a 1Y maximum price of € 3.90/s on 11-Nov-22 and a minimum level of € 1.86/s on 21-Jul-23.

**Table 24 – CrowdFundMe, peer group and index absolute performance**

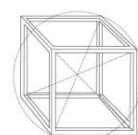
	1D	1W	1M	3M	6M	YTD	1Y
Funding Circle Holdings PLC	(1.1)	2.5	(7.4)	(29.6)	(29.6)	(34.2)	(28.2)
LendingClub Corp	(2.6)	(3.9)	(14.1)	(48.9)	(26.4)	(41.1)	(56.0)
<b>Median</b>	<b>(1.9)</b>	<b>(0.7)</b>	<b>(10.8)</b>	<b>(39.2)</b>	<b>(28.0)</b>	<b>(37.7)</b>	<b>(42.1)</b>
<b>CrowdFundMe SpA</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>(13.9)</b>	<b>(27.7)</b>	<b>(42.4)</b>	<b>(45.0)</b>
MSCI World Index	(1.1)	(2.8)	(2.4)	(9.0)	(0.3)	6.5	9.2
EUROSTOXX	(0.0)	(1.4)	(2.5)	(7.8)	(7.4)	3.7	8.8
FTSE Italia All Share	(0.6)	(2.5)	(2.2)	(5.8)	(0.3)	13.4	20.3
FTSE Italia STAR	(1.4)	(1.9)	(4.8)	(14.0)	(16.9)	(14.5)	(11.3)
FTSE Italia Growth	(0.8)	(3.2)	(7.6)	(15.2)	(16.6)	(16.9)	(15.5)

Source: Refinitiv Eikon

**Table 25 – CrowdFundMe, relative performances**

	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	1.1	0.8	1.4	(5.0)	(27.5)	(49.0)	(54.2)
to EUROSTOXX	0.0	(0.6)	1.5	(6.1)	(20.3)	(46.2)	(53.8)
to FTSE Italia All Share	0.6	0.5	1.2	(8.1)	(27.4)	(55.9)	(65.3)
to FTSE Italia STAR	1.4	(0.0)	3.8	0.1	(10.8)	(27.9)	(33.7)
to FTSE Italia Growth	0.8	1.2	6.6	1.3	(11.1)	(25.6)	(29.5)
to Peers Median	1.9	(1.3)	9.8	25.3	0.3	(4.8)	(2.9)

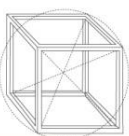
Source: Refinitiv Eikon



## 11.4. Risks

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

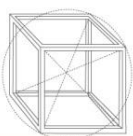
- higher interest rates or adverse macroeconomic conditions could harm equity crowdfunding campaigns;
- tight credit constraint could slow down business expansion;
- a lower operating cash flow could jeopardise key investments to update and improve the crowdfunding platform;
- regulatory changes could reshape competitive landscape and nullify previously secured competitive advantages.







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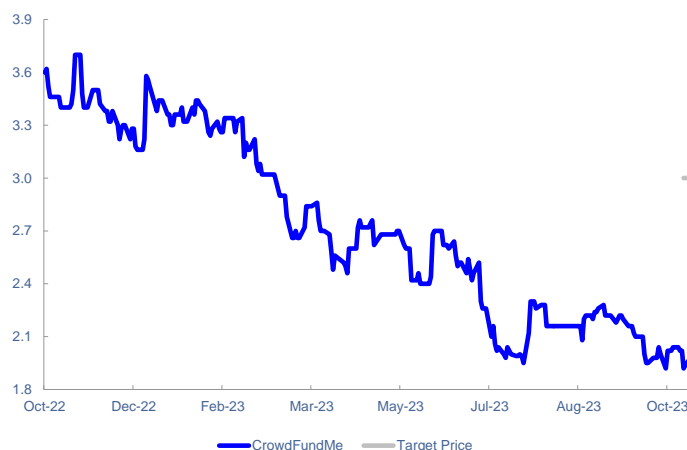
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DATE	TARGET PRICE	RATING
26/10/2023	€ 3.00	BUY

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

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

