

NIR - Next Intelligent Research

CORPORATE BUSINESS REPORT



NIR PROPOSES
ITSELF
AS
THE ENERGY
HIGHWAY
AND DIGITIZATION
OF TOMORROW

SUMMARY

	pg.
SUMMARY	7
a. NIR Business	8
b. Business Project at a Glance	12
c. Context	15
d. Industrial Strategy and Purpose	16
e. Competitive Advantage	17
1. The Company	18
1.1. History	19
1.2. Accademic and Scientific Collaborations	20
1.3. Innovation, Research and Development	22
1.4. Management	24
1.5. Business and Functional Organization	25
1.6. Asset and Business Functions	27
2. Patent and Intellectual Property Portfolio	29
2.1. Patents	30
2.2. Defence of Intellectual Property	31
3. Strategic Elements	32
3.1. Next-Tape – System Key Product	32
3.2. Hive-Smart.System Protocol – NIR Innovation	35

SUMMARY

4. Yesterday, Today and Tomorrow	38
4.1 Yesterday	39
4.2 Today	39
4.3 Tomorrow	40
5. Developments in the sector – Market and Competition	41
5.1. Market Segments	42
5.2. Competitor Next-Tape	43
5.3. Competition and Synergies	52
6. Commercial Projects and Initiatives	56
6.1. LEVEL 1 – EPS – Energy Problem Solving	57
6.2. LEVEL 2 – Hive-Smart.System – Energy Protocol	58
6.3. LEVEL 3 – HSNG: Hybrid Smart NanoGrid	59
7. Products	61
7.1. Finished products in production	61
7.2. Finished products being engineered	65
7.3. Finished products being tested	66
7.4. Products under development	69
8. NIR – both Products and Services	69
8.1. Industrial Strategy	71
8.2. Commercial Offer	72

SUMMARY

8.3. Commercial Activation Phases	73
8.4. Posizioning and Competitive Advantages	75
8.5. Specialist Business Lines	77
9. Trade Strategy at a Glance	79
10. Market Strategy at a Glance	87
11. Marketing Plan at a Glance	96
12. Communication and in-Company Training	98
13. Business Planning – Implementation Development	101
13.1. Design	101
13.2. Development	102
13.3. I-CToS and Directorial Dashboard	102
13.4. Price Policy	103
13.5. Assistance	104
13.6. Competitiveness	104
13.7. Discounts and SAL	105
13.8. Perception	105
13.9. Implementation	106
13.10. Expansion	106
13.11. Stocks	107
13.12. Staffing Requirements	107

INDEX

14. Sales Plan at a Glance	109
14.1. Channel Sales	110
14.2. Productivity Support	111
15. Membership Classes	115
15.1. Prices and Discounts for Membership Classes	115
15.2. Prezzi e Scontistiche per Classi di Appartenenza	117
15.3. Defense of Resale Commercial Value	120
15.4. Fees	121
16. Investments e Implementation Plan	123
16.1. Investments Plan	123
17. Final Considerations	127
17.1. NIR Today	128
17.2. Future	129
17.3. Internationalization and Brand Protection	130
17.4. Collaborations, Initiatives and Commercial Programmes	131
17.5. NIR: "The Keys to Innovation"	132
18. CONCLUDING	133

SUMMARY PROPERTY

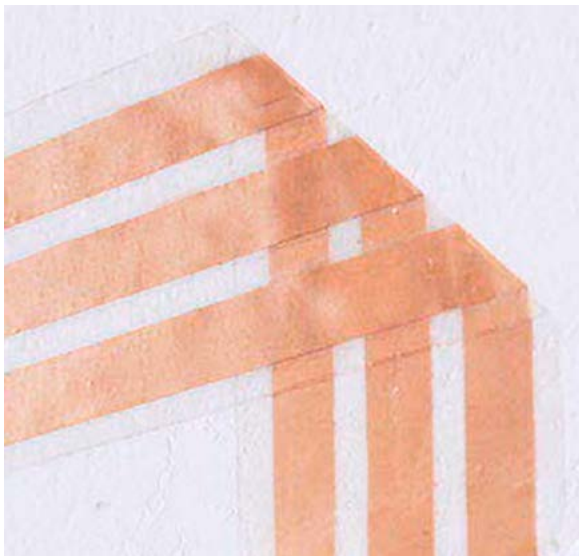
NIR is an Italian start-up generated by an idea developed by Diego De Fecondo since 2012, when he was presented with the need to improve historic buildings in the city of Venice.

Founder and Developer Diego De Fecondo, with decades of experience in the field of environmental safety, has designed and created a deeply innovative, safe and efficient tape, with a thickness of 0.25/0.31 mm, which in fact disappears under the common paint of the walls of the house.

Tape Pose Video: <https://www.youtube.com/watch?v=l4gt3ixV16Q>



Next-Tape electric tape is the key element behind all business technological development.



Through a long legal technical process – lasting about eight years – all the specialized and regulatory objectives have been achieved, as well as the testing of systems in public and domestic environments.

NIR proposes the introduction of a new standard of electrical and home automation systems, creating an industrial group capable of producing a million-dollar turnover* already in the first year of operation, and with a subsequent induced at a rate of more than one billion euros.

* Related to Commercial Industrial Value (VIC), indicated in the Valuation and Costs Plan.



a. NIR BUSINESS OVERVIEW

NIR S.r.l. is a startup active in the field of electricity and environmental home automation aimed at efficiency and energy saving..



NIR founder Diego De Fecondo, also thanks to an atypical and multifaceted experience, characterized by an important substantial background in the field of intelligence-military and development of renewable sources for environmental interception, has a vision of 360° energy management.

Diego De Fecondo in over 10 years of development has rewritten the history of power supply, distribution and energy management systems, which has remained almost unchanged since the days of Edison and Tesla.

- First he designed and manufactured the Next-Tape tape – energy and data – deeply innovative, safe and efficient, with a thickness of 0.25/0.31 mm, which in fact disappears under the common paint of the walls of the house.
- Subsequently, with NIR, he streamlined the entire energy process, devising patented systems, solutions and products generating a high value chain.



NIR Philosophy sostiene che in ambito domestico, non sia l'energia a mancare, ma è il sistema di distribuzione tradizionale ad essere inefficiente.

NIR Idea is to manage differently the contemporaneity of consumption and the relationships between user and operator.

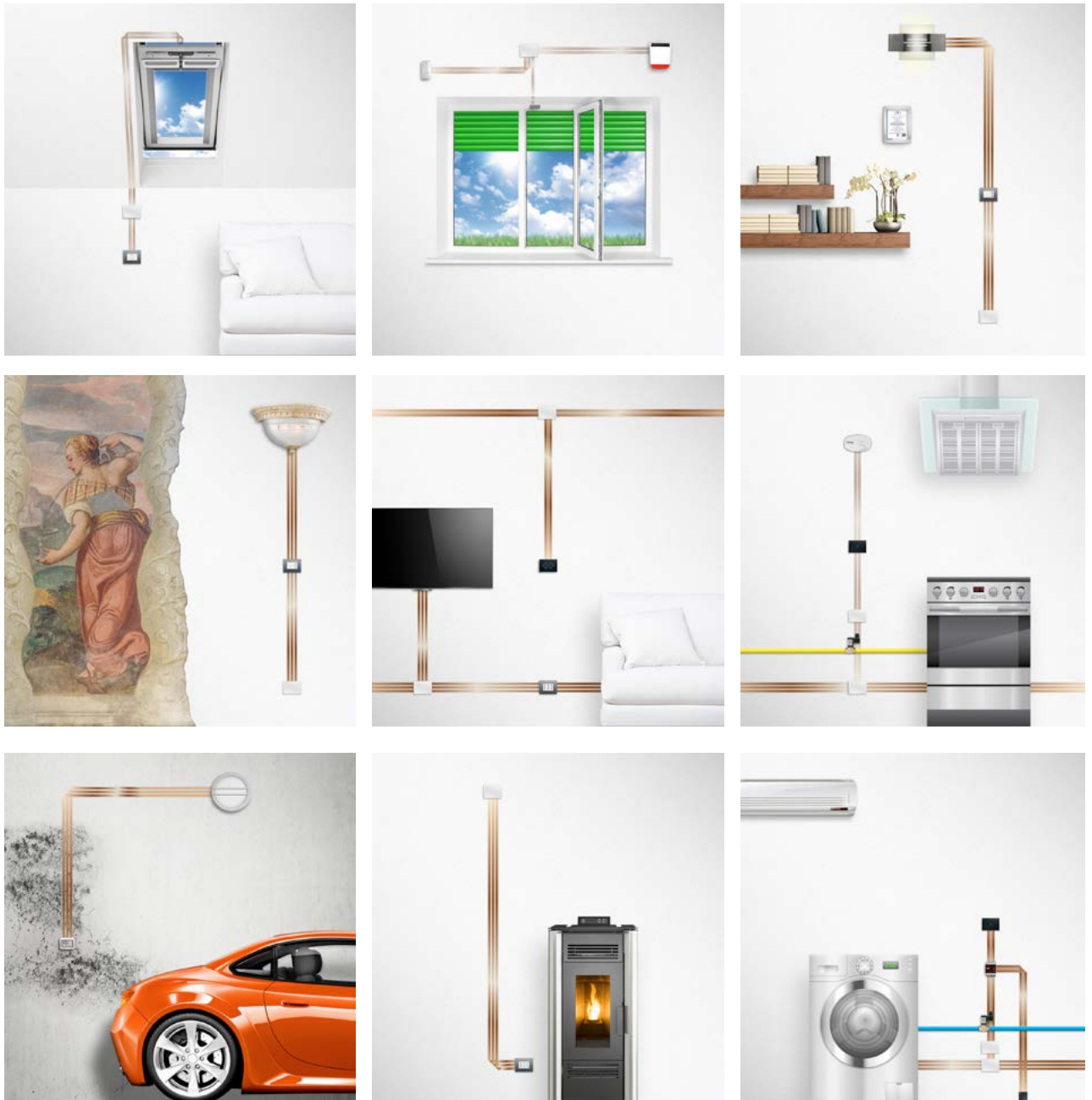


NIR Concept develops an innovative data and energy supply system that applies timely, decentralized and peripheral management of the energy nodes of the house, oriented towards the “dynamic balance” of consumption.

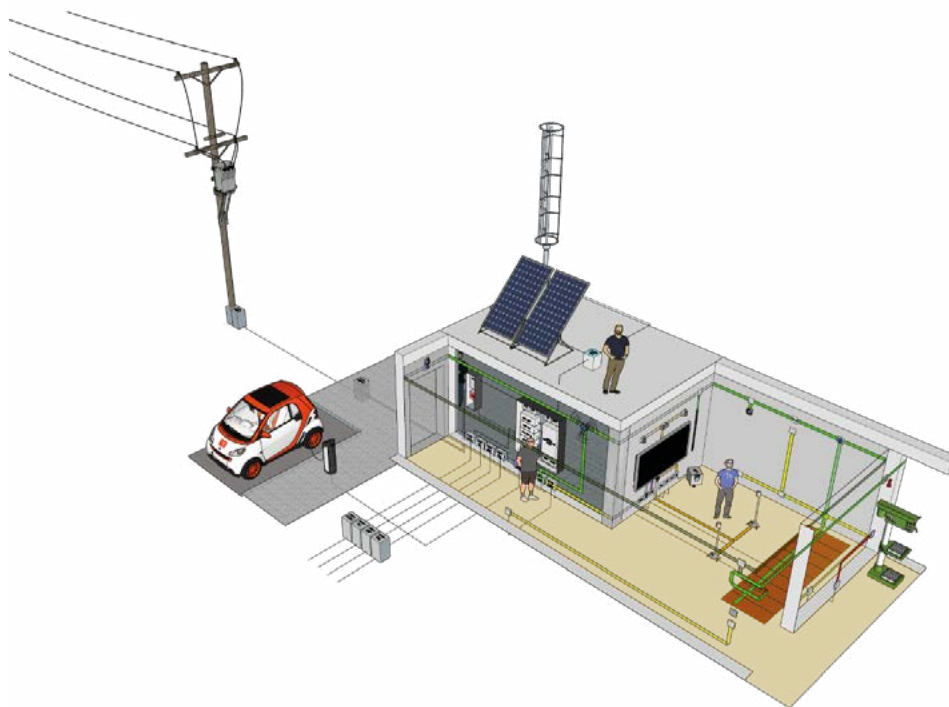




NIR produces revolutionary **Energy Problem Solving Kit** for basic and advanced home automation systems able to give quick and timely solution to power problems – data and energy – up to offer specialized advanced home automation kits.



NIR is completing the industrialization of the world's first Smart NanoGrid system for the efficiency of the entire energy, environmental – for residential and other use – with peripheral and decentralized management of energy, and the contemporaneity of consumption.



NIR will make possible ESCo e multi-utility services, able to offer innovative home automation systems – turnkey – with energy savings of up to 80%, and with the possibility of including the cost of the plant in the price of domestic users.

NIR Goal is the integrated management of domestic energy – data, energy, environment – through Hybrid Smart NanoGrid, for global efficiency and digitization, starting today. NIR solutions offer an alternative of “generational innovation”, designed to modernize, integrate and efficiency the entire electricity market of the low and very low voltage of the world and its systems.

HEALTH CLINICS
Village health centers use refrigerators to store medical supplies

HOUSEHOLDS
Electricity for meeting household needs

SCHOOLS
Children have longer hours for study and more computer lessons

AGRICULTURE
Farmers process fruits and vegetables and press sunflower seeds into oil

SMALL BUSINESSES
Barbers, butchers and restaurant operators extend business hours



NIR Green-Living Vision finds its maximum application in the “Universo Casa” project that offers an integrated and shared vision of all NIR systems, making the most of the concept of “dynamic, generated and distributed management of cooperative energy” up to the efficiency of zero-emission Green-Town Next.

NIR Products have a high value chain and create benefits for all the players involved because they are able to develop in parallel with the consolidated business, in a constructive and never confrontational way.

The Strategic Elements of the NIR Project are represented:

- **from the Next-Tape** of very high electro-lighting performance, at the base of high performance circuits – data and energy – at low and very low voltage.
- by the **Hive-Smart.System Protocol (PP-n.1020200000019156)**, which revolutionizes the management system and power distribution allowing the creation of double-loop and double-current circuits (AC/DC), with characteristics of efficiency and fire protection, seismic, thermal, acoustic, structural, architectural and environmental in generale.
- from the **12 specialized home automation systems - energy, environment data** – which can be integrated and modulated, in their together, in application to the Hive-Smart.System protocol, they are able to generate the first Smart NanoGrid Hybrid in the world. At the basis of each of the 12 home automation platforms, specific insist NIR exclusive products, as innovative as the entire plant system (such as Next-Air, Next-Light, etc.)



The more than 80 products that make up the 12 home automation systems organized in Kit Dom and Kit EPS, as well as the Hive-Smart.System protocol - all developed by R&D NIR - find application (separate or cooperative) also in many areas related to construction or other than housing (production, industrial, construction, installation, etc).

b. COMMERCIAL PROJECT IN BRIEF

In the Commercial Area, NIR will delegate the Company NeXTy EU S.r.l. (in constitution), to development of all programs and commercial initiatives, entrusting NeXTy itself with the exclusive rights marketing of all NIR products and systems, in Italy and in the world. Such activities are currently developed by NIR S.r.l. within the NeXTy commercial department.

NeXTy uses NIR products and technology within specific commercial lines aimed at Retail based on the standardization and scalability of its proposals dedicated to specific areas of application.

Actualization of the commercial project in summary:

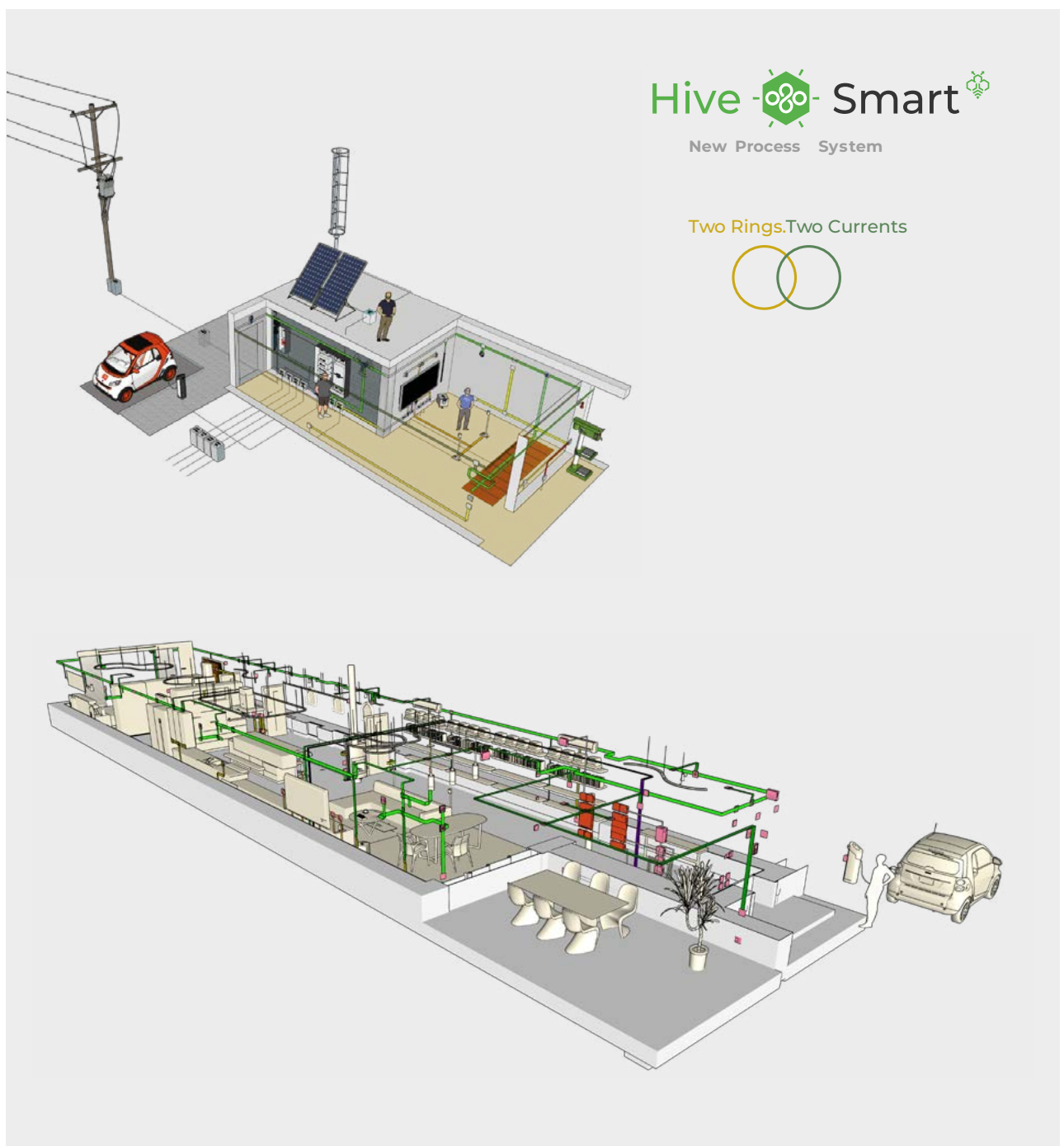
- NeXTy commercial programs will be oriented to indirect sales through B2B contracts, both aimed at the Retail market (through distributors/dealers), and pure B2B aimed at producers of durable and semi-durable goods that require data/energy supply. The products will be offered for both Customer and Professional Lines.
- In order to always develop new specialized commercial initiatives, the parent company (through the NIR CL Custom Line department) will be responsible for marketing only the experimental lines aimed at the construction of new generation electrical systems aimed at general contracts with big players in the sector. NeXTy will rework the same programs standardizing them in a Retail key.
- The search for new commercial initiatives will always be aimed at discovering new applications for use through continuous technological progress aimed at qualitative and quantitative standardization, energy efficiency and eco-sustainability. NeXTy will take care of the marketing campaign national and direct sales through an e-commerce platform which will guarantee a breakdown profits also in favor of its territorial distributors/concessionaires.



IDEA & CONCEPT

NeXTy proposes projects aimed at the **“dynamic balancing”** of energy, and to do so elaborates an entire commercial platform based on NIR technology and philosophy. The system is aimed at saving and energy efficiency through the recognition of home **“energy nodes”** (consumption and data), that will be made to communicate through an integrated and cooperative system of IoT-AI applied to nano-networks Flat technologies households.

The NeXTy system is therefore able to communicate with all users of energy: lights, fridge, heating, conditioning, water management, sterilization of the same, etc. (energy nodes).



PROPOSAL

At first, NIR develops EPS (Energy Problem Solving) solutions, useful for solving power domestic problems, including home automation, of data points and energy within existing environments characterized by electrical systems Traditional.

Next, NIR will implement a specific system protocol - Hive-Smart.System - for management integrated Data and Energy with dual current hybrid electric circuits (low and very low voltage - 230/48 V AC/DC).

Thanks to the use of this system, strategic agreements and planned expansions, the company will expand its own core business up to the field of domestic Smart NanoGrids and integrated energy management of spaces housing, buildings and neighborhoods.

Smart Grid Video: <https://www.youtube.com/watch?v=IVlIPoV3Va4>

Africa NanoGrid: <https://www.youtube.com/watch?v=VILS3vzF9Y4>

In fact, NIR has the revolutionary technology of a reliable, highly fire-resistant data and energy tape called Next-Tape. This tape, with a simple and intuitive installation system, makes homes safer, more energetically performing and quieter, as well as cheaper and easier to build.

Next-Tape technology, data and energy, brings wired home automation even in complex pre-existing situations (even not specifically building, but also naval, rail, aeronautical, etc.), or within restricted properties.



HDG - Hybrid Distributed Generation

Energy production, storage and management AI System of Distributed Generation with Modular Storage and Smart Metering.



BioAIR System

AriaLinea Sanitization System Integrated Next-Air for air control and sanitation and energy saving.



TokenHive Platform

BlockChain Security Data Storage API BlockChain system for archiving and encrypted communication AI-API and Smart Metering.



EcoWarm System

Environmental Heating System Modular Next-Warm line for environmental heating by agitation molecular.



Modula - Hybrid switchboards SYSTEM

Bidirectional AC/DC Modular Electric Panels AI-API line of modular panels, sub-panels and boxes for peripheral data and energy management.



HivaApp Platform

Facility App with Followmæ System



NANORETI - AC/DC RING BUS

Dual circuit hybrid electrical system Nanoreti bus line at 48VDC and 230VAC, Three-phase, FTTH and Audio GOLD Professional.



Hy.DOM - ENERGY POINT

Modular Data/Energy Extraction System Home automation components line, modular with integrated peripheral electronics AI-API.



AI HIVE API - Management Software

Adaptive Environmental Diagnostic System AI-API integrated line of multifunctional intelligent sensors, dedicated to Dom environments.



HIVE Check-App

Adaptive Environmental Diagnostic System AI-API integrated line of multifunctional intelligent sensors, dedicated to Dom environments.



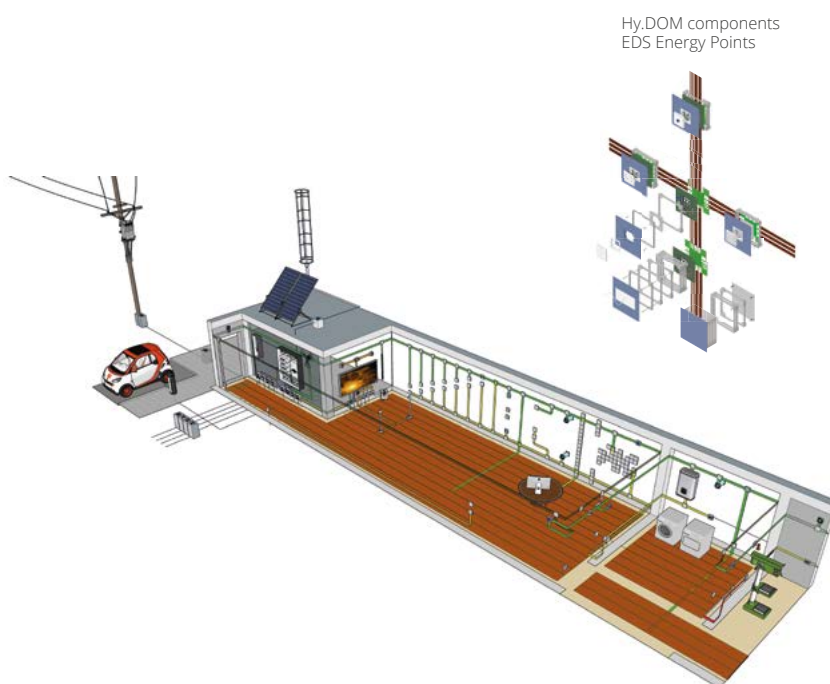
HIVE SECURITYLife System

Adaptive Environmental Safety System AI-API Integrated Multifunctional Sensors Line, dedicated to safety.



MyLIGHT System

Integrated and Cooperative Lighting System Integrated line of intelligent, high performance Ambient Lights with FollowMe System.



c. CONTESTO

The traditional electrical systems that will gradually be replaced are based on general principles of use that are substantially unchanged since the early 1900s. Initially to bring light and energy to a few points of a home. In a century, domestic uses and consumption have led to an exasperation in demand of data and energy supply inside homes, making the basic concepts obsolete systems for the construction and installation of electrical systems in general - both residential and industrial, both Data and Energy.

With the development of household appliances first and then with home automation, there has been an adaptation that has been translated in a progressive increase in the complexity of the plants; so much so that in a contemporary house we count an average of about 2.5 / 3 km of alternating current electric cables, 5/600 m of pipes. The former create electromagnetic fields, while the latter cause the structural weakening of the walls, loss of acoustic class and energy. Furthermore, the use of conduits (concealed or out of the track) makes the houses vulnerable to the circulation of toxic combustion fumes (leading cause of death in case of fire).

Thanks to Next-Tape, it will be possible to create an equivalent system with about 200 m of tape, **without the use of conduits and with a limited use of concealed pipes**, making it more efficient both with reference to the risk classes (fire, structural, seismic, acoustic, energy, etc.), and in the safeguarding of the walls in the case of restricted buildings (historical, artistic, complex structures).

Installation times and environmental impact reduced to the essentials. Furthermore, the system will be able to offer greater safety even with regard to electromagnetic fields, especially through the use of energy networks. at 48 V DC and FTTH data networks free of electromagnetism.

Another element of excellence of the electrical system conceived by NIR is represented by the modular scalability of the system able to accompany the growth of the needs of home users (family), by adding of subsequent additions and derivations - data and energy - achievable without building interventions, quickly, safely, efficiently and economically.



d. INDUSTRIAL STRATEGY AND PURPOSE

The NeXTy Smart NanoGrid (SNG) project - through the exclusive Hive-Smart.System Protocol (PP-n.1020200000019156) - integrates in a modular and scalar way, all the NIR technologies developed around the Home & Office environment in general, aimed at energy efficiency - Data, Energy, Environment - and 12 NIR-exclusive Technological Subsystems.

NeXTy will propose Smart NanoGrid Integrated Systems for smart home networks that require loads critical and priority. These NanoNetworks - data and energy - are made up of Copper and FTTH BUS Lines. Smart NanoGrids NIRs use intelligent data and electricity management systems that they exploit bidirectional communications to increase the efficiency, reliability and safety of the energy supply.

This direction is also the one followed, for years now, by the big players in the sector. NIR is the first - e currently unique - a company capable of designing and developing a complete Hybrid Smart NanoGrid system IT AI.API, cooperative.

The company will offer this system through intermediate steps characterized by modular and integrable products between them, of an increasingly complete level.

In this case, through the commercial NeXTy, NIR will propose in the order:



First Step: EPS kit - power supply only - of easy and punctual application, integrated to traditional electrical systems, already in use.



Second Step: EPS kit - power supply, lights and control - characterized by electrical tapes enriched with Flat electrotechnical components, which can be modulated and integrated with each other (sockets, switches, even wireless without battery, lights, etc.).



Third Step: Electrical systems complete with simplified home automation - which can be assembled through multiple combinations of EPS kits (kits with integrated IoT accessories) - capable of facilitating the installation and distribution system of the traditional system, in which the use of electrical engineering will be essential (including home automation), Currently in use.



Fourth Step: Hybrid Smart NanoGrid IT AI.API characterized by an innovative integrated home automation system - as well as production and home management for Data and Energy - coordinated through a peripheral and decentralized management platform, of NIR concept (PP-n.1020200000019156).

e. COMPETITIVE ADVANTAGE

NIR intends to accredit the Hive-Smart.System protocol - also at an international regulatory level (PP-n.1020200000019156), and the underlying Next-Tape technology, until it becomes the new standard for the construction of domestic electrical systems.

The system patent and Next-Tape classified technologies provide NIR with both an industrial (at least 5 years) and exclusive (for the next 25 years) competitive advantage. Technology and Patent guarantee a wide legal and productive protection to the NIR platform, which has favored the further implementation of product families, in turn guaranteed or supported by secreted know-how and dedicated patents.

The NIR technology finds its maximum value in the construction field, even prefabricated (construction and industrial in general), as well as for the construction of systems in restricted environments or environments with a high risk of fire. Over the next 10 years, the company aims to offer itself as a valid alternative to traditional plants. This project will require a considerable industrial and economic effort, which will be launched in 3 years and governed through various steps and implementation concepts.



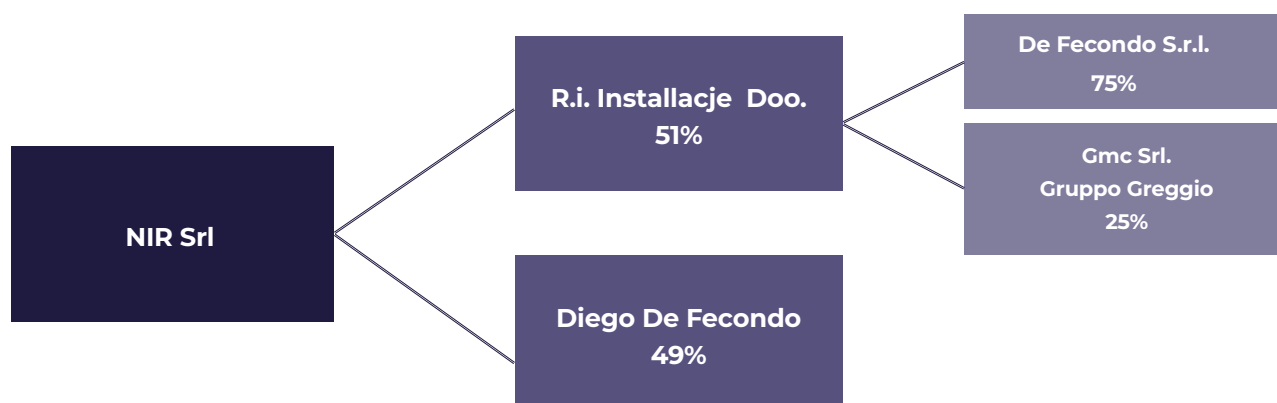
1. THE SOCIETY

NIR, Next Intelligence Research S.r.l., founded in December 2017, in compliance with the provisions from the announcement of the Puglia Region - with Regional Resolution n. 700 of 9/4/2019 - **obtained the highest contribution ever financed by the European Community in the research and development quota**, equal to 12 million euros of which 6.23 million non-repayable, thanks to which it therefore begins to operate at the end of 2019.

As proof of the recognition of NIR's innovative and technological excellence, the Company shares with the Polytechnic of Bari offices and academic development sites both within the University and in the private facilities of the NIR industries.

The NIR Company is owned, directly and indirectly, by the Founder Diego De Fecondo. NIR currently has the following corporate structure: Diego De Fecondo (natural person) 49% and Ri installacje d.o.o. 51%. In December 2017 (at the time of its establishment), the company was 51% owned by Robotina d.o.o. (company under Slovenian law), but at the end of 2019 the opportunity emerged to replace it with RI INSTALACIJE, HOLDING IN INVESTICIJE, D.O.O .. The latter is 75% owned by De Fecondo S.r.l. based in Due Carrare (PD), and the remainder by GMC S.r.l. based in Rubano, (PD).

De Fecondo S.r.l. has the necessary know-how for the design and construction in the Light sector and lights in general; GMC S.r.l. has decades of experience and is a European leader in the field of precious metal processing, and guarantees financial solidity and specific experience in particular processing procedures.



FINANCIAL OBJECTIVES

NIR obtained the certification of its Business Plan by the Puglia Region in 2018/19 and the European Community, which expects, in three years, a turnover of over 35 million euros, with real prospects development programs, which is why the highest non-repayable loan was granted never granted to an Italian start-up.

The management has ambitious plans for the development of the industrial initiative, expecting that the Company will reach the Break Even Point within the first year of the Sales Plan, obtaining a minimum turnover of approximately € 17.7 million in 2021, with a forecast of turnover of approximately € 77.1 million in 2023, and an EBITDA margin of 28.8% and 45.2% respectively.

Without taking into account the corporate restructuring and the planned internationalization within the third year - underestimating the growth - NIR expects to reach 205.5 million euros in 2025, with an EBITDA of 45.7%.

1.1 THE STORY

NIR was born with the intention of revolutionizing the way electrical wiring is built, managed and powered, aiming at data and energy efficiency.

The Company proposes an alternative to traditional systems through generational innovation systems, intended to modernize and then integrate the entire world low and very low voltage electricity market and its systems.

The company is the result of decades of research conducted by the Founder Diego De Fecondo - an expert specialist and respected in the field of environmental safety - with decades of experience serving the Italian, European and non-European law enforcement and intelligence forces.



Diego De Fecondo

The Founder has devised and created a profoundly innovative, safe and efficient tape with a thickness 0.25 / 0.31 mm, which in fact disappears under the common paint of the walls of the house.

Tape Pose Video: <https://www.youtube.com/watch?v=l4gt3ixV16Q>



Through a long technical legal process - which lasted about eight years - all the specialist objectives were achieved and regulatory, as well as system testing in public and domestic environments.

Next-Tape is the key element of the entire platform and is an invention born from the experience gained in the intelligence service environments and the need to supply power to camouflaged environmental wiretapping devices. Subsequently, the technology was expanded and successfully applied for the resolution of safe and efficient power supply problems for electrical systems in critical environments such as the city of Venice.

This path paved the way for the NIR project for the revolutionary application of Next-Tape for large-scale plant engineering, especially in existing, historic and/or restricted buildings, subject to specific attention in the field of seismic protection, fire resistance, acoustic and environmental, in all applications that require data and energy supply. More generally, Next-Tape technology finds application in all electrically powered civil and industrial areas, both low and very low voltage, for specialized environments, as well as for durable and semi-durable goods with large-scale industrial production.

1.2 ACADEMIC AND SCIENTIFIC COLLABORATIONS



Politecnico
di Bari



To carry out its development program, NIR collaborates on an ongoing basis with the following scientific partners:

A. **Polytechnic of Bari** through its two laboratories:

Polytechnic of Bari website: <http://www.poliba.it/>

- **PrInCE – Innovative Processes for Energy Conversion**, at the Polytechnic of Bari, Polo di Via Amendola. The multifunctional laboratory aims to study and prototype generation technologies from renewable sources, also thanks to intelligent control equipment for the management of distributed generation technologies Smartgrid with power $P=1$ MW, among the largest in Europe. The system consists of a low voltage radial distribution network with distributed production from photovoltaic systems, a wind turbine simulator, biomass production, cogeneration, battery energy storage, and utility simulators. PrInCE website: <http://www.princelab.it/en/index.aspx>

- **Lab ZERO – Zero Emission Research Option**: Interdisciplinary laboratory for applied research and experimental development in the “green and smart technologies” sector. It makes use of the know-how of the Polytechnic of Bari and ENEA. The headquarters of the Lab ZERO is located at the Polytechnic Center of Bari in via Amendola.

Lab Zero website: <https://research.poliba.it/labs-networks/labzero>

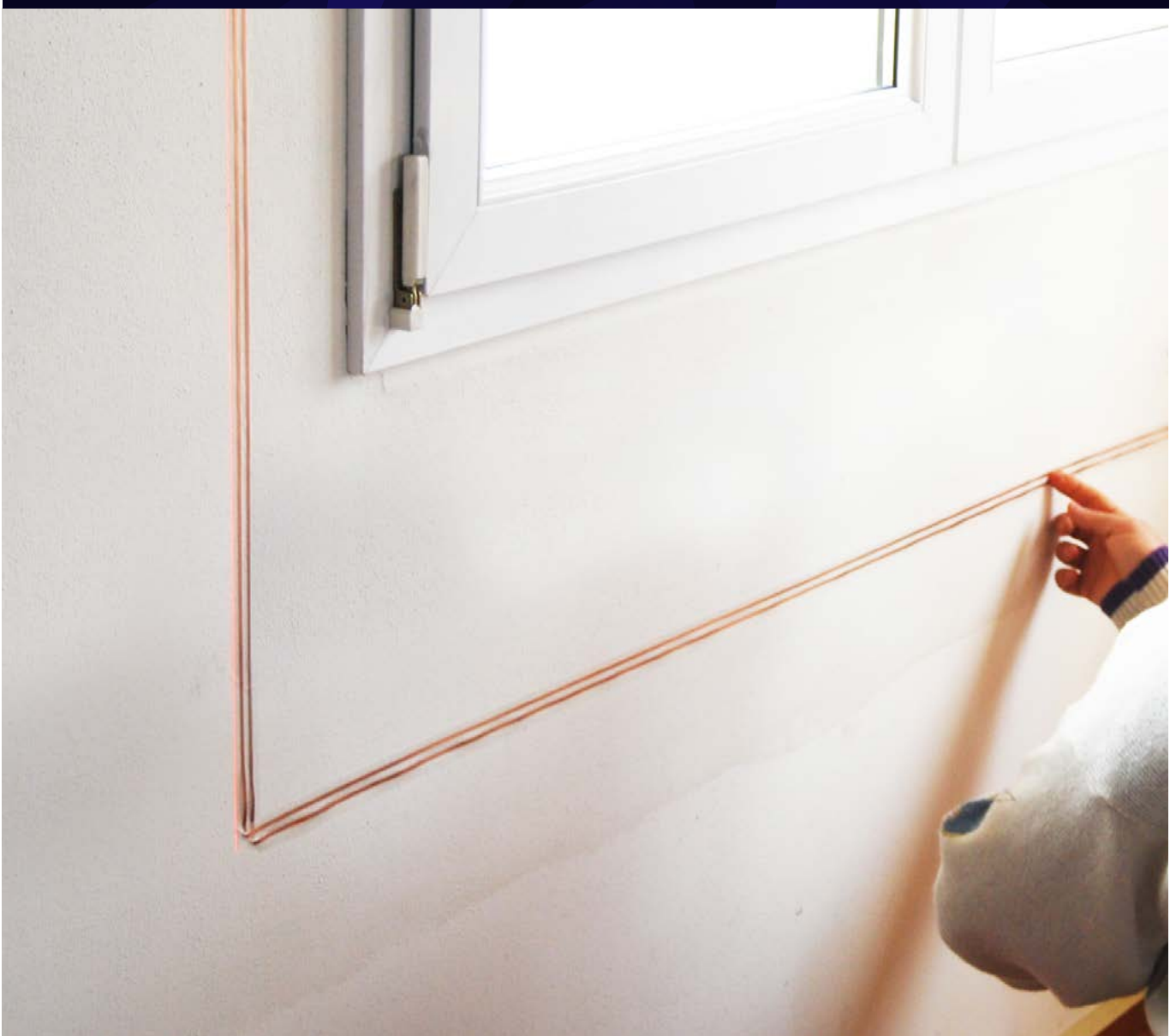
B. **CETMA: European Research Center for Technology, Design and Materials**, based in Brindisi and participated by ENEA. With the CETMA, prototypes of various electronic and electrotechnical devices of NIR technology are currently underway.

CETMA website: <http://www.cetma.it/news.aspx>

ENEA website: <https://www.enea.it/it/amministrazione-trasparente/enti-controllati/schede-societa/2018/consorzio-cetma>

C. **KNAUF: Production hub for direct procurement of the Italian construction sector** for the production of Dry Systems and gypsum-based plasters.

KNAUF website: <http://www.knauf.it/>



As further proof of the innovative and technological excellence of the NIR proposal, similar to the more renowned Leonardo Spa, the two companies are the only private companies present in Italy today to share development sites and offices shared with Polytechnic Universities on a permanent basis. provide for academic detachments within private industrial sectors.

University collaboration - national and international - is indispensable due to the need to create multidisciplinary applications, capable of creating and regulating the development and application of integrated and cooperative domestic nanorets, double circuits and home automation systems also powered by renewable energy aimed at " energy efficiency of buildings, up to entire cities. The development of these technologies represents the backbone for NIR business growth, aimed at building the world's first dual-current Smart NanoGrid AI system.



THE INNOVATIVE FLAT ELECTRIC TAPE THAT DOES NOT LEAVE TRACE

1.3 INNOVATION, RESEARCH AND DEVELOPMENT

The innovation of NIR S.r.l. is reflected in its patent portfolio, and aims to develop environmentally safe domestic environments, with the ability to accompany the user's needs over time in terms of consumption and data and energy supply.

The Hive-Smart.System Protocol applies NIR products in a completely scalable and modular way, able to respond to the growing energy needs of its users in a simple, ecological, economic and safe way. NIR systems are aimed at the modernization of current electrical systems and technological in general, both building and civil construction, fundamental for the green living - data and energy - of the domestic, eco-sustainable and energy-efficient environments of the future.

NIR intends to revolutionize the concept of energy management through a significant reduction in the environmental and economic impact for public and/or private buildings, through advanced Electric Building Technology home automation systems capable of self-producing electricity by drawing it mainly from renewable sources.

The **Hive-Smart.System** thus proposes a new peripheral and controlled management protocol of **energy processes - data/energy** - giving an easy solution to the current problems of energy production and management, which are not very effective and efficient in the field of Green Living sustainability.

RESEARCH AND DEVELOPMENT

The Company's product portfolio is currently nearing the end of the market test phase. The prototypes and the research and development efforts for the first range of products have been completed and defended (patents and know-how secret). The NEXT "Research and Development" Laboratories will specialize in different but complementary technological fields.

NEXT Laboratories - Assets for Research and Development

NEXTLab-Tape

Development of innovative electrical circuits based on Next-Tape technology (classified technology).

NEXTLab-Dom

Development of IT and electronic systems and applications for intelligent home management, based on the I-CToS Platform (Intelligent Comparative Template of Standard with secret technology).

NEXTLab-Security

Development of Intelligent Systems for Nano-networks aimed at integrated diagnostics and safety, based on NIR Depth Sensors in the civil, industrial, museum, etc. (classified technology).

NEXTLab-Light

Development of efficient lighting systems with an innovative and customizable design, based on Density LEDs and the exclusive patented lens with NIR micro-prisms.

NEXTLab-Air

Development of Air Recirculation and Moisture Management Systems in an efficient and cooperative manner, based on the NIR patented Antibacterial Mechanical Ventilation System.

NEXTLab-Warm

Development of high efficiency electrical energy conversion systems, based on radiant heat obtained from molecular agitation of NIR application in very low voltage.

NEXTLab-Cool

Development of recovery systems and management of the cold chain, based on advanced systems of atypical management of thermal masses (secret technology).

NEXTLab-Water Recycling

Development of recovery systems and shared water management, based on advanced decentralized, scalable and cooperative purification systems (classified technology).

The NEXT specialist laboratories will independently develop their products, but they will share multidisciplinary initiatives (poly-laboratories), aimed at birth and the implementation of NIR Industrial Projects. The development of these initiatives will also be shared with large international operators in the sector and a dense academic network in support of NIR-NeXTy projects around the world.

1.4 THE BUSINESS AND FUNCTIONAL ORGANIZATION

The corporate organizational model provides from the outset a detailed breakdown of activities and functions companies, to which specific organizational protocols that are useful and necessary for rapid expansion will correspond corporate.

The expected rapid growth is not only a desirable element but - paradoxically - a condition of possible criticality of the business, especially in relation to the enormous potential of the EPS kits that activate widespread emotional processes - direct and indirect - related to the use of the Kit that will allow the Parties to install the desired consumer product desired for some time, and/or making domestic problems more efficient, apparently trivial as they are fundamental in everyday life every day.

In addition to these reasons, the broad commercial front on which NIR develops its business (12 home automation systems integrated), makes it necessary to foresee immediately an organizational concept capable of absorbing and managing organically the entire - rapid - estimated growth process. NIR has also given specific mandate to primary consultants / professionals for the creation of a quality management system - ISO 9001 certifiable - by providing also support for the development of protocols and performing business processes

The company organization will follow a model of functional standardization, efficiency and process scalability. The corporate organizational model - activities and functions - attributable to the exchanges of NIR cost, are distinguished as follows:

COMPANY DIRECTIVE NIR

The NIR Corporate Executive includes the Executive Council and strategic professional skills in corporate outsourcing - characterized by outsourcing with companies/consultancy developed in a fiduciary context - under the direct responsibility of the group's management.

NIR MANAGEMENT OFFICES

The NIR Management Offices include the General Management, where the company executives who will deal with strategic and managerial activities find their position and the framework offices for the technical and operational management of the group's back-office management activities.

NIR MANAGEMENT SOFTWARE SUPPORT

The NIR Management Software Support includes the technical operating centers that manage the IT platforms of the entire group, essential for the management and updating of business processes as conceived by NIR.

ASSETS and DEPARTMENTS NIR

The NIR Assets and Departments represent the operational branch of the group and are divided into 5 macro-areas: Research and Development Laboratories, Engineering, Production, Logistics and Purchasing, Sales and Promotion. The Areas that make up the main functional assets of NIR are in turn divided into dedicated specialist departments and offices.



CABINET ORGANS NIR

The NIR Cabinet Bodies include specialized front-office management structures aimed at resolving and enhancing strategic relationships in complex areas: university research, scientific dissemination, training and technical disclosure.

NIR / NeXTy CABINET ORGANS

The NIR/NeXTy Cabinet Bodies differ from the previous ones, only because they refer to the NeXTy business area which, depending on the case, provides for collaboration with third parties who do not have access to the activities of strategic industrial relevance NIR.

INVESTMENTS STANDARD IMPLEMENTATION DEVELOPMENT PROGRAMS

The Standard Development Programs office - headed by a Project Manager referable to NIR - coordinates the set of activities necessary for the activation of the achievement of the corporate implementation objectives, relating to the technologies being completed or advanced development and related commercial programs.

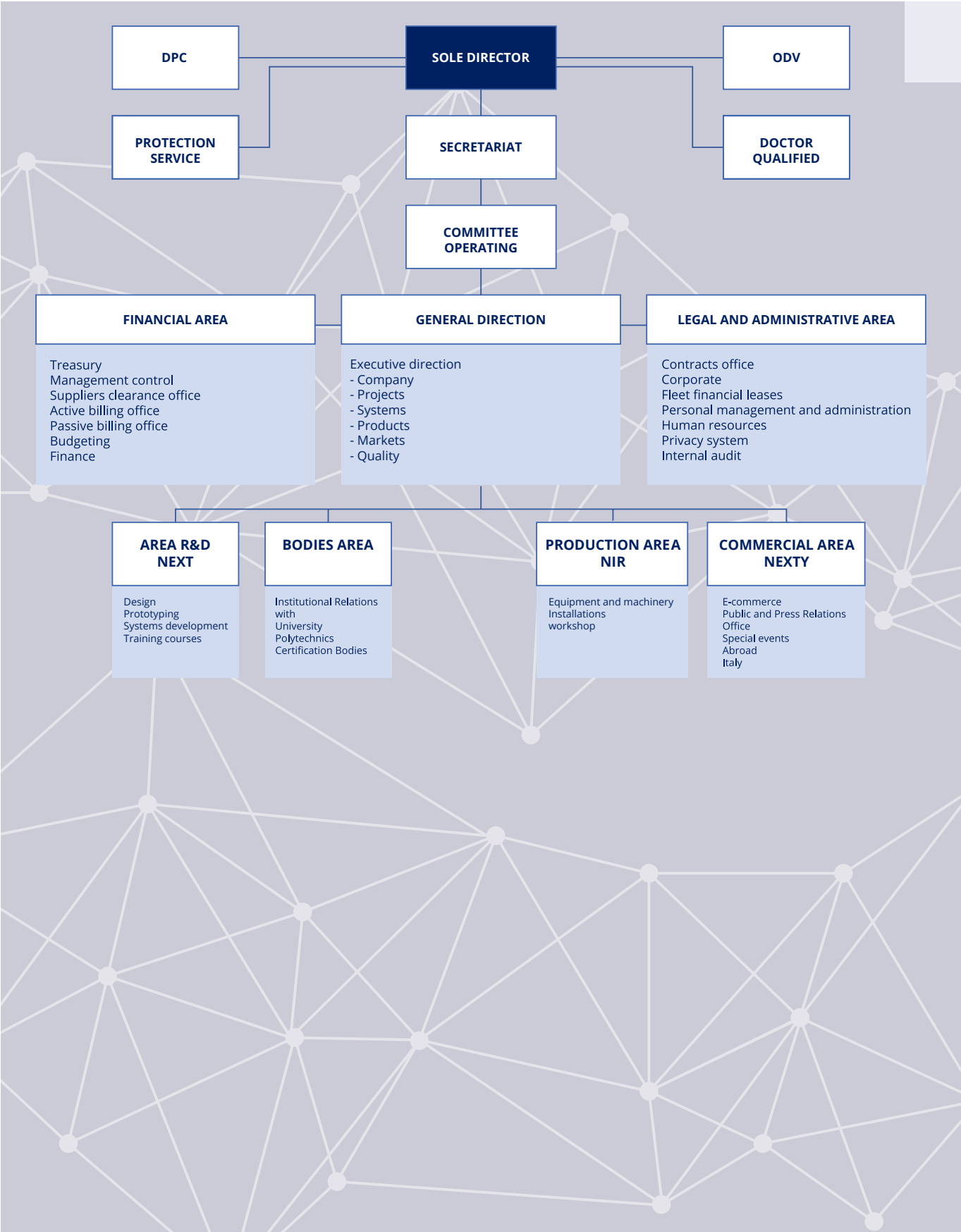
INVESTMENTS COMMERCIAL PROGRAMS Hive-Smart.System

The Commercial Programs office - headed by a Project Manager referable to NeXTy - coordinates all the activities carried out independently within the 12 planned commercial implementation plans (12 specialized home automation commercial lines).

IMPLEMENTATION INITIATIVES - PROJECT MANAGEMENT

The Implementation Initiatives office - directed by a Project Manager referable to NIR - coordinates the set of activities carried out independently within the various implementation plans envisaged for the NIR business development, based on ATI (Temporary Association of Companies) protocols, shared in strategic partnership. The implementation initiatives management office is responsible for coordinating the group's outsourcing.

FUNCTIONAL ORGANIZATION CHART



1.6 CORPORATE ASSETS AND FUNCTIONS

The corporate structure of NIR is made up of five corporate assets organized in subdivided macro-sectors in departments:

Research & Development - NEXTLab

It deals with the development of all present and future technologies of Concept NIR. The NEXT "Research and Development" Laboratories are specialized in different but complementary technological fields.

Engineering - NIR CL

NIR CL deals with Industrial Design and industrial engineering in general and carries out commercial activities (General Contract), only in contracts that require specialized customizations. NIR Custom Line (CL), will also take care of the commercial prototyping necessary for the NeXTy business.

Production Department - NIR Factory

Once the industrial projects of the NEXT laboratories and the subsequent executive engineering produced by NIR CL have been developed, the industrial production lines within the NIR Factory are launched.

NIR Factory is responsible for delivering a finished and certified industrial product in accordance with current legislation, by area and by sector, within the European economic community. NIR defends its industrial secrets by producing all the strategic and secret components on its own.

Furthermore, NIR Factory is entitled to the know-how for the production of Next-Tape Tapes (energy, data and climate), industrial projects and the production machinery construction line.

At present, the Next-Tape modular production line has reached its third generation of development.

The new generation of Next-Tape looms, operational from January 2021, has a production capacity of:

- 120 m per minute (Ref. Tape NM3BT15)
- 6 Km/h
- 17 thousand km/year
- Average VIC - Average Industrial Commercial Value € 47,520 per hour
- Average VIC - Average Industrial Commercial Value equal to € 134,576,640 per year

For a total commercial resale value of € 373,824,000/year - VRC

NIR currently owns operational looms with a total annual capacity equal to:

- About 21 thousand km
- VIC 170 million euros approximately
- VRC 470 million euros approx

NIR organizes its industrial model by dividing production into 5 industrial macro-categories distinguished by technological families:

- Tapes;
- Plastics;
- Electrical engineering;
- Electronics;
- Complex Components;
- Lighting.

Logistics – NIR Warehouse

NIR Warehouse covers the function of purchasing office (NIR industrial procurement), manages the industrial logistics of the entire NIR Factory product range and is responsible for orders.

Retail Commercial – NeXTy

NeXTy takes care of the Commercial Area - Marketing, Communication and Sales of NIR.

NeXTy applies NIR products and technology within specific commercial lines based on the standardization and scalability of its proposals.

NIR governance believes that the Company's key resources reside in its Assets, which, in addition to corporate departments include:

- a strategic and extensive portfolio of patents essential for gaining credit for the extended market basin generated, exclusively for NIR (see EPS);
- the maintenance of secret know-how relating to industrial compounds;
- a team of expert collaborators at the head of an important, highly qualified and confidential professional, productive and academic network;
- a range of distinctive and emotional products with easy and rapid market penetration;
- as well as a proven and constantly evolving know-how, the beating heart of the department NIR Research & Development.

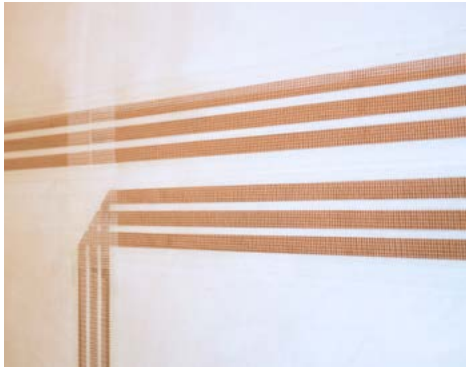
NIR will entrust the NeXTy department (future New.Co of the group) with the exclusive right for the commercial enhancement and sale of NIR industrial products. Subsequently, all 5 company assets (Research and Development; Engineering; Factory; Warehouse, NeXTy), will form separate companies of the Group headed by the parent company NIR.

2. PATENT AND INTELLECTUAL PROPERTY PORTFOLIO

NIR holds a portfolio of patents that collectively design an organic scenario of necessary technologies to create new generation electrical wiring and structured systems, particularly suitable for supporting future scenarios in the Intelligent Buildings of tomorrow.

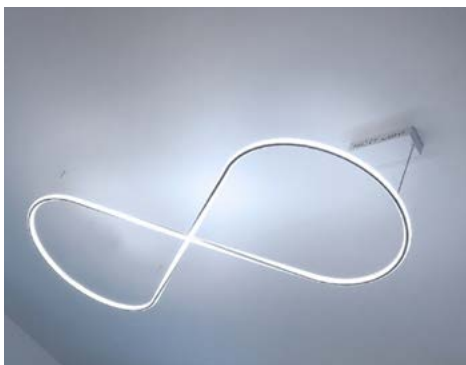
The Company is completing the engineering of the technology underlying the Hive-Smart.System protocol which will allow us to offer the world's first hybrid home Smart NanoGrid: 2A2C Two Rings. Two Currents. The electric and BUS systems of the new generation of NIR concepts will also be able to count on development a design service (shared with the Polytechnic of Bari), a network of professional installers qualified at the NIR Academy, and a multimedia and interactive front office service that ensures a high level of performance in customer assistance and management.

The revolutionary and patented Structured System Wiring of NIR, whose protocol defines and guides the application of the entire Hive-Smart.System process, are:



Next-Tape

a suite of multi-conductor flat ribbons for data power and energy (48 V DC, 230 V AC)



Next-Light

a lighting line for high efficiency lights

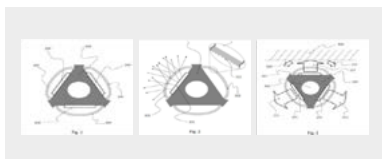


The revolutionary and patented **Structured System Wiring** of NIR, whose protocol defines and guides the application of the entire Hive-Smart.System process.

2.1 PATENTS

The Company holds a portfolio of patents which together outline an organic scenario of essential technologies for creating electrical systems and wiring in general, particularly suitable for supporting future scenarios, especially in the context of so-called intelligent buildings; that is, buildings in which the requirements of SS&C (Security, Safety & Comfort) and energy efficiency are dramatically increased.

The patents available, with ongoing international extension, are:



LED lighting body

Application n. 102018000006340 Submitted on June 13, 2018
Granted;



Fiber ribbon (FTTH)

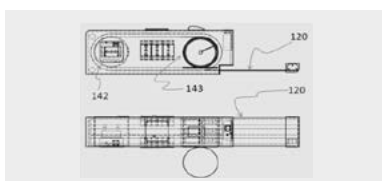
Optic Fiber cabling and related laying method

Application n. 102016000068632 Submitted on September 28, 2018
Granted, International extension in progress;



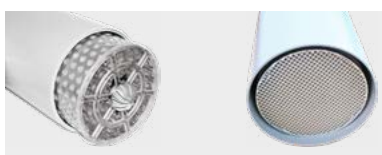
Quick extractor wall box with low thickness socket for electrical systems and relative installation method

Application n. 102019000020715 Submitted on November 11, 2019
Granted, International extension in progress;



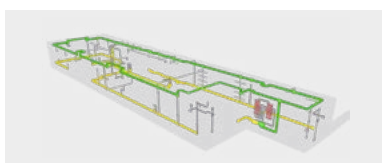
Compact universal extension

Application n. 102020000006337 Submitted on March 25, 2020
Granted, International extension in progress;



Air sanitation system

Application n. 102020000006904 Submitted on April 1, 2020
Granted, International extension in progress;



System architecture

Application n. 1020200000019156 Submitted on August 4, 2020 -
Granted, International extension in progress;



Sistema di installazione a parete di pensili alimentati elettricamente

Application n. 102020000028955 Submitted on November, 30 2020
Granted;

2.2 DEFENSE OF INTELLECTUAL PROPERTY

NIR defends its industrial secrets by producing all the strategic and secret components on its own, and apply a composite protection strategy:

- The Company has decided to keep some key knowledge outside the patent circuit in order to obtain greater protection. In detail, the tape production system has been classified (projects and know-how), compound technologies (materials and mixtures). This information is distributed on a partial and trusted number of specialized suppliers but who only have a partial and never completely exhaustive view of the entire production chain.
- The technical elements related to the realization of the product cannot be recovered directly through “reverse engineering”.
- Some licensing agreements for the use of knowledge, for greater protection, have not been advertised at the Chambers of Commerce and transcribed to the patent office. This step, not being mandatory for contractual purposes, it does not invalidate the protection of the NIR, but allows you to keep out of knowledge of competitors some information. NIR will advertise and transcribe these rights when, and if, it deems it useful.
- Some key steps relating to the installation and laying of the tape, as well as the entire construction system of two-ring and two-current BUS circuits have been protected by patents that will also be extended internationally.

The company purpose will be to defend its know-how, in order to share and outsource some productions safely.

Should a competitor eventually arrive at a tape product similar to Next-Tape (in terms of characteristics and laying system), this would be hindered in practical application due to patent restrictions already deposited by NIR (or whoever for it), in relation to the methods of laying, installation, application of the tapes, as well as the emulsion (extraction) of energy and data, offering the Company an effective defense even in the long term.

DISTINGUISHED KNOW-HOW AND SECRET ACTIVITIES

- Design and constructive know-how for the realization of the Ribbon production machinery
- Know-how Tape Production Methods
- Know-how Metal alloys for tapes and light supports
- Know-how Mixtures and Compound Composites
- Software platforms necessary for the calibration of efficiency systems
- Know-how of energy systems standardization processes through exemplary models (Standard/Product/Energy Point/Report)
- Know-how research and development laboratories

3. STRATEGIC ELEMENTS

NIR has the revolutionary technology of a safe, highly fire resistant data and energy tape called Next-Tape. This tape, with a simple and intuitive installation system, makes houses safer, more energetically performing and quieter, as well as cheaper and easier to make.

Next-Tape technology, data and energy, brings wired home automation even in complex pre-existing situations (even not specifically building, but also naval, rail, aeronautical, etc.), or within restricted properties.

3.1 NEXT-TAPE - SYSTEM KEY PRODUCT

Next-Tape is an electric (energy) tape, flat of variable thickness, foldable, surmountable, flame resistant (in continuity of the system for two hours at 850 ° C non-REI plasterboard), which guarantees maximum flexibility of use thanks to the rapid Adhesive Laying System, **which does not require holes in the walls.**

The Next-Tape Energy Tape is the key product for the entire NIR industrial platform, necessary for the creation of the innovative AC/DC hybrid flat circuits, 2 Rings 2 Currents, for the modernization and energy efficiency, home digitalization and integrated, punctual and peripheral data management and energy.

Thanks to the surface adhesive laying and / or double plasterboard sheet, in the event of a fire there is no transmission of toxic fumes from one room to another of the building, as happens with traditional cable pipes. Next-Tape in addition to the very low emissivity in the place of fire, does not propagate fumes or flames and guarantees continuity of operation in the fire with performances superior to the best CPR cables. The Next-Tape thickness can be 0.25 or 0.31 mm, while the width can vary from 25 to 75 mm, depending on the number of conductors making up the tape.

Next-Tape presents itself as the ideal solution to solve efficiency problems and data and power supply in private buildings (new and existing houses) and public buildings (hospitals, commercial premises, industries), but also and above all to make all buildings subject to architectural constraints more efficient, as well as churches and museums, because the Next-Tape installation system allows safeguard frescoes, paintings, walls and valuable structures, delivering a safe and performing electro-lighting system both from an energy and application point of view.



TYPES OF ENERGY TAPES

The Next-Tape currently proposed are 11 and are divided into 3 categories:

- **Tapes for specific uses** in compliance with the requirements relating to the connectivity of **Smart Buildings and Home Automation**;
- **Specialist tapes** for transmission systems with integration of fiber optic cables **FTTH**;
- **Specialist tapes** for **KNX** home automation systems.

SPECIAL FEATURES

The belt has quite peculiar characteristics:

- use of double current (alternating and direct);
- does not need a trace;
- totally camouflaged and adaptable to the application surfaces;
- foldable, surmountable, paintable, walkable;
- easy to install under the floor;
- speed of installation;
- maintenance of energy class, seismic, acoustic, etc .;
- electrotechnical accessories with Flat installation systems (12mm);
- modularity and compatibility with electrical and home automation systems in use;
- continuous use temperature: + 85 ° C;
- maximum humidity of the installation environment with a temperature of 55 ° C 93%.

MODULARITY

The system is modular and scalable and able to accompany the growth of energy needs of users, through the addition of subsequent additions and derivations - data and energy - achievable without building interventions, quickly, safely, efficiently and economically.

ELECTRICAL PERFORMANCE

The tape has high characteristics in terms of electrical performance:

- Integration of rated insulation voltage: $V_{in} = 1,500 \text{ Vac}$ (a normal CPR cable type FS17
- has a maximum V_{in} of 750 Vac)
- rated impulse voltage: $V_{imp} = 5 \text{ kV}$
- high current density equal to 9 A/mm²
- coefficient of specific let-through energy $K = 130$ (energy that can be supported by the cable k2s2)

FEASIBLE SYSTEMS

The belt is ideally suited to the realization of the following systems:

- Integration of lighting systems, sockets, in existing systems
- Security systems
- Home automation systems
- KNX systems
- Audio systems
- Air conditioning systems

FIRE RESISTANT



The tapes have passed the tests required by current standards regarding compliance with the criteria of "FIRE RESISTANCE" and "NON PROPAGATION OF THE FLAME".

Fire resistance test (LAPI):

fire resistance of 120 minutes at a temperature of 850 ° C

fire resistance on plasterboard walls (not REI): 77 min at 983 ° C tape exposed to flame, in continuity of the plant.

Emission of toxic and opaque fumes lower than the limits allowed by the European regulation EU - 305/2011 for CPR cables.

REGULATIONS

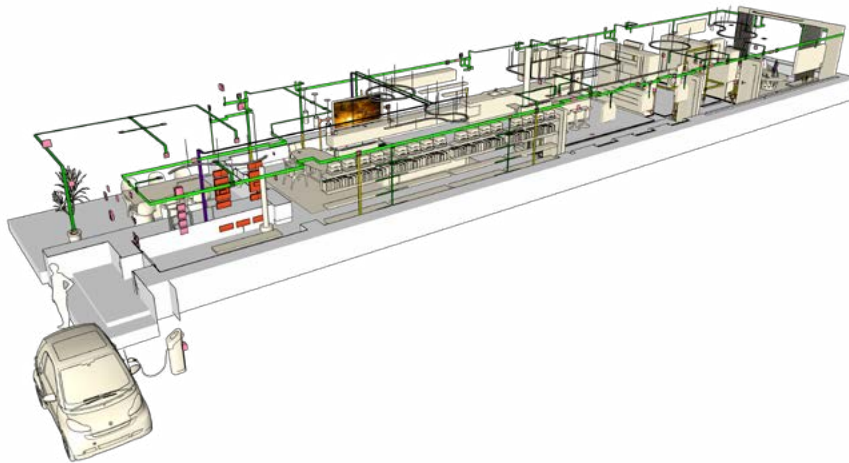
Next-Tape complies with all the most important certifications at European level (insulation test, operating voltage test, fire resistance test and flame retardancy test) which declare its total compliance with safety standards, including " TÜV - Intercert 19-PPA-000000713/03-TIC certification. Further tests are currently underway by the Polytechnic of Bari and the joint TÜV certifying body.

**SAFETY
FIRST OF ALL**

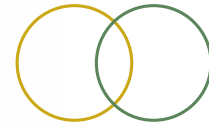


3.2 HIVE-SMART.SYSTEM PROTOCOL - NIR INNOVATION

The Company has patented a Next Tape Double Ring structured cabling system with 2 Currents, in which one ring is powered at 230 V AC, while the other becomes a Special System and powered directly at 48 V DC, the system is completed with home automation solutions for data, energy, environment, as well as storage and production of renewable energy from Distributed Generation.



Two Rings.Two Currents



HIVE-SMART.SYSTEM PROTOCOL – 2 RINGS.2 CURRENTS

The application of the entire Hive-Smart.System protocol (PP-n.1020200000019156) and of the integrable and cooperative NIR home automation platforms develop the first Hybrid Smart NanoGrid AI-API in the world:

- Dual voltage loop circuits (very low 48VDC, low 230 VAC)
- Energy Problem Solving Kit
- Flat 12 mm socket and switch systems, both powered and wireless Batteryfree
- Advanced modular and scalar home automation
- Integrated Energy and Data Management Systems
- Distributed Energy Production from Renewable Sources - GD
- Energy - data storage and brokerage systems
- Network systems Data / power bus (copper)
- FTTH Tape Digitizing Systems
- Intelligent Sensor Systems
- High performance integrated and biodynamic lighting system.
- High efficiency integrated audio / video system (yellow gold, red gold)
- High efficiency flat electric heating system
- Dynamic AI systems for the Home Universe
- Systems for temporary circuits and Flat Extensions
- Domestic, professional and clinical air and room sterilization system
- Integrated systems for safety and camouflaged environmental control
- (Standard / Product / Energy Point / Report)
- Know-how research and development laboratories

STANDARDIZATION AND FLEXIBILITY

The electrical systems are conceived as multiple combinations of modular, integrated EPS kits and home automation kits and cooperatives, able to facilitate the design and implementation of the entire system, standardizing legislation and functions in simple and customizable products, of NIR concept.

The laying system, with a double layer of plasterboard surface, allows you to wire an entire house in a double loop and then postpone the choice of the quantity and positioning of the necessary energy points to the subsequent sales stages.

"The NIR system frees up space and folds the system to the user's needs"

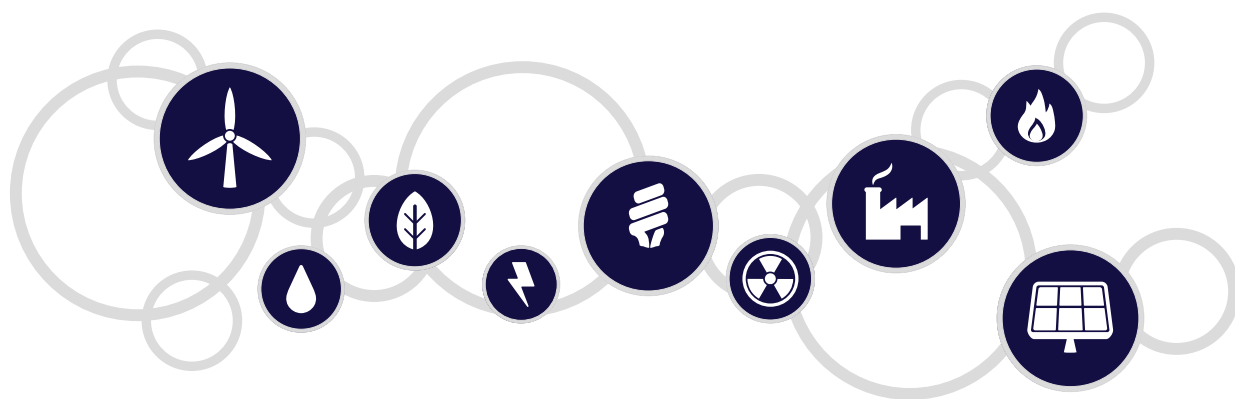
SIMPLIFICATION OF THE TRADITIONAL ELECTRICAL SYSTEM



The simplification of the system is evident in the calculation of the circuit developments. In fact, for a traditional apartment of 100 square meters, it goes from 576 m of concealed duct circuits with approximately 2,000 m of traditional cables (F-N-PE), to just 190 m of Next-Tape adhesive circuit. All this involves a saving in the development of the circuits in a ratio of at least 1: 3 and a reduction in copper consumption of about 16 kg, as well as a saving of plastic material of about 40 kg. In terms of LCA (LIFE CYCLE ASSESMENT), the CO2 saving is 50% compared to equivalent cable systems. The Tape and Next-Tape circuits they are recyclable, eco-sustainable, and encourage a circular economy.

EFFICIENCY

The NIR solution aims to remove from the national grid the long-lasting low power loads (lights, refrigerators, etc.), also eliminating all the small losses due to AC / DC conversions. In the home, savings on the bill can reach up to 80% (Assumption of a house of 100 square meters).



COMPETITIVENESS

The **Hive-Smart Standardized Modular System** will ensure the same flexibility of use of an EIT completely built on site, but will offer technical specificities, **ease of installation and performance values far superior to a Traditional System**, and with a much lower cost at 360 ° (design, certification, material and installation).

Exemplifying, in relation to the construction costs between Traditional Electrical System and NIR:

- **Modernizations - the cost of the intervention with the use of the EPS Kit was 43% less than the total price of the intervention with traditional systems** (traditional cost € 425, against € 183 EPS).

The application of the tape required only 25 minutes of installation and no inconvenience to things or goods.

- **Domestic systems** - in terms of construction costs, protocol electrical systems Hive-Smart.System NIR are:
 - particularly **competitive** for advanced plant engineering levels (L3 home automation), above all if large, with an **estimated savings** in terms of construction costs average not less than **35%**;
 - In the least competitive condition, represented by small-sized houses (less than 35 square meters), for basic plant level, an estimated saving in terms of costs is guaranteed average achievement not less than 10%.

The same scenario, if developed with NIR wireless technology, will instead be more competitive than to the competitor IET of more than 40% of the cost of implementation.



4. YESTERDAY TODAY AND TOMORROW

Thanks to the development of the innovative and tested **Next-Tape** - of high electrotechnical performance - the company can count on a **product of exclusive excellence**, in particular in solving electrotechnical problems Energy Problem Solving (power supply and Data and Energy Efficiency), from strong socio-economic impact, of great market penetration and on which it was possible to develop an entire design system, target of the NIR industries.

The NIR idea of organizing its corporate system on the basis of a strong fractal, modular standardization and functional, has generated products with high performance capabilities, capable of operating rapid commercial insertions through vertical and horizontal channels (by specialist area, by territory, by type of intervention, etc.).

The innovative drive NIR has led the company in the direction of wanting to design, develop and create the home environments of the future also with the use of integrated systems of self-produced energy, energy storage, smart mini and NanoGrids, adaptive controls and sensors, smart technologies. for home automation and IT systems for managing, processing and storing data in API function.

The key element of the entire system is the Next-Tape Energy Tape.



4.1 YESTERDAY

The world context relating to electrical systems (which we will call IET Traditional Electrical Systems) suffers from a **condition of structural inefficiency**, characterized by a dystopian market in which advanced home automation systems with low integration and with a strong imbalance towards wi-fi connection practices coexist. In traditional electrical systems, electrical design - which should always be linked to plant and mechanical design (especially with regard to performance aspects) - in about 80% of cases, pays for a strong energy inefficiency and structural inadequacy that is increasingly significant due of the growing demand of home automation and domestic IT and electrical engineering services.

More specifically, the Traditional Electrical Systems available on the market reflect:

- a single technology (removable alternating current cables with centralized electrical panel);
- two types of installation (concealed or exposed ducts).



Common features of these systems, in addition to **poor energy efficiency and environmental hazard**, are expensive, demanding from a construction point of view, difficult to design and require skilled labor for any intervention, which does not however guarantee the scalability and modularity of the system.

A traditional electrical system is by its nature static and non-scalable.

4.2 TODAY

IDEA

NIR has devised a standardization protocol - technical / regulatory - capable of developing Energy Problem Solving solutions aimed at solving power supply problems thanks to a **complete suite of Next-Tape technology tapes** divided into Energy Line, BUS and Data.

CONCEPT

The Next-Tape are electrical, adhesive, disposable (non-repositionable), **foldable, overlapping, fireproof and waterproof tapes**, with a variable thickness from 0.25 to 0.31 mm, which guarantee maximum flexibility of use, thanks to the rapid Smart Adhesive Laying System and Flat components that do not foresee holes in the walls.

SHAPE

Specifically, NIR develops both AC/DC Energy Ribbon systems and Multi-Service Belts (Copper and FTTH), for Bus hybrid circuits, for Data, Energy and telecommunications for residential and non-residential use. These are **low networks power consumption, in direct current**, designed to provide high PQR energy for those devices that require it. They are efficient for 48 V direct current and offer high PQR performance.



4.3 TOMORROW

IDEA

With Hive-Smart.System, NIR proposes the world's first Smart NanoGrid system based on hybrid, integrated, scalable and cooperative home automation systems - for domestic use - standardized for home and office environments and hospitality in general. These Nano-networks respond to needs and characteristics that are completely different from normal electricity distribution networks and are fundamental for the Intelligent Homes of Tomorrow, which thanks to two-way intelligent meters (Smart Metering), are able to distribute and exchange the energy produced, maximizing efficiency and optimizing consumption.

CONCEPT

In each room, or in groups of them, there will be a perimeter ring consisting of a multiple tape, characterized by a first section dedicated to the transport of electricity and a second section (BUS) assigned to the transit of the signals pertaining to the other systems. From the perimeter collectors (ring circuits), it will be possible to extract (extract) electricity by using of particularly small power sockets or by means of special connection systems studied for the derivation of energy systems (Data and Energy Plates Extraction Points).

Particular sensors, suitably designed for the integration of the entire system, will be designed to be integrated and applied on the tape itself or to communicate with it, as well as for the activation of generic users also through systems without physical connection (radio signals, ZigBee systems, etc.).

The design choices will make it possible to combine different needs and essential benefits, depending on the system.

SHAPE

The described, revolutionary concept, at the base of this new System Protocol - Hive-Smart.System (PP-n.1020200000019156) - is based on four fundamental elements:

- **Energy Points Management:** Home automation Peripheral characterized by an innovative control system and energy distribution through the identification and cooperative management of EDS Energy Points (Energy, Data, Sensors), AI.API of the home.
- **Two-Ring, Two-Current Circuits:** Innovative structural wiring architecture for electrical systems characterized by double hybrid circuits (AC / DC), distributed in a ring placed inside the living quarters.
- **Hybrid Smart NanoGrid System:** Innovative Hybrid Electric Circuit BUS IT AI Cooperative with Distributed Generation from renewable sources and Energy Storage.
- **Smart Metering:** It is a two-way smart meter that allows you to exchange the energy produced, maximizing efficiency and optimizing consumption, because it relies on a technology that transmits information in real time and enable the smart-home and the new services offered by NIR.

The System Protocol - Hive-Smart.System (PP-n.1020200000019156), confers a high added value in the field of energy renewal and efficiency, as well as new and innovative business opportunities for all market operators and players involved.

5. TRENDS IN THE SECTOR - MARKET AND COMPETITION

The economic sector relating to electrical systems for residential buildings - all over the world - shares many technical and technological elements but **differs strongly from country to country**.

The sector is highly regulated, extremely variable and characterized by interconnected and constantly evolving techniques and technologies.

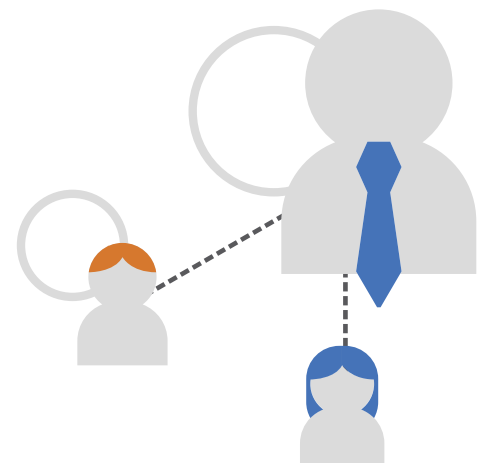
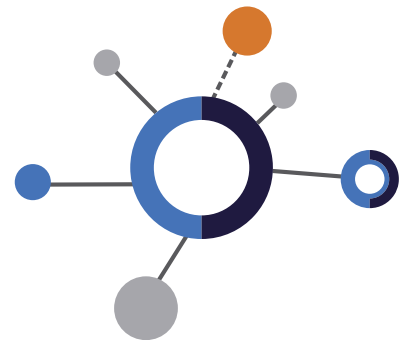
The sector, divided into three macro-areas: Micro-networks, Components and Services, is essentially entrusted to individual sector operators distributed in a fragmentation of professionalism characterized by designers, electrical engineers, electricians, etc., or by small or medium-sized companies in the Sector, which collect several functions but inevitably operate in circumscribed and limited geographical areas.

To make the sector even more diverse is the inevitable involvement of other Sectors (construction, architecture, design, etc.), which exponentially increase the team of operators who promote and channel the business of electrical systems in the area.

So today, by its nature, **the Electrotechnical market (and in particular that of EITs), is not occupied by macro-operators capable of catalyzing all, or a substantial part, of the production chain around itself in the construction of Domestic Electrical Systems**. In fact, the large industrial groups operating in the sector they position themselves in highly qualified specialist areas but develop commercial competition only on specific areas and parts and / or technological components, leaving the overall vision and management to the initiative and professionalism of individual local operators.

Summarizing:

- The **Domestic Networks** Area is fully delegated to **local professionals** (electricians, designers, electrical engineers).
- The **Components** area is extremely specialized and is **limited to a few large industrial companies**. This sector represents the real battlefield between the great brands they are looking for to increase their position through the continuous development of new patents and own technologies.
- The **Services and Utilities** Area, characterized by a pyramidal structure, is **managed by large groups** (national and regional operators), **which reach the end user through** the galaxy of **small and medium-sized enterprises** in the sector (local and supra-local), who offer directly and / or subcontract the requested services. These realities, to which service supply companies (telephony, internet, entertainment, electricity supplies, water, electricity, gas, etc.) are part, catalyze the largest commercial basin of end users around them and condition their choices and consumption, but are still limited to the service sector only, of utilities.



5.1 MARKET SEGMENTS

The sector analysis relating to electrical engineering has made clear the presence of a highly disjointed market, characterized by a business divided into several areas, both in terms of skills and functions, both local and supra-local, both concentrated and territorially spread.

The NeXTy commercial offer for the first time **combines all the different skills of the construction of an electrical system around itself**, this will be possible thanks to the dominant position of NIR's Next-Tape technology and the NeXTy commercial idea, to propose a **integrated, standardizable, modular, scalable and innovative electrical Nano-network system**.

The fact that there is a fragmentation of horizontal competences, all however interconnected and complementary between them, it offers NeXTy a great opportunity.

NeXTy:

- **It solves the disruption of the different market areas**, concentrating and involving everyone around it the main players involved in the construction of an electrical system, obtaining enormous strategic advantages for business. To support this process, NeXTy needs to achieve and maintain a constant commercial visibility on a national and international level.
- **It solves the subdivision of processes and stages of production**, concentrating them all around itself the main supplies and technologies necessary for the construction of an electrical system, simplifying the construction methods by training its technicians and consequently revolutionizing the commercial processes, ensuring the centralization of the business. To support this process, NeXTy develops Example Models capable of anticipating, managing and predicting market demands, in relation to the business of KITs for standardized electrical systems.
- **It resolves the extreme fragmentation of technical and professional skills**, spread over everything the national and international territory, through the direct training necessary for the commercial diffusion of the product, but above all the specialized professional training of technicians. To support this process, NeXTy develops continuous professional training, widespread and dedicated to complementary but extremely different skills (electricians, architects, technicians and professionals in general, organizations and associations, etc.), to be obtained in a widespread manner.
- **By its very nature, it has a Mission with a strong Green message - both in terms of production and consumption energy costs - on which it intends to build an effective social marketing campaign.**



5.2 NEXT-TAPE COMPETITOR

Classification

Next-Tape tapes - Data and Energy - by their nature, lead us to think that the NIR market is somehow limited to construction or more generally attributable to that of traditional cable manufacturers (low and very low voltage), and the overlying commercial sector, but this is not the case.

This approach does not take into account the fact that **Next-Tape is not comparable to a traditional cable, even if it can actually integrate those of traditional cables among its uses**, but it is much more (see technical specifications and performance "Next-Tape Key Product").

- **Next-Tape is a high-performance energy and data nannet**, both energy and digital, as well as simplifying use.
- **Next-Tape, and NIR products in general, are both product and service**, as they offer complete and efficient solutions for simplifying the creation of permanent circuits - Data and Energy.
- **The Next-Tape system** - tape and installation - not only integrates the intrinsic commercial value of the tape product, but above all **includes all those services and facilities saved and/or benefited from**.

This aspect, made possible by the technical excellence of the product, combined with the system patent, which governs it the installation reveals the true strength and defensibility of the Next-Tape business, and the relative difficulty in identification a real competitor who should offer a product with a transversal technical-commercial profile such as the Next-Tape.

In general, the use of Next-Tape tapes with Energy Problem Solving Kit and Hive-Smart.System circuits, it has no real direct competitors either in the adherent market or in the related one, because it creates lines of markets parallel to the traditional one that does not penalize the consolidated one.

Furthermore, the infinite fields of application of the EPS Kit solutions alone, develop new markets, to be scaled in many different and specialized fields, whose high value chain makes it a competitive product, easy to penetrate, therefore attractive to both the end user. that benefits, that the players involved in the commercial production chain. The secreted and patented NIR technologies guarantee the defensibility of the entire industrial platform and commercial.



APPROACH TO MARKET ESTIMATION

The potential market of NIR, without considering the Social, Commercial and Service related activities related to the environments home or all the many related applications, it is incredibly vast. Commercial solutions and technologies proposed by NIR / NeXTy, as described so far, find their natural and more articulated application in domestic environments in general (home, office, hospitality, commercial, hospital, etc.). For that reason alone by way of example, the company program is often traced back to these areas but intends to address - in fact - to the entire electrotechnical, IoT, electrical, electrotechnical and electronic components market, of home micro-networks, Smart NanoGrids, IT networks, Domotics, etc. both domestic and industrial.

For residential uses in general, the innovative NIR technological solutions place the company in a substantial condition of market exclusivity.

BUSINESS

NIR, in the company analysis of the relevant markets, has divided the convertible market into Next-Tape into similar, adherent, overlapping, and generated macro-areas:

- **Traditional Cables Market** similar to Next-Tape tapes (relative to the potential annual market example)
- **Cables market similar to “residential construction”**, referring to the traditional building market - both new constructions and renovations (**related to the parallel annual housing market**)
- **Cables market similar to “residential construction”**, referring to the traditional building market - both new constructions and renovations (**related to the overlying annual housing market**)
- **Market adhering to NIR home automation** (annual potential market example)
- **Parallel market generated by the “EPS”** commercial proposal for the resolution of power supply problems (relative to the overall potential market example)
- **International markets scaled on the Italian business model** (relative to the parallel potential market)

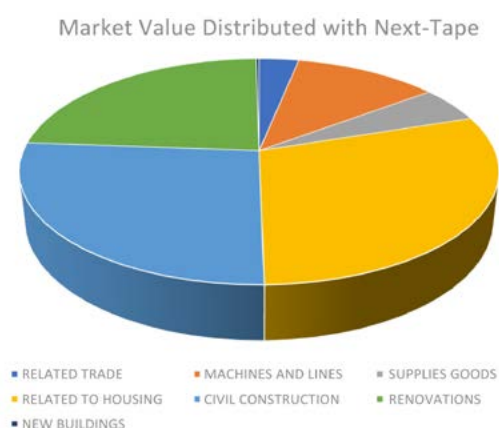


POTENTIAL NIR MARKETS SUMMARY - ITALY, EXPORT, INTERNATIONAL

NIR identifies 8 main potential reference macro-markets relevant to the NIR business. Specifically, we distinguish the markets in relation to:

1. Energy Tapes (Bulk Products)

Annual Potential Market, approximately **€ 13.2 billion/year**



NEXT-TAPE CONVERTED CABLES MARKET

RELATED TRADE	422.700.000 €
MACHINES AND LINES	1.539.393.709 €
SUPPLIES GOODS	684.174.982 €
RELATED TO HOUSING	3.950.580.764 €
CIVIL CONSTRUCTION	3.511.627.346 €
RENOVATIONS	3.128.576.000 €
NEW BUILDINGS	31.906.248 €

TOT. 13.268.959.248 €

2. Family Products

Annual Potential Market, about **44,8 billions €/year**

- Bulk Products
- EPS-Basic Kit (16 Types);
- EPS-Advanced Kit (8 Types);
- Kit Domotici Room (12 Types);
- Hive-Smart.System (3 Levels);
- Hybrid Smart NanoGrid System (3 Levels)



Annual Potential Market	COMMERCIAL FAMILIES					
	Bulk Products	EPS-Base Kit	EPS-Advanced Kits	Room HA Kit	Hive Smart	Hybrid SNG
44.843.000.000						
Breakdown %	5,39%	11,92%	12,76%	17,13%	24,19%	28,61%
Breakdown €	2.418.702.337 €	5.346.567.896 €	5.720.144.785 €	7.682.755.760 €	10.845.310.795 €	12.829.518.427 €

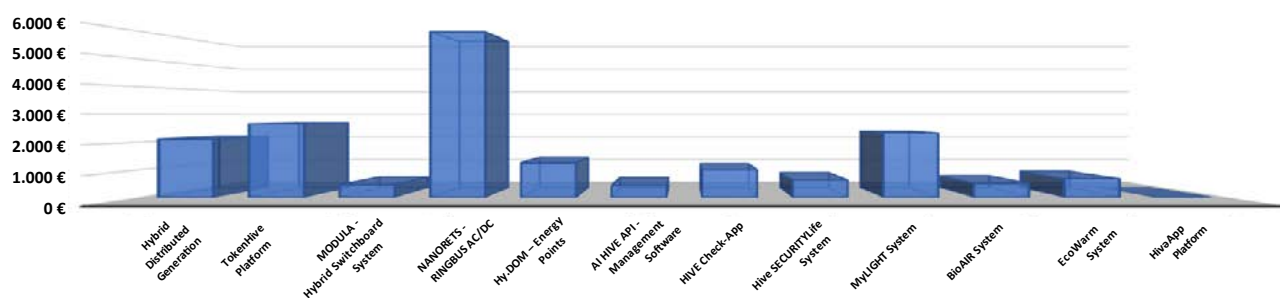
3. Commercial Domotic Lines

Annual Potential Market of the 12 NIR home automation lines is approximately **18 billion €/year**

• HDG - Hybrid Distributed Generation	2.111 €	12%
• TokenHive Platform	2.654 €	15%
• MODULA - Hybrid Panel System	453 €	3 %
• NANORETI - Ring BUS AC/DC	5.987 €	33 %
• Hy.DOM - Energy Points	1.250 €	7 %
• AI HIVE API - Managment Software	429 €	2 %
• HIVE Check-App	995 €	6%
• Hive SECURITYLife System	628 €	3 %
• MyLIGHT System	2.325 €	13 %
• BioAIR System	500 €	3 %
• EcoWarm System	676 €	4 %
• HivəApp Platform	0 €	0 %

TOT.

18.009 €



4. Efficiency and Digitization Solutions

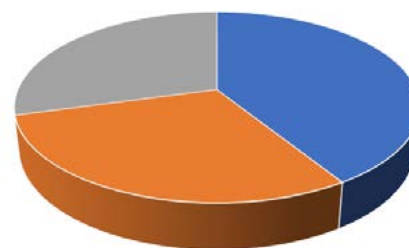
The Overall Total Potential Market of the 3 NIR efficiency levels is approximately **802,8 billion €**

- Level 1 – STRUCTURAL EFFICIENCY
- Level 2 – ENERGY EFFICIENCY
- Level 3 – ENERGY SELF-GENERATION

5. Energy Problem Solving Solutions

Total Overall Potential Market EPS Solutions equal to approx **28,7 billion €**

- | | | |
|-------------------------|-------|---------------------|
| • EPS Solutions PERSON | 41,0% | approx 11,8 billion |
| • EPS Solutions HOUSING | 29,7% | approx 8,5 billion |
| • EPS Solutions THINGS | 29,3% | approx 8,4 billion |



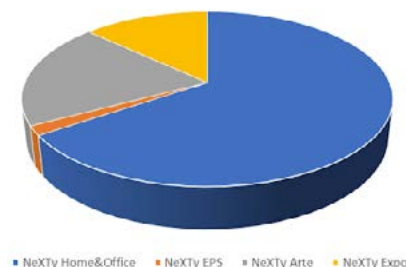
■ EPS Person Solutions ■ EPS Housing Solutions ■ EPS Things Solution

6. National Sales - Specialist NeXTy (3 out of 10 categories)

Total Overall Potential Market NeXTy specialists activated, equivalent to the Estimated Market Value

NIR potential, equal to approx **1.225,1 billion €**

- Potential Market NeXTy Home&Office 65,5% approx 802.800 billion
- Potential Market NeXTy EPS 1,8% approx 21.000 billion
- Potential Market NeXTy Arte 19,6% approx 240.800 billion
- Potential Market NeXTy Expo 13,1% approx 160.500 billion



7. Export Sales - International Initiatives

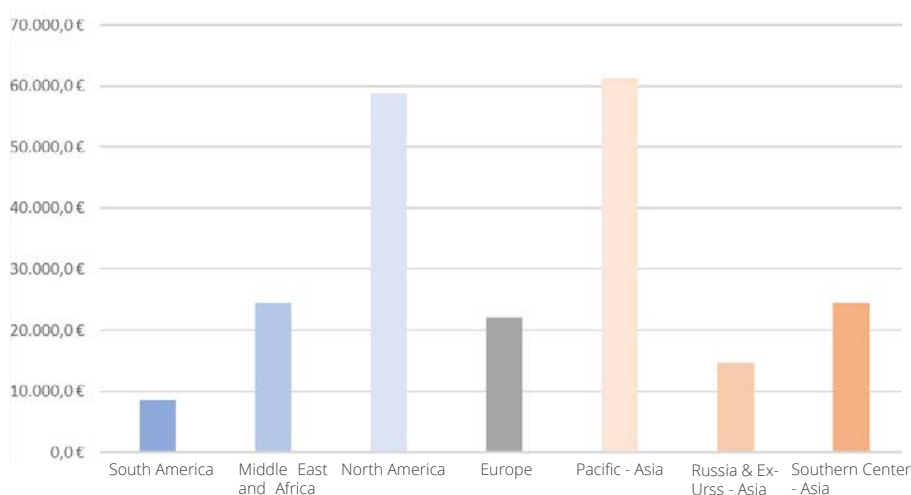
Annual Potential Market - aimed at export - specialized initiatives activated, equal to approximately **40 billion €**

- Potential Market LucenergiA Offgrid Initiative

8. International – Foreign National Markets

The Estimated Value of the Potential NIR World Market is approximately **214.392,5 billion €**

EQUIVALENCES FOR INTERNATIONAL MARKETS		
	EQUIVALENCES IT	VALUE €
ITALIAN REFERENCE MARKET	1	1.225,1 €
SOUTH AMERICA	7	8.575,7 €
MIDDLE EAST AND AFRICA	20	24.502,0 €
NORTH AMERICA	48	58.804,8 €
EUROPE	18	22.051,8 €
ASIA-PACIFIC	50	61.255,0 €
ASIA-RUSSIA AND FORMER USSR	12	14.701,2 €
ASIA-SOUTHERN CENTER	20	24.502,0 €
	175	214.392,5 €



COMPETITOR

The NIR analysis, in relation to Next-Tape Competitors and the Competition of NIR systems, identifies four macro categories:

- Next-Tape Competitor in relation to the traditional market;
- Next-Tape competitor in relation to the tape market similar to Next-Tape;
- Market competition relative to the traditional commercial chain (distributors, resellers, installers, etc.);
- Market competition generated relating to the commercial chain in the field of Energy Problem Solving.

Next-Tape has no real direct competitors as the market offers electrical tapes that are only apparently similar, but they are not usable in the same way. In addition to this category of products, which worldwide has two semi-competitors, there remains the area of traditional cables, which continue to perform their functions in the ordinary way, which instead NIR has drastically improved and made more efficient with Next-Tape.

FLAT CABLES ON THE MARKET

The history of the flat cable is not recent, for decades the technological challenge has been faced to solve the problems inherent in round section cables, to solve particular needs: very low voltage, data, audio/video, etc. **The existence of these products, however, prevented the patentability of the flat cable concept as it does not have the novelty requirement.** Flat cables, available on the market and purchasable on the internet, can be of two types:

1. **Multiplanar cables** (strips), or “a thin cable composed of several smaller cables arranged parallel to each other” with all the conductors side by side forming a wide flat cable, similar to a piece of tape. These specific cables (strips), are born for particular needs that do not share the same market as Next-Tape (generalizing, audio and PC data).
2. **Flat electrical tapes**, formed by copper strips apparently similar to Next-Tape, but with limited possibilities of use, as well as often relegated to the modeling market, and which for this reason cannot be considered competitors.

In fact, there are no competitors with similar characteristics (use and performance), referable to Next-Tape. The same electrical tape, in its most basic use, represents in all respects the ideal replacement for a traditional electrical cable in relation to all uses and applications in low and very low voltage.

Next-Tape brilliantly passes any test or test envisaged for indoor domestic cables, responding so positively that it can also serve as a support to a useful and necessary complex home automation system to the efficient and hyper-connected homes of the future.

In summary, it is possible to state that Next-Tape is only apparently loanable to the case of flat ribbons and / or cables in general, since it has such specific characteristics to make it above any other product available on the market today.

SEMI-COMPETITOR NEXT-TAPE - “SIMILAR PRODUCTS”

Among the products that could create confusion, but are not competitors, the most important are:

A) The **Commscope** Product (USA – ex Tyco Amp Netconnect) “*Undercarpet Power Cable*” that stands out for the following negative performances compared to Next-Tape:

Undercarpet Power Cable Video: <https://www.youtube.com/watch?v=9WcnxlhxsKk>

1. offers a tape applicable only to the floor, not adhesive and with a limited tension of use at only 300 V (compared to 15,000 V for Next-Tape);
2. it cannot be surmounted or folded back on itself, it cannot create complex circuits, on the contrary of Next-Tape, which can create complete home circuits;
3. has a cable thickness of 1.5 mm, with 2 cm thick connectors; while the thickness of Next-Tape is 0.25-0.31 mm, and with connection systems of only 7 mm;
4. resistance to continuity tests in the event of fire is not declared; while, Next-Tape passes the fire continuity test with a resistance of over two hours at a temperature of 850 °C.

B) **Eletrofitas** Product (BRA);

Eletrofitas Video: <https://www.youtube.com/watch?v=qgwdJ70IRlg>

5. It is an electrical tape that is twice as thick as Next-Tape 0.5mm against 0.25mm for NIR;
6. Capacity declared equal to 750 V against the 1.000 V of Next-Tape which however demonstrates a capacity insulation of about 18,000 V (PoliBa Insulation Test - see tests);
7. Single-sided and does not require overlaps, while Next-Tape is overlapping and double sided;
8. It is foldable but does not allow curves, except through a system of complex accordion folds, floating and quadrupling the thickness of the ribbon, bringing it to 2 mm;
9. It cannot be used outside of Brazil as it does not comply with any international regulations either for materials or for the declared load;
10. In detail, it denotes a lack of certified technical and performance requirements, while Next-Tape boasts excellent, certified, tested and regulated performance.



Commscope



Eletrofitas

On the Chinese market there are only apparently similar products that are used only for use in very low voltage, even lower than 50 Volts, with important thicknesses that cannot be recalled to those of Next-Tape. These cables are free of double-sided adhesive and mainly for Home-Stereo use, moreover they have connectors similar to those of the Brazilian company that are unsuitable to guarantee minimum safety standards.

These tapes, with a very low price, are of the same low quality and can appear as a competitor only when considering very low voltage applications, where interference is not important (as happens instead in the audio market), without any precaution against the risk of fire.

PRODUCT	PRODUCER	COMPARISON
Next-Tape	NIR	The thinnest, the most isolated, CE market, extended development plan, Secreted know-how and patents. It was also the first to be produced.
Undercarpet Power Cable	Commscope	Not comparable, it is for floor installation, UL market
Eletrofitas	Eletrofitas	Often double, it has no comparable insulation, it is single-sided and rigid, it can bend only at 90 °, quadrupling its thickness, Brazil market. There are no references to tests.
Chinese clones (es. Ghost Wire)	Various	Comparable only in form, technical performance not sufficient to consider them as competitors if not as Audio cables.
Tradizional Cable	Manufacturers of cables, conduits and corrugated	Yes, with channels or concealed. The limits of a Traditional Electrical System remain.

	ENERGY KIT	AUDIO KIT	COMPLETE SYSTEMS	SMART NANO GRID
Next-Tape	yes	yes	yes	yes
Undercarpet Power Cable	Only on the floor	no	no	no
Eletrofitas	Only in Brasil	Only in Brasil	no	no
Cloni Cinesi (es. Ghost Wire)	no	yes	no	no
Tradizional Cable	Yes, with channels or outdoors	Yes, with channels or outdoors	yes	no

In summary, the few products on the market today that may appear vaguely similar to Next-Tape, they are completely different products and with poorly performing technical and physical characteristics that make it impossible to build electrical systems in general (both residential and industrial). Also for these reasons, they are not to be considered as competitors, if not in very limited areas, and is almost irrelevant for the NIR commercial strategy.

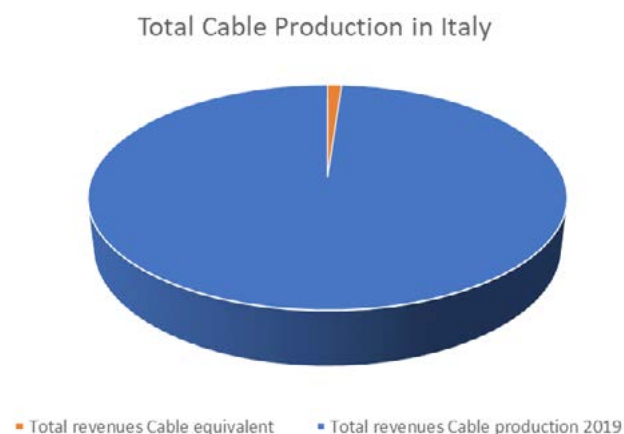
In addition to the semi-competitors there are obviously the **traditional cables** with which you will enter into competition on part of the uses. In fact, Next-Tape responds to the same needs (energy and data transport) in a different way and with a much lower development.

In an average apartment of 100 square meters, more than 2200 meters of traditional cable are used, while thanks therefore, only 190 meters of energy tape will be enough for the Hive-Smart.System double ring laying system the NIR system makes the Next-Tape product extremely competitive also in terms of price.

The company will develop part of its business overlapping the market of traditional low voltage cable manufacturers, however the impact of NIR will be very modest, both in terms of the overall market (the low voltage cable sector is the poorest in its category), than production.

The graph highlights the very low incidence that Next-Tape production in the fifth year will have in relation to the overall turnover of the sector. In fact, in the fifth year out of 201 million in total revenues, the Tape component will be worth more than 107 million.

Translated into market share, NIR expects to “steal” from competitors only 1.16% of the cable market.



Cable Market Incidence

Total Next-Tape Sales (5th year)	€ 107.155.718,33
Total revenues Cable equivalent	€ 34.500.894,16
Total revenues Cable production 2019	€ 2.978.000.000,00
NIR revenues (equivalent)	1.16%

5.3 COMPETITION AND SYNERGIES

The NeXTy idea defines a new market sector that develops its business horizontally by unifying the three macro-areas described under a single system.

The NeXTy Concept, which has its Business Core in the Domestic Nano-Networks, is able to catalyze all the strategic benefits of the other areas around itself and offers market exclusives without entering into conflict with the large operators already present in the EIT sector.

Specifically, **with reference to the analysis of market segments** (summarized below), **we verify that possible NIR competitors** - industrial or commercial - **will find many common business synergies in the NIR/NeXTy proposal.**

The Cable Manufacturers – In the field of cable production, the residential sector represents the less performing market in terms of profitability (very low), and occupies no more than 3% of the global cable market (national / international average). The scope is fragmented into numerous distributed companies on a national basis which on average - in Italy - export about 50% of their production. Next-Tape will spread in parallel with this channel without compromising the business of the individual large international producers who will keep the global market in the context of traditional systems for a long time to come. The Company could find greater obstacles only among companies with medium turnover, in the local area, with little commercial penetration but unable to compete with a new technological alternative. The key element for NeXTy success within this category is the strategic advantage linked to the system patent as well as to the secreted know-how relating to the exclusive production process of the Next-Tape Tape. At the same time, the area of low and very low voltage cables (especially for construction and the like) represents the least profitable and limited sector of the entire area. The high value chain guaranteed by the production chain and commercial Next-Tape, makes a collaboration with NIR attractive. Otherwise, the traditional market and the one proposed by NIR will travel in parallel, without conflict, again and over 20 years.

Cable Dealers – Retailers, both wholesale and retail, even sellers of lighting and electrical engineering materials in general, show great attention to the NeXTy Project because they recognize in NIR technology the ability to quickly solve ordinary domestic problems solved in an extraordinary and economic way. . The Category has shown to welcome the NeXTy project, because it is capable to offer solutions through innovative, useful and functional products to improve their business. The key element for NeXTy success within this category is focused on the problem solving of everyday home life, guaranteed by the Smart NeXTy installation system, offered in kits with different sizes and types.

Professionals and Designers – The energy efficiency project and the proposed GD Nano-grids from NeXTy, combined with innovative tape technology, have gained great interest among professionals of the sector who appreciate, in particular, the functional flexibility of use, the Smart installation system, the specialization of the Networks and the Modularity of the same. The fire-fighting as well as structural qualities of Next-Tape are further appreciated. The key element for NeXTy's success within this category will be the dissemination of specialist networks dedicated to energy efficiency in general, as well as museums, healthcare, hospitality and Real Estate in general.

Technicians and Installers – It represents the most active category in the management and implementation of EITs as they directly manage over 50% of the market. It is necessary to approach the sector with a specific communication capable of giving comfort and support in the regulatory field, providing this category with clear certification forms for the installation, construction and testing of the systems. This category appreciates in particular: the Smart installation system, the specialization of the Networks, as well as the NeXTy modular control unit system. The key element for NeXTy success within this category is represented by the innovative fast and reliable budgeting capability of NeXTy systems, as well as integrated home systems that will allow both a professional and commercial approach. Each installation technician - NIR certified - will be offered the opportunity to enter the NeXTy commercial network of direct resellers. In fact, the Company's goal will be to make "every electrician" a direct commercial operator. NeXTy will offer its electricians: professional training, dedicated software, specific commercial lines, as well as personalized discounts.

The Customer / End User – Thanks to the i-CToS Software (available for installation technicians), or the NeXTy app available to the end user, the NeXTy customer will find himself for the first time in the pleasant condition to be able to design, estimate, verify, and purchase a NeXTy system knowing clearly costs, times and even technical characteristics. The key elements for NeXTy success within this category are many, and range from the guarantee of a safer system (Fire, Anti-seismic and Construction in general), an extremely competitive price, as well as the certainty of the result and the speed of installation.

Big Player and Electrotechnical Industries – NeXTy will occupy the market gap dedicated to the e Networks Domestic nano-networks for residential electrical systems, currently occupied by small local technical installers. By exploiting the innovative ideas and the resolving and simplifying capacity typical of NeXTy, will immediately aim for the affirmation of the Brand with the definition of the axiom: NeXTy is Intelligent Home Nano-Networks! Subsequently, the focus will be on an international brandization in which the brand will merge to the concept of "Home Universe".

Thanks to this path, confirmed by the Open-Source concept of NeXTy Nano-networks, the Company will not enter into direct competition with the electrotechnical and electronic products of competitors, but will exploit their potential by proposing itself as a natural Driver for the implementation of their Business.

NeXTy has its own exclusive patented line of electronic, electrical and IoT components, based on Flat technology, which can be perfectly integrated with NeXTy Nano-networks, which by their nature do not fear competition.

The key element for NeXTy's success within this category is the combined set of NeXTy's Innovative Modular Smart, Flat, EasyDom, AI - API and GD technology that creates a new market niche and that through correct communication, it will give "social" visibility to the brand.

Direct competition, in the electronic, electrical and electrotechnical fields, played by multi-brand Big Players, would not be sustainable in the medium and long term.

Otherwise, by virtue of the innovative message underlying the IDEA NeXTy, direct competition, through processes of affirmation and visibility of the Brand, capable of attracting the attention of the large social community on the basis of the right communication message, would not only be sustainable, but it would allow a more equal comparison in relation to the major brands in the sector, favoring a more balanced relationship between NeXTy and future affiliated companies.

In consideration of what has been described, NeXTy will develop a Social platform within the "Home Universe", which will allow it to propose the Brand philosophy in a more articulated way, facilitating sales and visibility as well as greater opportunities for new business, in differentiated areas, also through the world of e-commerce.

B2B - Semi-Durable Manufacturers and Resellers – The monopolistic condition of NeXTy in the creation of Hybrid home networks, regardless of the low initial diffusion of the product, makes NeXTy attractive to the Resellers and Manufacturers of Semi-Durables, who see B2B as an excellent method to convey their commercial packages. The key to understanding this business can be read in the NeXTy corporate strategy which for the first time - thanks to the exclusive Energy Problem Solving proposal - centralizes the entire construction process of domestic electrical systems in a single industrial entity, with a great strategic commercial advantage. especially B2B. The commercial advantage of the Driver companies is above all represented by the acceleration of the sales of consumer products that often require fixed electrotechnical installations, currently only achievable concealed or with visible raceways (These problems are the main cause in 70% of lost sales in the field lighting engineer). This area will represent the main commercial channel for the entire development and implementation phase of the NIR industries - approximately 3 years.

The strategic element for NeXTy success within this category is represented by the concept of Energy Problem Solving, which enables the company to deliver B2B contracts with obvious and strategic benefits for both parties.

B2B Environments related to construction – NeXTy's strategy for this category provides for B2B collaborations in industrial fields aimed at domestic environments or more generally accessible to humans and/or with the permanence of people in which to customize more or less complex NIR electrical circuits (container setups for office use by shipyard, railway wagons, naval cabins, aeronautics, etc.). The strategic element of this area is represented by the easy scalability of the housing model, which once customized can be scaled in almost all specialist areas related to systems - data and energy - of spaces accessible to humans (with or without permanence) of people.

ESCO – NeXTy's strategic condition of providing exclusively - in a single commercial package - hybrid home Nano-networks, with the integrated management of Data and Energy, enables the company to directly approach the home user - whose habits he will learn - conveying services and domestic users on its Platform. The integrated system directly manages the influx of BIG DATA from the NeXTy platforms. NeXTy will convey "service contracts", on behalf of ESCo companies; All this is made possible by the sum of two main elements, the exclusive model of home networks, and the media impact that the mix of NeXTy excellence (novelty, innovation, concreteness and interactive capacity) will be able to generate.

The strategic element for NeXTy success within this category is the concept of Business Centralizer, which puts the company in a position to convey utilities contracts of any kind.



Certifying and Control Bodies – NeXTy develops commercial projects on behalf of NIR, whose technology was developed in collaboration with public bodies (Polytechnic of Bari, etc) and institutional bodies (Puglia Region in primis). The NeXTy project is first of all a technological project of recognized scientific excellence, shared with the various public entities that have supported it. Also, and above all for these reasons, NeXTy will base the contents of its communication on its technological excellence. Therefore, this area is already by its nature the incubator of the NeXTy commercial project which, through scientific dissemination programs and sharing of regulatory processes in the electrotechnical field, will increase its dominant position, aspiring to be a future reference point for Nano - Smart Home Networks. The strategic elements for NeXTy success within this category are Partnerships and Institutional accreditation.

General Contract – This category does not pay particular attention to EITs, if not from a commercial point of view, using home automation systems as marketing elements useful for offering “attractive” home automation services aimed at sales without worrying about offering a real and effective energy platform. On the contrary, NeXTy is not a Traditional Electric System and with its Smart NanoGrid System and Integrated Domotic Technologies, it is able to redefine the business parameters of this sector. All this will represent the key element for NeXTy success, in an area that will be crucial in the first phase of corporate growth. NeXTy will take advantage of the design experience gained internally, to study and implement the development of new Customer commercial lines. The same initiatives will act as a commercial sounding board that will give visibility to the brand.

Public and non-profit institutions – In general, these categories are not interested in the field of electrical systems, but are sensitive to social phenomena, cultural, environmental and sustainability initiatives for the well-being of the person in all its aspects. NeXTy is an idea capable of triggering innovative processes for the well-being of the person within the home environment. Through the resolution of local energy problems, the efficiency process proposed by NeXTy will have widespread SOCIAL impacts. The corporate vision is combined with a sustainable and social vision, suitable for communicating with public and private entities and institutions of nature eco-sustainable, and inclusive. The NeXTy idea is the key element for corporate communication success.

6. COMMERCIAL PROJECTS AND INITIATIVES

NeXTy proposes projects aimed at the “dynamic balancing” of energy, and to do so it develops an entire commercial platform based on NIR technology and philosophy.

The system is aimed at saving and improving energy efficiency through the recognition of home “energy nodes” (consumption and data), which will be made to communicate through an integrated and cooperative IoT-AI system applied to the home nano-networks of Flat technologies .

The NeXTy system is therefore able to communicate with all users of energy, lights, fridge, heating, air conditioning, water management, sterilization of the same, etc. (energy nodes).

NeXTy uses NIR products and technology within specific Retail commercial lines based on the standardization and scalability of its proposals and dedicated to specific areas of application.

The commercial programs are oriented to the Retail and B2B market, and will both be divided into Customer and Professional Lines.

Corporate projects (industry and commercial lines) are divided into three main strands: EPS, Protocol Hive-Smart.System and Hybrid Smart NanoGrid.

NIR offers the market 3-level intelligent electrical systems:

1

Level 1

modernization of the plant in **Kit – Energy Problem Solving**

2

Level 2

integral home automation efficiency - cooperative home automation systems with peripheral and decentralized energy management protocol **Hive-Smart.System**

3

Level 3

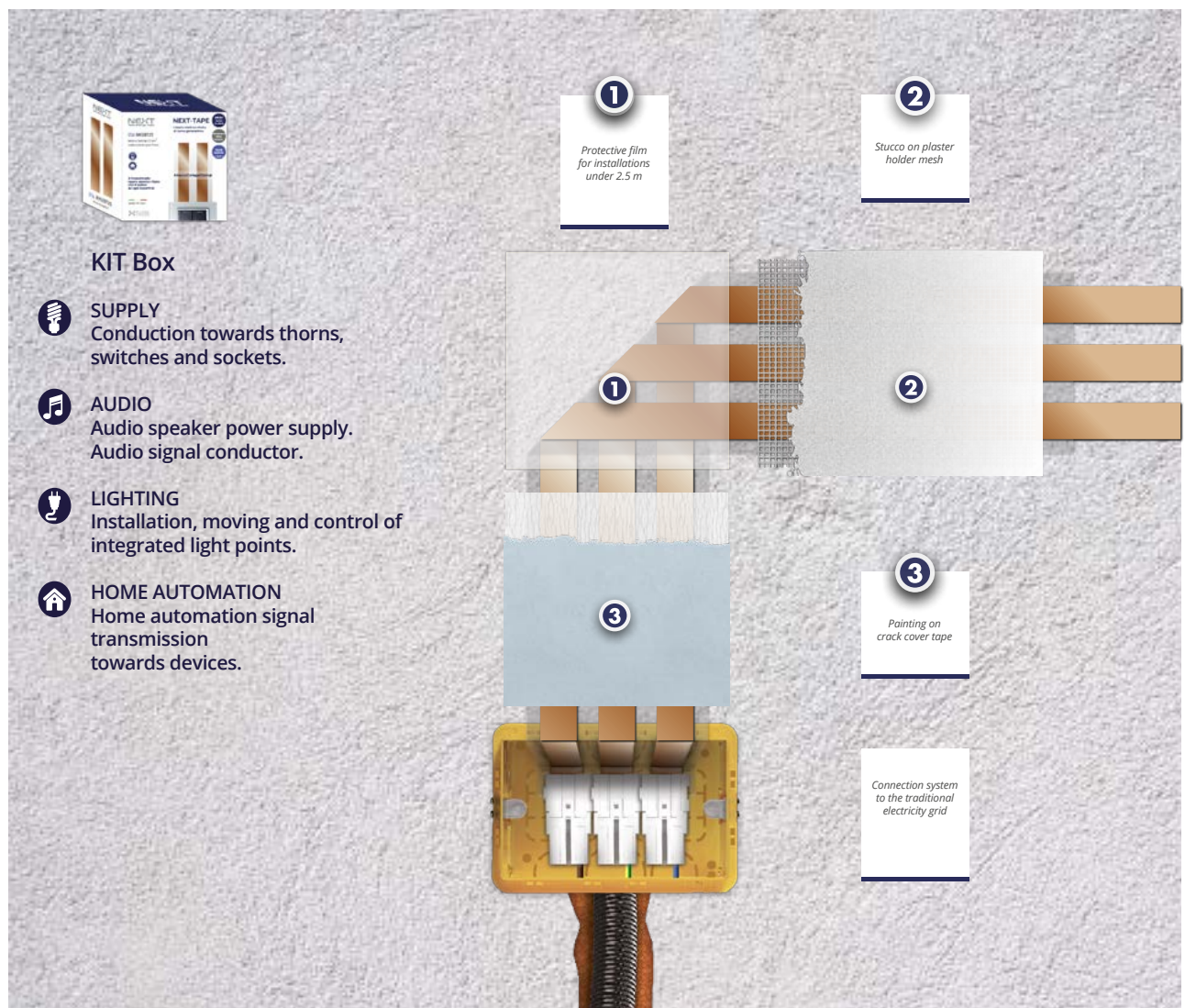
energy self-generation and autonomy of consumption - **Hybrid Smart NanoGrid** with generation of distributed energy from renewable sources and peripheral and decentralized management of consumption with Smart NanoGrid.

6.1 LEVEL 1 – EPS – ENERGY PROBLEM SOLVING

MODERNIZATION OF THE SYSTEM IN KIT

NIR achieves its technological objectives through a process of simplification and standardization of the typical elements of a traditional electrical system, and their differentiated efficiency according to environments and use. The Electric System was developed in compliance with the IEC (International Electrotechnical Commission). The elementary module underlying the entire commercial product platform is represented by the Energy Problem Solving Kit:

- The Kit consists of a tape (of variable standard size), equipped with pre-wired connectors at the ends and aimed at the functional power supply of specific elementary domestic units (stove, shutters, curtains, televisions, light points, etc.).
- The Kits offer the first support for IoT-AI and electro-lighting technology in general, currently on the market.
- Over time, evolved kits dedicated to every function, use and environmental dimension will be developed, enriched by IoT terminals (NIR and compatible), gathered around regulatory and functional standardizations.



ENERGY PROBLEM SOLVING KIT - Basic and Advanced

NeXTy offers the market a new commercial line named “Kit Energy Problem Solving” capable of developing a range of products capable of giving an immediate and timely response to problems electrical efficiency in common use (moving a socket, powering a light point, etc.).

The company intends to open the market through the skilful use of a few and increasingly advanced strategic kits, useful for the opening of new commercial channels and the affirmation of the brand in the world, and to lay the foundations for the subsequent commercial penetration of the Smart NanoGrids currently in way of completion.

In conclusion, the combination of different kits, integrated with each other, will allow the development of any type of housing, for public and private use, of any size, use, energy level and qualitative.

6.2 LEVEL 2 – Hive-Smart.System – Energy Protocol

INTEGRAL HOME AUTOMATION EFFICIENCY

Creation of an innovative and inclusive Protocol that redefines and integrates SEI Building Systems Electric Technology in a single platform aimed at energy efficiency - Data, Energy, Environment - for the Integrated Technological Modernization of homes and nZEB achievements:

- 1. SNG – Smart NanoGrid
- 2. DRE – Double Ring Energy
- 3. HED – Hybrid Electrical Dom
- 4. IT – Information Technology
- 5. ID – Information Diagnostic
- 6. IRE – Integrated Room Environmental

The synergistic integration of Six Building Electric Technology Platforms, in a single Green Living protocol, has made it possible to amalgamate the best procedural/regulatory practices of six different technological philosophies, unifying them in a single innovative “Hive-Smart” System protocol (PP-n.1020200000019156) aimed at ‘integrated efficiency in an nZEB key.

The Protocol is updated through **Twelve NIR Technological Systems** of concrete application of use, which constitute the Hive-Smart System architecture, and to which 12 specific converging commercial platforms refer.

- | | |
|--|---|
|  1. HDG - Hybrid Distributed Generation |  7. HIVE Check-App |
|  2. TokenHive platform |  8. Hive SECURITYLife System |
|  3. MODULA - Hybrid Panel System |  9. MyLIGHT System |
|  4. NANORETI - Ring BUS AC/DC |  10. BioAIR System |
|  5. Hy.DOM – Energy Point |  11. EcoWarm System |
|  6. AI HIVE API - Management Software |  12. Piattaforma HiveApp |

Each Domotic Platform is based on a specific NIR exclusive technological system.

NeXTy HIVE - INCLUSIVE COMMERCIAL PROJECT

NeXTy-Hive is NeXTy's Inclusive Commercial Project that integrates into a single cooperative platform all NeXTy commercial lines (and related NIR technologies), making complete optimization possible and efficient consumption and intelligent management of all domestic areas. NeXTy Hive offers LifeGreen.nZEB Solutions.

6.3 LEVEL 3 – HSNG: Hybrid Smart NanoGrid

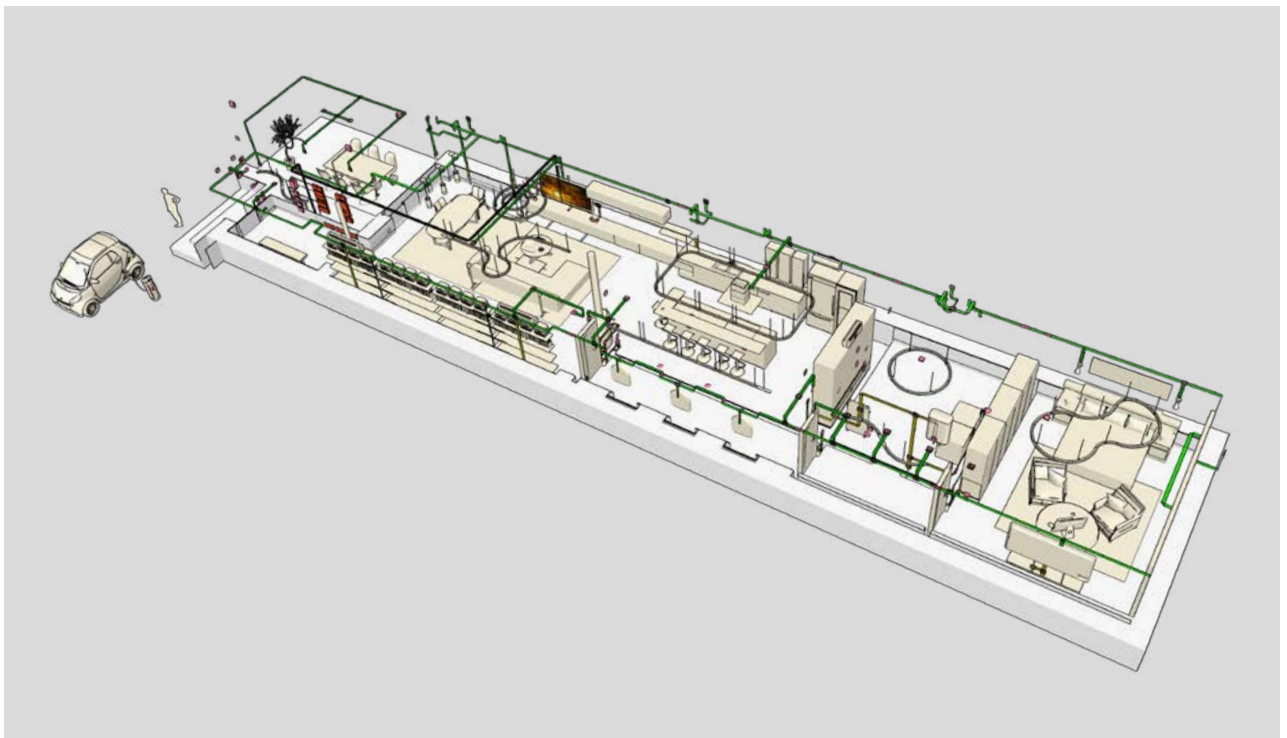
ENERGY SELF-GENERATION AND CONSUMPTION AUTONOMY

NeXTy, is the first company to really propose a Smart NanoGrid, Domestic, Integrated system & Cooperative IoT-AI with Integrated API System (Application Programming Interface).

NeXTy's Home & Office idea bases its system on Nano-networks (Business Core), and will develop around to it all the complementary and functional sectors to the home, office, hospitality, commercial, hospital lines, etc. Not only energy, data and climate networks, but functional diversification will include the creation of specific e-commerce platforms, the integrated management of utilities and the production of renewable energy (distributed generation), until merging into a Widespread System: Hive-Smart .System.

NeXTy Smart NanoGrid (SNG) - through the Hive-Smart.System Protocol - integrates in a modular and scalable way, all the NIR technologies, developed around the Home & Office environment in general, aimed at energy efficiency - Data, Energy, Environment - which combines SEI System Platforms of Building Electric Technology, and 12 NIR-exclusive Technological Subsystems.

The SNG System is by its very nature Dynamic, Flexible, Scalable, Dedicated, Integrated, Safe, Secure and Easily Expandable.



SIMPLIFIED MODEL

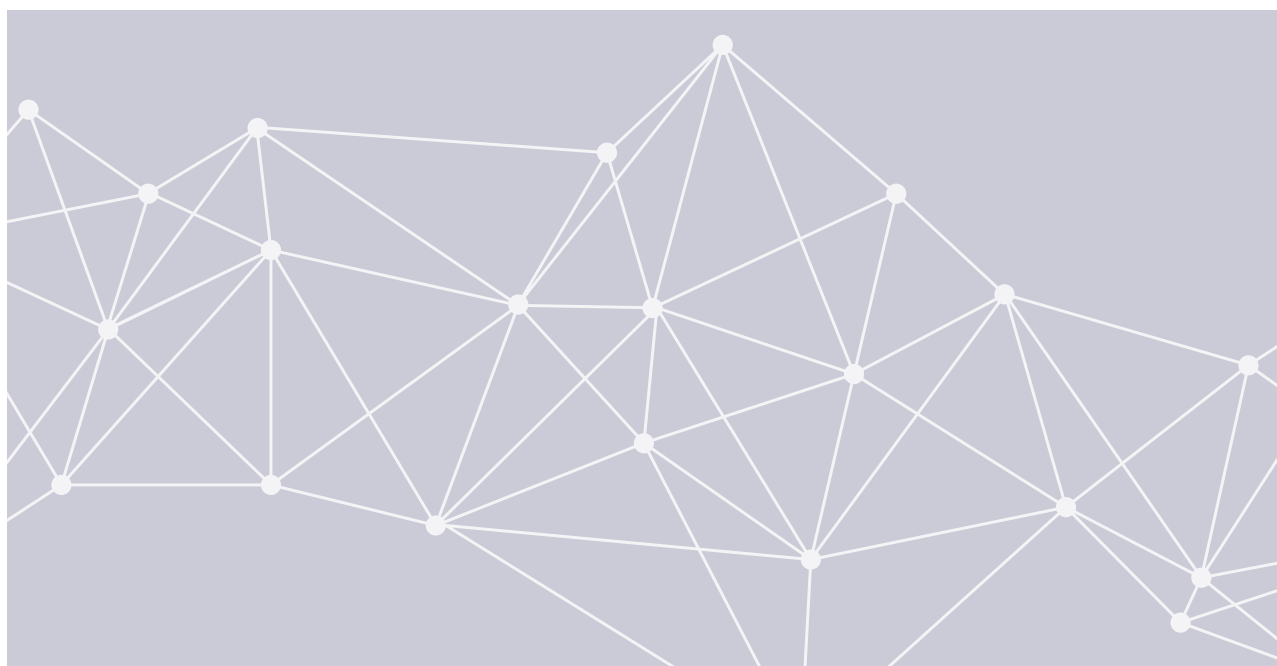
NeXTy SNG, offers a simplified system in the construction of high efficiency electrical systems, guaranteed through the System of: “NeXTy Integrated Domestic Nano-networks”, which, interfaced with each other, become “Integrated Domestic & Cooperative Nano-networks”, and applying systems of Distributed Generation and accumulations with Energy Trading, become Smart NanoGrid Hybrid BUS AI. The system is aimed at the dynamic efficiency of the energy points of the house.

The NeXTy product strategy bases its Idea on the regulatory standardization of the entire construction system of an electrical system, in order to reduce all its essential parts into KIT - Basic and Evolved - modular and scalable according to need. The Smart NanoGrid can conceptually be imagined as an intelligent and cooperative integration of connected EPS Kit solutions.

NeXTy offers integrated Building Technologies systems, both autonomous and cooperative, divided into specific commercial lines.

Building Technologies Lines & Smart NanoGrid Systems:

- **NeXTy Energy Tape** (Energy Line)
- **NeXTy Fiber** (Data Line/FTTH and Data/Energy on Copper)
- **NeXTy Audio/Video** (Professional Line Audio/Video)
- **NeXTy HyDom** (Components Line, Sensors and AI Systems Dom)
- **NeXTy SECURITYLife** (Environmental and Personal Safety Professional Line)
- **NeXTy MyLight** (Integrated Line Ambient Lights and Design)
- **NeXTy BioAIR** (Integrated line for the controlled management of the ventilation)
- **NeXTy EcoWarm** (Integrated line controlled heating management)
- **NeXTy Storage e GD** (Line dedicated to the controlled production of energy)
- **NeXTy Wall System** (Line dedicated to technical systems and design for the envelope)



7. PRODUCTS

The products developed by NIR and marketed by NeXTy are classified into four categories: finished products in production, finished products in the engineering phase, finished products in the testing phase and finally products in the development phase. All finished products are patented and/or protected nationally and internationally.

7.1 FINISHED PRODUCTS IN PRODUCTION

The finished products are the Energy Problem Solving Kits and NIR lighting. These products, useful for the commercial launch of the company, will be offered both on the customer and professional market, and in the Retail sector than B2B.

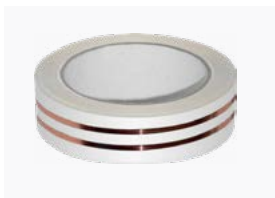
We distinguish:

ELECTRIC TAPES Energy data – CUSTOMER LINE – DISTINCTA

Next-Tape – data and energy – they are offered in both customer versions (**C**) and professional version (**P**). The product can be packed in boxes (1/2,5/5/10/15/25 meters), and/or in roll (10/15/25/50/100/150 meters).

Tape NM2BT05 - (C/P)

2 tracks of 0,5 mm² - Total tape width 25 mm - Thin 0,25 mm



Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply
- 2-wire home automation
- Safety

Tape NM4BT05 - (C/P)

4 tracks of 0,5 mm² - Total tape width 50 mm – Thin 0,25 mm

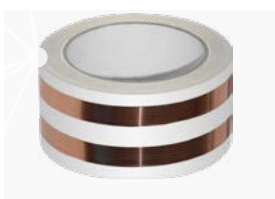


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply
- 4-wire home automation

Tape NM2BT15 - (C/P)

2 tracks of 1,5 mm² - Total tape width 50 mm – Thin 0,25 mm

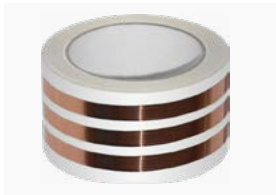


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

Tape NM3BT15 - (C/P)

3 tracks of 1,5 mm² - Total tape width 75 mm - Thin 0,25 mm

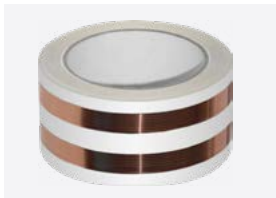


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

Tape NM2BT25 - (C/P)

3 tracks of 2,25 mm² - Total tape width 50 mm – Thin 0,31 mm

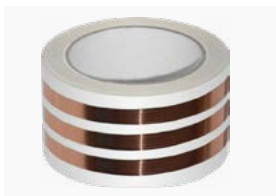


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

Tape NM3BT25 - (C/P)

3 tracks of 2,25 mm² - Total tape width 75 mm – Thin 0,31 mm

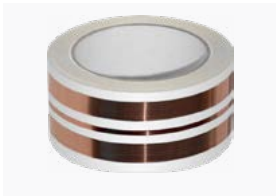


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

Tape NM2BT15C105 - (C/P)

2 tracks of 2,25 mm² + 1 track of 0,5 mm² - Total tape width 55 mm – Thin 0,31 mm

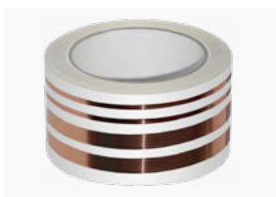


Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

Tape NM2BT25C105 - (C/P)

2 tracks of 2,25 mm² + 2 tracks of 0,5 mm² - Total tape width 75 mm – Thin 0,31 mm



Very low voltage suitable for circuits:

- Lighting
- Audio
- Supply

PROTECTION TAPE - CUSTOMER LINE - DISTINCTA

Ballistic adhesive tape for the mechanical protection of Next-Tape.

Protective adhesive polycarbonate tape for installations under 2.5 m



Total tape width 75 mm – Thin 0,12 mm
Mechanical protection

ENERGY DATA CONNECTORS - CUSTOMER LINE - DISTINCTA



The Flat Connectors placed in the appropriate Generic or Flat flush-mounted boxes are necessary for the extraction of energy and data, directly from the circuit tracks, at the ends of the Next-Tape Tapes.

Each Flat Connector consists of 5 plastic components and 2 metal clips to be assembled at the time of wiring.

Flat Connector



Width 25 mm – Length 43 mm – Thin 5 mm

EPS KIT - ASSORTED OR PRE-WIRED SOLUTIONS - DISTINCTA

The loose or pre-wired EPS kits are Energy Problem Solving solutions proposed in assorted box packs divided by sizes: 1 / 2.5 / 5/10/15/25 m.



Below is the Example Medium Kit (KME).

MEDIUM EXAMPLE KIT “ENERGY PROBLEM SOLVING”

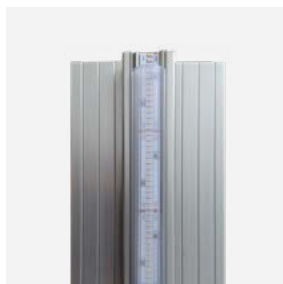


KME – Customer Line:

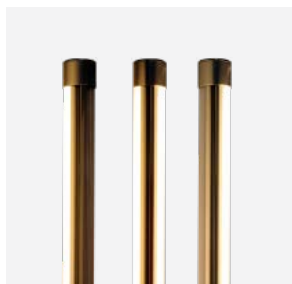
- Pre-wired ribbon at one end
- Length - 3.5 m
- 6 connectors
- Ballistic Film - 3.5m
- Installation accessories and components

LIGHTS Design - CUSTOMER LINE - DISTINCTA

NIR offers LED solutions suitable for illuminating, without shadow areas, all points in the room in a powerful and efficient way. The Next-Light lighting fixtures proposed can be powered at both 230 V and 48V (AC / DC). Next-Light is functional and eco-sustainable, and is particularly appreciated in the field of design, thanks to its exclusive and flexible customizations. The models currently in the catalog are 11:



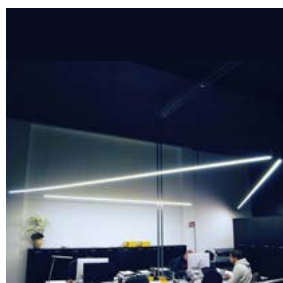
Taglio di luce



1 Side - 2 Side - 3 Side



Atmosfera



Unione



Palma



DNA



Stelo



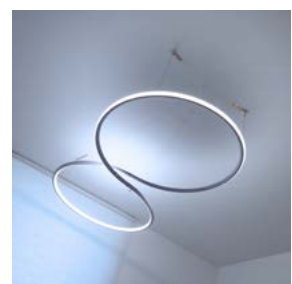
Silhouette



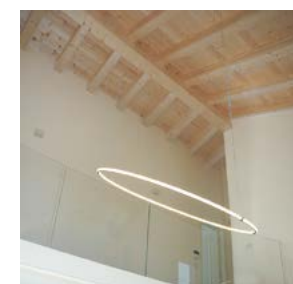
Intreccio



Infinito



Otto



Anello

LIGHTS Technique - PROFESSIONAL LINE - DISTINCTA

The special metal alloy, which forms the supporting shaft of the lighting fixtures, allows easy customization thanks to twists and folds that can be made directly on site. This system is capable to offer Lighting products (only for the professional line), which can be integrated with the existing lighting system and with dynamic energy management.

7.2 FINISHED PRODUCTS IN THE ENGINEERING PHASE

NIR is completing the engineering of strategic products useful for the implementation of the modular BUS electrical circuit system, proposed by NeXTy.

FTTH FIBERFLAT TAPE

The FTTH Fiberflat tape guarantees great ease of connection - physical and digital - through optical fiber systems made up of invisible, surmountable, foldable and able adhesive domestic FTTH nano-networks. to support all signals: from the web data connection, to audio connections, from the TV antenna, to the satellite, from telephony, to the video intercom, from video surveillance to the fire system, from environmental temperature control to humidity level control.

FIBER OPTIC CONNECTORS

The fiber ribbon will need connectors to switch from ribbon to cable, in order to make it compatible with the standards currently in use. It will therefore be possible to guarantee an extremely fast internet, keeping a normal Ethernet as the output port.

SECOND GENERATION LOW THICKNESS ENERGY DATA CONNECTORS

A new series of connectors for specialized areas (three-phase current, very low voltage for furniture, design, etc.), will ensure the opening of new specialized but widespread market channels.

FLUSH-MOUNTED BOX

Flush-mounted box for the wall, with low thickness Flat technology (12 mm), aimed at insertion of Flat electrotechnical elements for Next-Tape electrical tape.

FLAT GRIP

NIR has developed and patented a universal socket whose entire operation is contained in a thickness of only 19 mm with an overall footprint (including box) of 21 mm - against the 51.3 mm required in a traditional solution..

EXTRACTOR

The NIR Flat Extractors replace the role and function of the junction boxes provided in the traditional system and allow the creation of the ring circuit conceived and patented by the company. The extractor is characterized by a square connection base, 2 mm thick, able to connect and create two different branches from the main path of the ribbon circuit.

COMPACT UNIVERSAL EXTENSION

For temporary needs, a low thickness extension with fiberglass-reinforced walkable tape has been developed. This will replace the normal extension cables if it is useful to have a tape - data and energy - very low thickness, repositionable, intended for both commercial and domestic use.

7.3 FINISHED PRODUCTS IN THE TESTING PHASE

NIR deals with the development of strategic products that are useful and necessary for the completion of the integrated home automation systems envisaged for the Smart NanoGrid project, which represents the company's flagship end product. The technologies being tested are described below:

DEPTH SENSORS

NIR offers an innovative integrated diagnostic platform - also aimed at Safety Environmental and Personal - adaptive, invisible and multifunctional distributed along the adhesive NIR nano-networks invisible and sensor-based with depth detection.

NEXT-AIR

NIR has devised a point-like mechanical ventilation system for sanitizing the dedicated air to domestic environments (home, office, public buildings, clinics, hospitals, etc.), against threats allergenic, bacterial and viral.

Next-Air consists of an innovative self-cleaning filter in silver ceramic, a ray emitter UV and an ozone generator.

POWERED COUPLING SYSTEMS

A rapid linear coupling system has been conceived - recessed or external - applicable to the wall and/or furniture and furnishings (paintings, powered furnishing accessories, etc.), capable of bringing energy and data securely and quickly. This system is characterized by two main elements:

- a fixed, linear metal support of variable length between 10 and 400 cm, applied to the wall and connected to the data and energy network of the room ("female" support);
- a mobile support - electric hook - attached to the furniture, capable of both feeding and supporting the weight of the furniture component on which it is applied ("male" support).

ULTRA-THIN HEATING

In collaboration with an Italian company, a joint venture NIR, it will be possible to create an ultra-flat heating system, compatible with the Next-Tape tape, which in 3 mm and thanks to molecular stirring principles, generates heat with a distinct efficiency. superior to traditional systems currently in use.



7.4 PRODUCTS UNDER DEVELOPMENT

The NIR technological platform implies a phased development whose terminal elements can only be completed following the updating of the previously described components. The terminal products envisaged by NIR - which require previously completed preparatory elements - useful and necessary for the completion of the Smart NanoGrids, are described below:

SWITCHBOARDS

The NIR system is perfectly compatible with electrical panels currently on the market, but with current systems, when designing a home or building, the panel is sized and built ad hoc based on the needs of that moment, but making subsequent implementations or changes difficult. NIR conceives a system of modular, scalable electrical panels, both centralized and peripheral, which can be installed vertically or horizontally, in order to adapt to environmental needs and able to grow and respond to the most disparate domestic needs.

The modular system guarantees the sharing of multiple currents and multiple interconnected and coordinated systems. Specifically, the modules of the NIR electrical panel differ in application of use:

- direct current;
- AC;
- artificial intelligence;
- optic fiber;
- networks;
- life-saving;
- control and command peripheral.



PERIPHERAL ELECTRONICS FOR ADVANCED HOME AUTOMATION

Through the extractors located inside the flush-mounted boxes, placed in correspondence with the Next-Tape tape circuits, it will be possible to power and connect to the network all the electronic and electrotechnical command, management and data and energy control equipment, according to the needs of the In simple terms, controlled lights, sensors, cameras, thermostats, etc. can be inserted. with system plug-in between connector, flush-mounted box and base.

MANAGEMENT SOFTWARE PLATFORMS

Software platform for the management of Smart NanoGrid systems integrated with peripheral and decentralized IoT-AI. NIR develops a Social and E-Commerce Platform in which to connect and integrate all NeXTy Management Software.

The Dedicated Modular Software Platforms with API System - e.Honey and MyHive will consist of several software, dedicated to the different functions but interconnected with each other. The element that best expresses the concept described by the Software Platform is represented by the NeXTy App, which, depending on the use made, will allow the user to access each area and use the entire NeXTy platform.

THE ZERO HOUSES

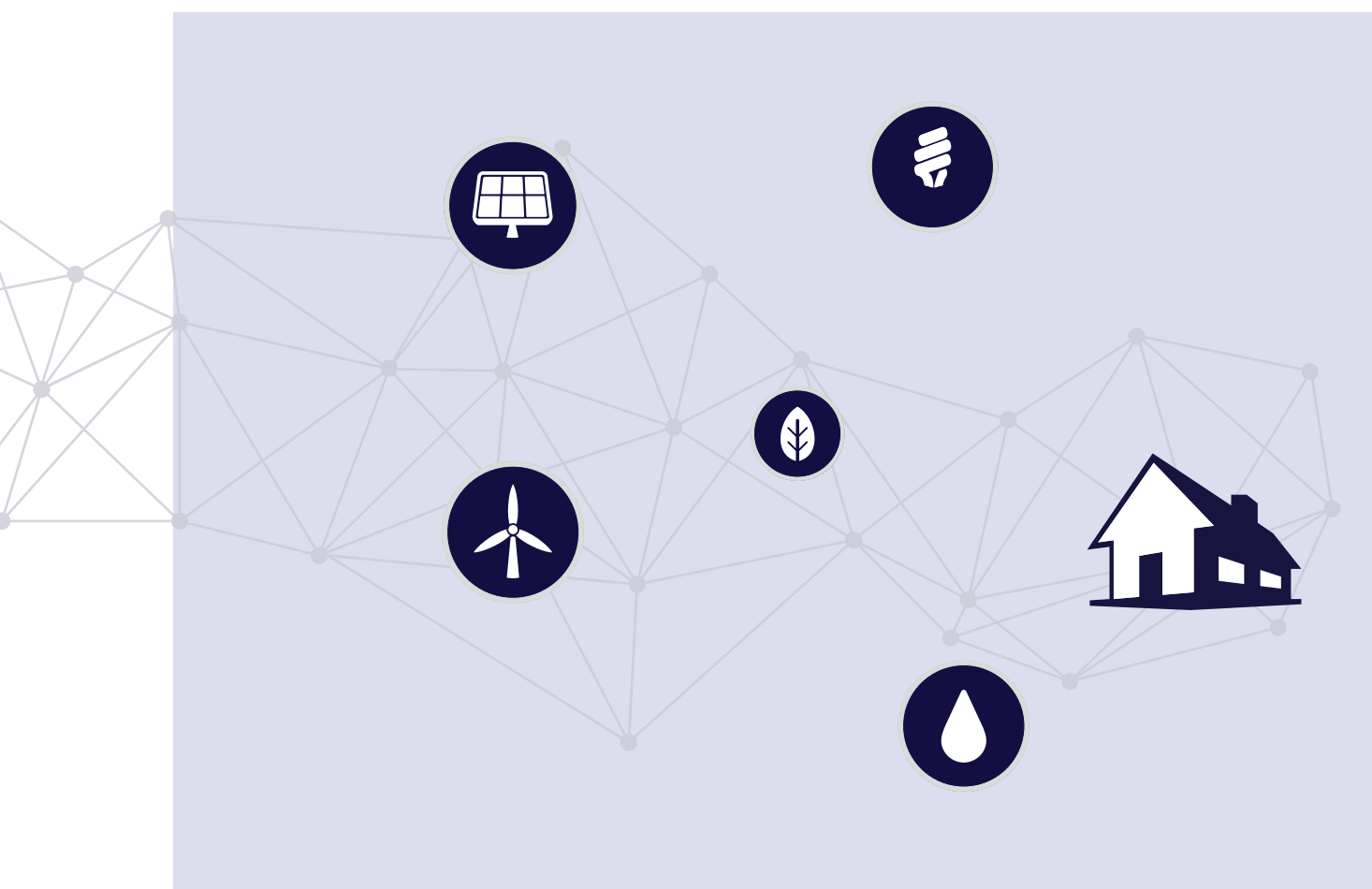
NIR between the end of 2021 and 2022, using the home automation system for controlling consumption and planning energy production, intends to build the first zero-emission home models.

Therefore, not only the advanced sensor system will be tested, but also the management control software for hybrid electric circuits and the Smart NanoGrids proposed by the company.

The project will require the completion of the development of advanced control software and the adaptation of an existing one, as well as the construction of some test houses that will serve as test prototypes (case history).

In a broader vision, thanks to the strategic advantage given by the Next-Tape tape and the integrated and cooperative combination of the related Energy Problem Solving Kits, NIR has been able to devise Integrated Hybrid BUS Nano-Network Systems, which NeXTy will enhance at within a dense national and international network, offering for sale a wide range of innovative products in the Home Furniture and SmartHouse sectors.

NIR's green-living vision finds its maximum application in the NeXTy Hive project aimed at both to the Customer and Professional market and which offers an integrated and shared vision of all NeXTy systems, making the most of the concept of "Dynamic Energy Management - Data and Strength - for the efficiency of the Zero Emission NEXT GreenTowns.



8. NIR - BOTH PRODUCTS AND SERVICES

The specialized NIR application of excellence, the commercial apex of the Smart NanoGrid Platform for energy efficiency, is represented by uses in the management of services, data and energy.

NIR, thanks to the market exclusivity generated by its technologies (see Kit EPS/Dom and Hive-Smart), will be able to develop the business also through:

- Integrated service contracts and turnkey supply of entire home automation systems and smart home networks;
- Manage the economic surplus between the consumption costs of the traditional system and modernization with integrated NIR systems that guarantee savings of up to 80% of the costs on the bill.
- Acquire consumption histories for the development of precise forecast models in the field of energy and digital efficiency.
- Acquire the market for the timely energy management of all the housing units they will adopt integrated NIR systems.
- Track the punctual consumption of users by capitalizing them in guaranteed subscription contracts from the - certain - consumption offered by NIR.
- Manage dedicated insurance contracts.

Therefore NIR will make it possible to develop ESCo and multi-utility services - to be shared in Joint Venture with leading companies in the sector - **able to offer innovative, turnkey home automation systems, with energy savings up to 80%, and with the possibility to include the cost of the system in the price of domestic users.**

Among the possible commercial scenarios, the System could offer:

- a saving of 20% for the end user
- a gain of up to 60%, on the difference between rent and actual consumption, destined for the asset NIR Multi-Utility.

In this scenario, the cost of the turnkey system will be included in the user fee or paid in installments separately.

The system is scalable, modular and omnichannel, and affects both digital and energy efficiency.

ECONOMIC COMPARISON TRADITIONAL SYSTEM AND NIR SYSTEM

The NeXTy Standardized Modular System will guarantee the same flexibility of use as an EIT completely built on site, but will offer technical specificities, ease of installation and performance values far superior to a Traditional System, and with a clearly 360 ° cost. lower (design, certification, material and installation).

In relation to the construction costs between Traditional Electrical System and NIR, obtained from the analysis of comparative exemplary models, the two macro areas are briefly described:



EPS

The economic comparison compares the NIR system with an IET system (Traditional Electrical System), in the typical case of the displacement of a light point of about 3.5 m. The use of the EPS-Base KIT (Energy Problem Solving), with NIR Next-Tape technology, the economic savings obtained in relation an identical intervention with the traditional system was equal to 57% of the total price of the work (traditional cost € 425, against € 183 EPS). Thanks to the price policy applied by NIR, the economic advantages will also be perceived by the Reseller and / or Installer Professional in charge.

From the point of view of timing, the traditional intervention involves about 10 hours of cumulative work, inaccessibility of the premises, demolition and disposal in landfills, over a period of time spread over two working days. The EPS system takes only 25 minutes to lay the circuit, no masonry or discomfort to things or people, for a total of 90 minutes of cumulative work between installation and accessory finishes.



DOMESTIC PLANTS

The economic comparison compares the NIR system with an IET (Traditional Electrical System) system. Given the high number of possible combinations, a system designed with Next-Tape of 100 square meters was taken as a reference with the largest number of light points inside the premises, distributed on an advanced category L3 electrical circuit (CEI 64-8). The comparison was made considering both traditional and home automation components. In the comparative model, the smart NanoGrid NIR systems are always clearly more competitive both from an economic and ecological point of view than functional, also thanks to the simplicity and cost-effectiveness of use.

Generalizing, in terms of construction costs, the HiveSmart.System NIR protocol electrical systems are:

- particularly competitive for advanced plant engineering levels (L3 home automation), especially if large, with an estimated saving in terms of average construction costs of no less than 35%;
- In the less competitive condition, represented by small-sized (smaller of 35 square meters), for basic plant level, an estimated saving in terms is however guaranteed average construction costs of no less than 10%.

The same scenario, if developed with NIR wireless technology, will be more competitive than to the competitor IET of more than 40% of the cost of implementation.

TODAY NIR SELLS EPS KIT - ENERGY PROBLEM SOLVING

NIR, for the commercial launch on a national scale, provides for the sale of EPS kits - Energy Problem Solving - aimed at solving electro-lighting power problems in residential environments.

The end user will find in EPS easy solutions for specific and ordinary domestic problems such as, for example, creating a new power socket or moving a light point. EPS Kits they have the advantage of avoiding inconveniences, traces and channels in the walls, making each intervention simple and short and less expensive than traditional solutions.

The EPS system, thanks to reduced direct and indirect costs, allows easier resolution of problems in layouts existing, also in terms of environmental protection guaranteed by a vigorous reduction in consumption of CO₂, both in the production phase of the product and in the application of use.

The commercialization of EPS will support the costs of company growth in terms of research and development, plants production and investments in general.



8.1. INDUSTRIAL STRATEGY

The company will offer the world's first Hybrid Smart NanoGrid system through intermediate steps characterized by modular and integrable products, of an increasingly complete level that will follow the NIR business/industrial development. In this case, through the commercial NeXTy, NIR will propose in the order:

- **First Step: EPS Kit - power supply** only - easy and punctual to apply, integrated with traditional electrical systems already in use;
- **Second Step: EPS Kit - power supply, lights and control** - characterized by enriched electrical tapes by Flat electrotechnical components, modular and integrable with each other (sockets, switches even wireless without battery, lights, etc.);
- **Third Step: Electrical systems complete with simplified home automation** - which can be assembled through multiple combinations of EPS kits (kits with integrated IoT accessories) - capable of facilitating the installation and distribution system of the traditional system, in which the use of electrical engineering will be essential (also home automation), currently in use.
- **Fourth Step: Hybrid Smart NanoGrid IT AI.API** characterized by an innovative integrated home automation system - as well as production and home management for Data and Energy - coordinated through a peripheral and decentralized management platform, based on the NIR concept (PP-n.1020200000019156).

8.2. COMMERCIAL OFFER

NIR proposes the **FIRST SYSTEM IN THE WORLD OF HYBRID SMART NANOGRID AI-API** consisting of a combined **sum of high efficiency EPS home automation kits, increasingly advanced, all with HiveSmart. System protocol, divided into 6 macro-categories and related products/loose components.**

The NIR product range can be marketed as a loose component or assembled in kits and solutions increasingly advanced integrated systems, based on Next-Tape data and energy infrastructure, enriched by dedicated electronics and electro-lighting technology.

The range of products offered by NIR is grouped into commercial families consisting of both Kits and Integrated Home Automation Systems:

Commercial Products (6 families)

- **EPS-Basic Kit (16 Typologies);**
- **EPS-Avanzati Kit (8 Typologies);**
- **Domotici Room Kit (12 Typologies);**
- **Hive-Smart.System (3 Levels);**
- **Hybrid Smart NanoGrid System (3 Levels);**
- **MicroGrid Building Solution Smart Metering Control Units**

Commercial Domotic Lines (12 domotic)

-  **1. HDG - Hybrid Distributed Generation**
-  **2. TokenHive Platform**
-  **3. MODULA - Hybrid Panel System**
-  **4. NANORETI - Ring BUS AC/DC**
-  **5. Hy.DOM - Energy Point**
-  **6. AI HIVE API - Management Software**
-  **7. HIVE Check-App**
-  **8. Hive SECURITYLife System**
-  **9. MyLIGHT System**
-  **10. BioAIR System**
-  **11. EcoWarm System**
-  **12. HivəApp Platform**

Commercial Programs

NeXTy commercial programs will be oriented to indirect sales through B2B contracts, both finalized to the Retail market (through distributors/dealers), which are aimed at manufacturers of durable goods and semi-durable that require data/power supply. The products will be offered for both Customer and Professional Lines.

In order to always develop new specialized commercial initiatives, the parent company (through the NIR CL Custom Line department), will deal only with the marketing of the experimental lines aimed at the construction of new generation electrical systems aimed at general contracts with big players in the sector. NeXTy will rework the same programs standardizing them in a Retail key.

The search for new commercial initiatives will always be aimed at discovering new applications of use through continuous technological progress aimed at qualitative and quantitative standardization, energy efficiency and eco-sustainability.
NeXTy will take care of the national marketing campaign and direct sales through an e-commerce platform which will guarantee a distribution of profits also in favor of its territorial distributors/dealers.

8.3. COMMERCIAL ACTIVATION PHASES

NIR launched a short commercial campaign in November 2020 aimed at market testing, whose analyst report has given further certainties on the easy penetration of its products on the mass market. The report recorded a ROAS of 5.7.

The Company has received positive feedback from customers and has entered into negotiations with the main players in the market, making it urgent to complete the engineering and industrialization of the entire commercial range and to continue the studies relating to industrial technology still classified and in an advanced development phase.

During the first 3 years of start-up of production activities, NIR will make use of the collaboration of the largest European metal and precious alloy processing plant, of the partner GMC S.r.l. (Rubano, PD), which reserves production spaces for NIR connected to the dense territorial logistics and industrial chain and super-local belonging to the group, capable of sustaining and absorbing production peaks and sudden growths.

The Company wants to preserve the novelty effect on product launches but will keep a direct channel open - from factory to consumer - for a limited marketing and strategic check market, for planning for the upcoming large-scale commercial launch.

The start-up of the NIR commercial activities will follow a cautious but progressive, useful and necessary growth to develop the national commercial network, as well as to build additional lines and production plants, at the base of the subsequent massive industrialization and corporate internationalization.

NIR provides for a start-up in 5 phases:

YEAR 0

PHASE 0:

- six months of commercial latency aimed at industrial planning and sales

YEAR 1

PHASE 1a:

- activation of the potential market similar to the traditional one
- potential annual value of over € 12.7 billion
- share attacked less than 1%
- commercial industrial value of approximately € 17 million
- 10% market share target in 5-10 years depending on investments

PHASE 1b:

- activation of the potential generated EPS market
- potential annual value of over € 8 billion (primary market only)
- share attacked less than 1%
- commercial industrial value of approximately € 7 million
- 10% market share target in 5 years depending on investments

YEAR 2

PHASE 2:

- activation of the potential market Smart NanoGrid generator
- potential annual value of approximately € 4.5 billion
- share attacked: 0.11%
- commercial industrial value of approximately € 5,000,000
- 10% market share target in 5-10 years depending on investments

YEAR 3

PHASE 3:

- structural corporate reorganization, aimed at massive industrialization, the only limit to commercial growth processes whose market value is equal to over 5% of global GDP.
- implementation of the corporate internationalization process, scaled and shared.

8.4. POSITIONING AND COMPETITIVE ADVANTAGES

NIR intends to accredit - also at an international regulatory level - the Hive-Smart.System protocol (PP-n.1020200000019156), and the underlying Next-Tape technology, until it becomes the new standard for the construction of domestic electrical systems.

NIR technology finds its maximum value in the domestic and residential environment, including prefabricated buildings (construction and industrial in general), as well as in restricted environments or environments with a high fire risk.

With the sale of the first Next-Tape tape meter, NIR has already become a world leader in the Energy Problem Solving market generated by it, giving an easy and quick solution to:

- **POWER SUPPLY** to plugs, switches and sockets;
- **AUDIO** Audio speaker power supply;
- **LIGHTING** Installation, movement and control of integrated light points;
- **HOME AUTOMATION** Transmission of home automation signal to devices;
- **DIGITIZATION** Installation, movement and control of integrated data points;
- **FUNCTIONAL EFFICIENCY** economic, safe, efficient quick solutions.

The Company proposes itself as a world leader in the construction of new generation electrical systems for the efficiency, protection and safeguarding - structural and environmental energy - of new buildings, to be restored or historical or more generally critical and/or constrained.

In particular, NIR technology is excellent in specialized sectors aimed at environmental protection:

Fire Protection Fire Brigade

Next-Tape protects and improves the fire risk class by passing the fire continuity test with a resistance of over two hours at a temperature of 850 °C - LAPI tests.

SEISMIC, ACOUSTIC/ENVIRONMENTAL, MUSEUM AND ARTISTIC Safeguard

Next-Tape protects the walls, the Seismic and Energy Class thanks to the absence of the use of conduits and with a limited use of concealed pipes

Safeguard SAFETY TO THINGS AND PEOPLE

Next-Tape safeguards the safety of things and people thanks to NIR depth sensors that offer an innovative integrated diagnostic platform, aimed at Environmental and Personal Safety, adaptive, invisible and multifunctional.

NIR is considered a strategic partner in many construction sectors related to housing in particular, in application to specific market areas:

- **LIGHTING TECHNOLOGY MARKET** - thanks to the high-efficiency home automation lighting systems, powered by Next-Tape that does not require breaking into the walls.
- **IT DIGITIZATION MARKET** - thanks to the FTTH tape version capable of creating IT circuits (Information Technology), without creating inconvenience to the environments.
- **PLASTERBOARD MARKET** - thanks to the double slab installation system.
- **PREFABRICATED HOUSING MARKET IN GENERAL (MOBILE HOMES AND REAL ESTATES)** - thanks to the scalar and modular use system.
- **FURNITURE MARKET** - thanks to the low thickness Next-Tape that can be masked in the veneer of the furniture.
- **INTERIOR DESIGN MARKET** - thanks to the cool neo-industrial design enhanced by the exposed installation.
- **MARKET FOR EXHIBITION SPACES AND TEMPORARY FITTINGS** - thanks to the structural Next-Tape extension version for temporary circuits.
- **SUPPLY MARKET FOR DURABLE AND SEMI-DURABLE PRODUCTS** - thanks to EPS solutions capable of creating easy power supply circuits without creating damage to surfaces.
- **AUTOMOTIVE, TRAIN, NAVY, AND TRANSPORT, AS WELL AS PRODUCTION MARKET IN GENERAL** - thanks to the high degree of electrical insulation above 18,000 Volts (Insulation Test of the Polytechnic of Bari).
- **INFRASTRUCTURE SECTOR (CIVIL, BUILDING, INDUSTRIAL)** - thanks to the integrated system
- Hive-Smart and next-tape tapes, with excellent technical skills, which simplify and make the construction systems of traditional circuits easier and more efficient.
- **HISTORICAL AND ARCHAEOLOGICAL** - thanks to the tape solutions able to create easy feeding circuits without creating damage to surfaces.
- **AIRPORTS, STATIONS AND LARGE COMMERCIAL ACTIVITIES** - thanks to the Hybrid Smart NanoGrids they will be able to increase efficiency up to over 80% of their consumption.
- **ISOLATED VILLAGES AND STRUCTURES** - thanks to the Hybrid Smart NanoGrids with distributed generation, which will be able to constitute a micro-grid system even independent from the primary network.

8.5. SPECIALIZED COMMERCIAL LINES

NeXTy uses NIR products and technology within specific business lines aimed at B2B, based on the standardization and scalability of its proposals and dedicated to specific areas of application.

NEXTY will develop a dense commercial network, characterized by a wide range of innovative products in the sector of Smarthouses, Furniture and ESCo services to its users.

NEXTY is able to apply its systems in many different areas, recognizes specific needs for specialized uses, and scales and customizes NIR technologies wherever they are applied.

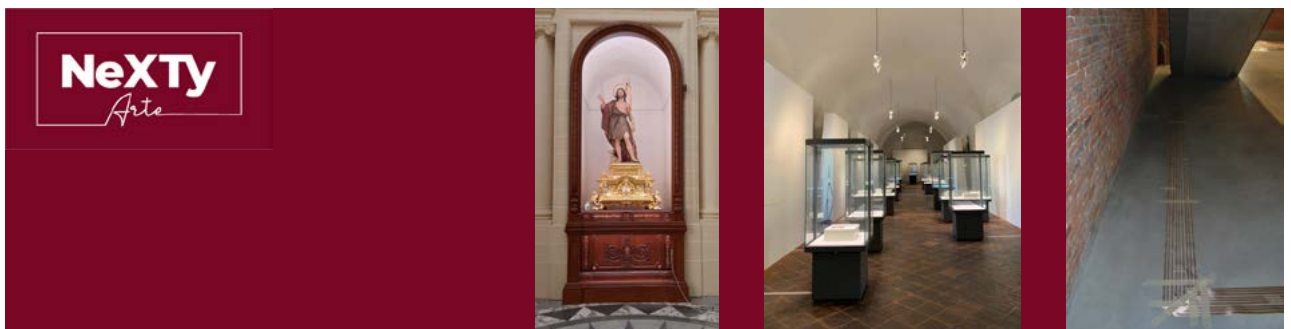
NeXTy has already planned the following specialist commercial lines - related to housing:

- **NeXTy Arte**
- **NeXTy EPS**
- **NeXTy Home & Office**
- **NeXTy Security**
- **NeXTy Accommodation**
- **NeXTy Health**
- **NeXTy Expo**
- **NeXTy Automotive**
- **NeXTy Train**
- **NeXTy Plane.**

COMMERCIAL LINES ACTIVATED

NEXTY ARTE PLATFORM

Commercial platform aimed at the commercialization of advanced and specialized rapid solutions aEPS (Art Energy Problem Solving), **for the resolution of power supply problems and electricity efficiency, as well as securing (for things-environment-person), in artistic, monumental areas, also historical and bound**. NeXTy Arte offers standardized solutions in the form of aEPS Kit.



The Platforms are proposed to the Retail, B2B, both Customer and Professional markets.

COMMERCIAL LINES IN THE ACTIVATION PHASE

The NeXTy commercial strategy, in close collaboration with NIR, foresees the continuous opening of new specialized NeXTy platforms calibrated in response to new channel openings.

NeXTy EPS Platform

Commercial platform aimed at the marketing of rapid EPS (Energy Problem Solving) solutions, for the resolution of increasingly complex power supply problems, in the form of EPS kits.

NeXTy Home & Office

Commercialization of nZEB NIR Advanced Systems, for Home and Office, of intelligent electrical systems (according to IEC CEI 64-8), aimed at managing energy and lighting, including home automation, as well as security in domestic environments for private use.

NeXTy Temporary

Marketing of nZEB NIR Advanced Systems, for temporary spaces and exhibition set-ups, of intelligent electrical systems (normally IEC CEI 64-8), aimed at energy and lighting management, including home automation, as well as environmental safety.

NeXTy Security

Commercialization of advanced NIR systems, closed, integrable, intelligent and modular for energy management and safety in protected environments for mixed use.

NeXTy Light

Commercialization of advanced NIR systems, closed, integrable, intelligent and modular, of innovative, customizable, multifunctional and efficient lighting fixtures.

NeXTy Air

Marketing of advanced NIR systems, closed, integrable, intelligent and modular for the management of controlled mechanical ventilation and air sanitation in domestic environments, also dedicated to Covid-19 issues.

NeXTy Warm

Commercialization of advanced NIR systems, closed, integrable, intelligent and modular for the management of domestic heating through high molecular agitation, "electrosmog free" efficiency and low environmental impact.

NeXTy Social con E-commerce

E-commerce marketing of "Universo Casa" products based on NeXTy philosophy, and management of utilities and domestic services.

The entire NeXTy business model - from its essential components to integrated systems, passing through independent product lines - finds its place within the Hive-Smart.System and finds its maximum value in it.

9. COMMERCIAL STRATEGY AT A GLANCE

Over the next 10 years, the company aims to offer itself as a valid alternative to traditional plants.

This project will require a considerable industrial and economic effort, which will be launched in 3 years and governed through various steps and implementation concepts.

In summary:



The first two years will be dedicated to the commercial launch of EPS kits useful for the initial phase of market penetration. EPS products will be offered in the Retail (through B2B with resellers/dealers) and B2B (industrial and service) channels, both customer and professional. The commercial activity will be developed both nationally and internationally and, at the beginning, will enhance a territorial diffusion with an extensive commercial area but content with a low distribution density.



EPS products are considered emotional products with strong market penetration; this feature will compensate for the normal latency times typical of an innovative product but unknown to the market and will be useful to favor a rapid vertical diffusion of EPS products in the large territorial basins entrusted to local distributors.



The marketing of EPS products will be supported by a specific national promotional campaign, also conveyed through web channels, and more generally supported by the I-CToS (Intelligent Comparative Template of Standard) management software platform, a multifunctional NIR concept.

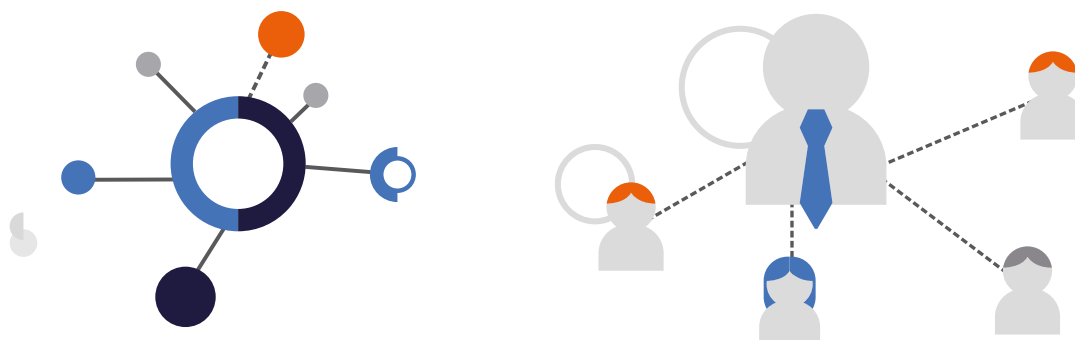


In the housing sector, **the national marketing campaign aimed at e-commerce and the support of the I-CToS platform will give visibility and structure to local marketing campaigns,** in turn entrusted to local commercial partners (retailers, consortia, cooperatives, Media and Small distribution, etc.), of the NeXTy team.



To achieve the Break Even Point, **the company identifies in the B2B market (especially between industrial companies), the preferential channel for starting industrial and commercial NIR processes.** This area will better guarantee programmatic business growth.

The affirmation of the Brand, in addition to a nationwide advertising campaign, it will be based above all on the technical-specialist aspect of NIR products. These aspects will be made public and enhanced by NIR also thanks to the creation of a press office for scientific editing aimed at disseminating innovative NIR technologies. This activity will be carried out in collaboration with the Polytechnic of Bari, the CETMA institute and leading Italian universities.



NIR develops a special Company Academy useful and necessary for technical training and scientific dissemination of products and company philosophy addressed to the group's players.

During the first year, the strategic projects envisaged by the NIR research and development laboratories will be completed, which will be accompanied up to the of pre-industrialization, certification and complete patent coverage.

Over the next two years, the projects will be transformed into commercial programs and inserted into their respective specialist NeXTys.

From a production point of view, the industrialization processes aimed at the birth of the first Home & Office electrical circuits will be completed, which will also be able to count on the know-how gained with the large-scale industrial production of the EPS kits used for the commercial launch. NIR production capacity at the end of 2020 exceeded 120 meters of tape per minute.

Over three years, in relation to the different stages of maturation of the enhancement process in progress, the entire AI.API management software platform will be first developed and then implemented, which, among other things, involves the development of a specific building self-design software dedicated to domestic environments (MyHive App).

This App will allow the professional (or consumer) user to design from the home floor plan to the domestic electrical system, and will be able to offer easy and intuitive quick estimate systems and functional, performance and management comparative models of home automation technologies applicable in the user's apartment.

The company business model is based on the scalar, integrated and modular standardization of energy efficiency components and systems (data and energy), through innovative technology exclusively NIR.

The business development model provides for an inclusive strategic partnership program, defined as the flower platform, aimed at sharing specific industrial and commercial projects, useful for rapid and solid company expansion. **The strategic partnership will be functional to the corporate strategy and will range from research and development, specific marketing and commercial initiatives, academic collaborations, financial and institutional partners, as well as production, both national and international.**

The huge market basin of the NIR / NeXTy group is represented by the integral redevelopment – inevitable over the years – **of all the domestic systems existing in the world**, while in the short term, the most important driving elements of the company refer to the B2B industrial sector linked to the supply of durable and semi-durable products of large and very large consumption, as well as to the Energy Problem Solving market conceived by NeXTy.

The strategic area aimed at the territorial diffusion and distribution - capillary - of NIR technologies is represented by the Medium Distribution of electro-lighting technology collected in consortia. This category will guarantee widespread national coverage aimed at both marketing and specialist technical assistance ensured by professionals in the sector.

The strategic scope aimed at affirming the brand is formalized, both through the academic and artistic sector aimed at the requalification/efficiency of restricted historical environments, and through the enhancement of one of the many possible technical-specialist industrial areas of NIR excellence (eg. railway, naval, production sites, etc.).

RELEVANT MARKET

Generally speaking, **NIR enters the electrotechnical, home automation and energy efficient management market.** On the one hand, the Company enters the traditional market attributable to the field of low and very low voltage cables with an annual turnover - for the Italian market alone - of approximately 1.4 billion euros, aimed at both civil and industrial and service sectors.

The modernization of the traditional market with Next-Tape technology provides for a progressive replacement of the use of coaxial cables in favor of energy tapes. The product Next-Tape is attractive and favored both for market reasons and for the qualities of technical, ecological and financial excellence, able to enhance all the industrial and commercial players as well as the users involved.

The traditional global reference market of NIR S.r.l. - attributable only to the field of cable manufacturers power supply at low and very low voltage, converted into NIR equivalent - **has an annual value of over 10 billion euros, gradually increasing** (see "Market and Competitor Analysis" in the annex).

The use of Next-Tape as a replacement for the traditional system creates an immediate economic enhancement of the produced and marketed good – **VALUE CHAIN** – with higher increases to 3000%, because it offers a radical simplification of an entire manufacturing process traditionally in use for over a century all over the world, through a **finished product, economically competitive and easily accessible and usable directly by the end user.** Next-Tape carries a price of inclusive marketing in relation to the service it offers, and in stark contrast to the traditional hollow product which requires an entire manufacturing process in its application.

By generalizing and simplifying the traditional market, it would be enough to suppose to convert all national electrical systems connected to an electricity meter (approximately 36,000,000 units in Italy), with NIR products.

Exemplifying:

N. Counters	36 Milioni
Average sqm per property	100 mq

Let's imagine inserting a NIR product in each unit for each of the 5 commercial categories proposed:

EPS Basic Kit – VIC example	36,24 €
Advanced EPS Kit – VIC example	42,54 €
Home automation Kit – VIC example	159,48 €
Complete Hive-Smart systems – example VIC per 100 sqm (L3 CEI 64-8)	7.327 €
Smart NanoGrid complete systems: example VIC per 100 sqm (L3 CEI 64-8)	13.370 €

TRADITIONAL MARKET CONVERSION INTO NIR PRODUCTS

N. 1 EPS Basic Kit for Counter (36 Million)	1.304.640.000 €
N. 1 EPS Advanced Kit for Counter (36 Million)	1.639.000.000 €
N. 1 Home automation Kit for meter (36 Million)	5.741.600.000 €
N. 1 Complete Hive-Smart systems per meter (36 million)	263.772.000.000 €
N. 1 Complete Smart NanoGrid systems per meter (36 million)	481.320.000.000 €

MARKET GENERATED

In addition to the traditional market, the NIR business generates new exclusive markets:

- **Market Generated EPS (Energy Problem Solving)**, able to quickly and effectively solve everyday problems related to the power supply and to assist the customer in the same way who want to install new consumer equipment (data and energy), without causing inconvenience to the home environment to which it is applied. The generated market also includes the industrial sector and more generally the production and commercial partnership with any durable or semi-durable product that requires data and energy supply via fixed and/or temporary circuits.
- **Market Generated HSNG (Hybrid Smart NanoGrid)**, which in application of the HiveSmart.System protocol, is able to offer the first Hybrid Smart NanoGrid in the world characterized by the Hybrid System: Two Rings, Two Currents, with Distributed Generation, intelligent peripheral control of energy and home automation, capable of guarantee energy savings of 80% on bill costs even the construction of nZEB buildings or even energy-producing houses.
- **Market Generated for Specialized Areas** of Application and Services, Type:
 - Domestic (NeXTy Arte, Home&Office, Accommodation, Health, etc.)
 - Specialistic (NeXTy Automotive, Train, Air, Infrastrutture, etc.)
 - Industrial (NeXTy Elettrodomestici, Information Technology, Industrial Design, etc.)
 - Services (NeXTy Energy, Telecommunication, Web, Facility, etc.)

The market generated EPS does not set limits to the business, it is applicable in any civil and industrial environment and where the purchase of a meter of Next-Tape energy tape, in addition to the product, actually offers a finished solution to a need for safe and efficient data and energy, especially in times of strong global digitization.

Similarly, the market generated by NIR with the commercial launch of the Hybrid Smart NanoGrid - HSNG - guarantees market exclusivity in a field of home, home automation, environmentally sustainable environments, strongly required by the market in the next few years and whose commercial value is totalizing in relation to the economy direct/indirect housing and energy management in general.

Generalizing, to understand the potential of the market generated by Energy Problem Solving Kits, we assume that each individual benefits from the concrete opportunity offered by NIR to place a new taken - data and energy - without inconvenience, in one of the many places he frequented. Furthermore, considering that each subject may have multiple power needs within the same room, we immediately realize the easy penetration capacity of the EPS Kit in this area, while the estimate of this specific EPS sector can be summarized as follows:

Exemplifying:	
N. People	50 Milioni
Let's imagine providing each person with a Basic or Advanced EPS Kit	
EPS Basic Kit – VIC example	36,24 €
EPS Advanced Kit – VIC example	42,54 €
Home automation Kit – VIC example	159,48 €
TRADITIONAL MARKET CONVERSION INTO NIR PRODUCTS	
N. 1 Basic EPS Kit per Person (50 Million)	1.812.000.000 €
N. 1 Advanced EPS Kit per Person (50 Million)	2.127.000.000 €
N. 1 Home Automation Kit per Person (50 Million)	7.974.000.000€

Similarly, EPS solutions find easy application in the supply of durable products and semi-durable that require fixed electrical circuits. This non-exhaustive category actually represents the 70% of global industrial production of powered consumer goods.

NEXT-TAPE BUSINESS GENERATOR

The business analysis described above mainly analyzes the evolution of Next-Tape technology and applications in the domestic market - aimed at the new Smart NanoGrid system - conceived and developed by NIR.

In fact, **the Next-Tape data/energy technology represents the elementary unit at the base of the entire commercial proposal** which, starting from the technical-regulatory standardization of punctual, integrated, scalable and modular electrotechnical efficiency needs - will be able to develop increasingly complex data and energy circuits, capable of finding application in increasingly extensive and performing areas.

The NIR system is a business generator because it offers simple, scalable and applicable solutions in every channel and / or specialist field, many of which are capable of developing market exclusives (product and / or application), in the medium and long term.

These areas of absolute excellence, which we will analyze separately, concern both further specific applications in the construction sector in general, and new completely distinct industrial areas for which applications of strategic excellence and market dominance persist. Generally speaking, we distinguish three macro-areas of application: domestic, similar, as well as industrial; in which we find "generated" markets of specialist excellence and exclusive to the market.

MARKETS GENERATED BY DOMESTIC APPLICATIONS

- **Plasterboard sector** – Double slab laying system
- **Low thickness electrical engineering** – Flat Line (eg Schuko 12mm)
- **Constrained buildings** – Trackless installation system
- **Energy and Seismic Class Safeguard - Trace** – free installation system
- **Fire protection** – BUS circuits with high fire performance
- **Tourist accommodation** – Standardization of circuits
- **ESCo and energy management** – Energy efficiency
- **Hospital** – BUS Networks Line and Air Sanitation System (Next-Air)
- **Museum and Artistic** – Safeguarding and securing buildings and works of art
- **Audio Video Professional** – Copper, Gold and FTTH lines
- **Prefabrication of domestic environments** – Efficiency and Standardization of Plants
- **Bases and housing in industrial complexes** – Functional modularity
- **Complex IT network systems with high PQR coefficient** – Copper and FTTH lines
- **Joinery and furnishing automation** – Low thickness tapes
- **Fairs & Expo** – Extensions Data and energy tape and decentralized panels
- Etc. also to be searched in the 81 areas pre-selected by the NIR market analyzes.

MARKETS GENERATED DUE TO APPLICATIONS RELATED TO THE DOMESTIC

Application of the NanoReti system for domestic micro-environments, inserted in non-building contexts, such as cabins, lodgings, public environments and in general habitable and / or accessible spaces, of free access. Generally speaking, we mention the following basins:

- Naval
- Railway
- Aeronautical
- Aerospace
- Automotive
- Hospital
- Military
- Civil protection
- Humanitarian Activities
- Etc. also to be searched in the 81 areas pre-selected by the NIR market analyzes.

MARKETS GENERATED BY INDUSTRIAL APPLICATIONS

Applications of Next-Tape tape and circuits for industrial uses aimed at powering high PQR electrotechnical and electronic machinery, necessary for the operation of industrial plants. In this macro-area, the technical excellence of Next-Tape will be able to solve in an innovative way safety and performance problems in relation to traditional industrial electrical circuits.

The high Next-Tape electrotechnical benefits are also found in terms of space efficiency, in the installation methods with reduced installation times and greater safety - machinery and people - of the new NIR circuits.

Generally speaking, the areas of excellence generated find easy application:

- Industrial plants in general
- Assembly lines
- Specialist food in general
- Etc. also to be searched in the 81 areas pre-selected by the NIR market analyzes.

In conclusion, the NIR technology, and especially its essential element the tape Next-Tape, finds application throughout the global market that requires power supply, data and energy, especially if high energy efficiency and high PQR coefficients are required. It remains clear that every single area of possible application, in addition to generating some markets in an almost monopolistic regime, guarantees the opportunity to have sufficient potential market basins to support a billionaire business.

These new "Generated Markets" will be developed through specific Implementation Plans in strategic partnership - financial/commercial/industrial - to be established during the first three years of business development.

10. MARKET STRATEGY AT A GLANCE

The commercial solutions and technologies proposed by NIR find their natural and more articulated application in domestic environments in general (home, office, hospitality, commercial, hospital, etc.), where the company's core business resides. For illustrative reasons, the company program is often traced back only to these areas but intends to address - in fact - the entire electrotechnical market, the IoT, electrical, electrotechnical and electronic components, home micro-networks, Smart NanoGrids, IT, Home automation, etc. applied to both the domestic, civil, industrial and production environments in general.



The market strategy for the positioning of the corporate brand targets the domestic and residential area where the innovative NIR technological solutions place the company in a substantial condition of market domination.



The market strategy for the programmatic growth of the business of the NIR group refers to the enormous pool represented by the integral requalification - efficiency and digitalization - of all the domestic, structural and/or environmental systems existing in the world, while in the short term, the elements The most important drivers for the company are related to the B2B industrial sector linked to the supply of durable and semi-durable products - similar or not to construction - of large and very large consumption, as well as to the Energy Problem Solving market conceived by NIR.



The market strategy aimed at the territorial diffusion and distribution - which must necessarily be widespread - of NIR Products and Technologies, is represented by the Electrotechnical Channel of Medium Distribution - notoriously gathered in consortia - dedicated to the installation and resale of products and services, as well as home automation and electro-lighting technology, and which hold and develop the market for electrical systems and circuits in general.



The market strategy aimed at affirming the brand is placed within the professional, specialist, academic and artistic sector aimed at the requalification / efficiency of highly critical environments in terms of structural protection, fire, environmental, seismic, safety, etc. ; as well as in application to the many possible technical-specialist areas related to industrial applications in general (eg railway, naval, production sites, etc.).



The market strategy aimed at the long-term development of the company business is part of the home digitalization and the integrated, punctual and peripheral management of energy and data also with renewable energy production distributed with dedicated Esco services. The NIR System, through EPS solutions, will be able to offer national contracts for the hardware digitization of domestic data points to be easily positioned anywhere in the home. Subsequently, NIR will be able to offer dedicated, pre-wired electrical systems, able to contractually guarantee important environmental energy savings, even lower than 80% of the bill costs, paving the way for integrated services (plant supply and network management) , data and home energy.

AFFERMAZIONE DEL BRAND

NIR will give visibility and affirm its Brand through marketing initiatives of a cultural nature, technical-scientific - to be shared with leading Italian and international universities and research bodies - aimed at **expanding the green living NIR concept in all areas where it is applied.**



NIR products and technologies are particularly appreciated in the historical, monumental, for the safeguarding, efficiency, safety and enhancement of restricted and/or protected historic buildings and environments that require camouflaged, safe, reliable and non-invasive technologies.

NIR, in collaboration with its academic, institutional and private partners, develops marketing initiatives aimed at the drafting and application of protocols for the protection and enhancement of real estate listed buildings - historical monument - of great artistic importance and high academic and cultural depth.

The Company, through the marketing department, assisted by its own scientific editorial staff, will activate temporal commercial marketing and sales promotion actions in synergy with the availability of the products, of the individual subsystems and of the entire commercial platform matured during the different stages of growth of corporate business. The channels of action will be:

- Conventions targeted on specific topics, involving professional associations: engineers, architects, experts, notaries, lawyers, etc.
- Conferences at organizations, of categories such as: CONFINDUSTRIA, CNA, CONFARTIGIANO, ESCo, Insurance, etc.
- Conferences shared with Institutional, Public and Academic Bodies.
- WEB platform
- Publication of technical articles in specialized sector magazines:
 - Electrification
 - Tuttonormel
 - The electrical system
 - The electrical & home automation system
 - Electronic news
 - Living
 - Decor
 - Live
 - Etc.
- Specialized NIR technical initiatives, aimed at enhancing company technologies, also through the redevelopment, at NIR expense, of sites of cultural / historical monumental interest (for example churches or archaeological sites).

PRODUCT STRATEGY

The company development path foresees a progressive evolution of the EPS-Base Kit in direction of an Advanced-EPS Kit (integrable, modular and scalable), more and more articulated and complete. The evolution of the Kit with increasingly performing technologies, through intermediate steps, will activate the 12 home automation platforms organized into as many specialized Home Automation Kits for bedroom environments, which combined together flow into the complete Hive-Smart.System home system, which with the Distributed Generation and integrated energy management, becomes Hybrid Smart NanoGrid (HSNG). The HSNG system is aimed at the cooperative management of data and energy produced and consumed thanks to an innovative and revolutionary peripheral management of the Energy Points of the house, easy and quick to install:



EPS Basic KIT

Quick Solutions ("Energy Problem Solving")

This is the basic category in which all NeXTy kits are contained, aimed at solving specific domestic needs of daily life, "Energy Problem Solving": for example, the addition of a new light point, of a socket, or to power new domestic accessories, as well as various automations.



EPS Advanced KIT

Advanced Quick Solutions ("Energy Problem Solving")

It is the advanced category of the EPS Kit enriched by electrotechnical and IoT solutions as well as environmental NIR technology.



Home Automation KIT

Room Solutions

It is the NeXTy System used to provide complete home automation solutions for any type of home and office environment (living room, bathroom, study, office, bedrooms, kitchen, etc.), in relation to specific IT and Building functions. Technology. The NeXTy Electrical System can be integrated into the existing system or replace them.

The kits, from the Home automation category onwards, will be characterized by the creation of "decentralized" (peripheral) electronics lines, characterized by home automation systems (elementary and/or advanced), to be distributed along the circuits looped ribbon. NIR electronics will allow timely and informed use of consumable appliances (lights, automatisms, ventilation, alarm sensors, carbon dioxide, humidity and temperature sensors), so as to be able to know and accurately process the real energy needs. over time, differentiated for each environment - establishing an Energy Plan.

In any case, the Home Automation Kits hypothesized to provide timely modernization for rooms / living spaces are conceptually placed in a limited number of rooms in the apartment and therefore they do not require the replacement of the traditional control unit with the NeXTy electrical panel.

The DOM line provides complete KITS, differentiated on the basis of the different functional types, the size of the rooms and the required quality level (CEI 64-8).



Hive-Smart Systems

Hive-Smart.System Integrated Home Solutions.

The NeXTy System used to provide complete solutions for any type of Domestic Housing Unit for the home and office.

NIR has patented an Innovative and inclusive Protocol - "Hive-Smart" (PP-n.1020200000019156) - which redefines and integrates SEI Sistemi di Building Electric Technology into a single Platform aimed at energy efficiency - Data, Energy, Environment - for Integrated Technological Modernization of homes and nZEB achievements:

1. **SNG** – Smart NanoGrid
2. **DRE** – Double Ring Energy
3. **HED** – Hybrid Electrical Dom
4. **IT** – Information Technology
5. **ID** – Information Diagnostic
6. **IRE** – Integrated Room Environmental

The synergistic integration of Six Building Electric Technology Platforms has made it possible to amalgamate the best procedural/regulatory practices, unifying them in a single system protocol aimed at integrated efficiency in a Green Living key, also aimed at nZEB buildings.

The Hive-Smart.System Electrical System is able to integrate or replace the traditional electrical system. NeXTy provides a system of modular and standardized control units capable of managing in an integrated and cooperative manner all the different combinations of integrated home Nano-networks, and combined home automation kits, desired by the end user.

The Hive-Smart.System protocol electrical system provides two distinct or integrable solutions:

- The first solution involves the use of a low voltage NeXTy Nano-network (230 V AC).
- The second solution involves the use of a very low voltage (48 V DC) NeXTy Nano-network, with rectifier (AC/DC converter), Centralized and / or directly powered by FTV in DC.

The use of very low voltage direct current equipment will be possible thanks to the NeXTy 48V DC (Direct Current) Nano-network.

This system will produce significant advantages related to the reduced consumption of the house and represents one of the crucial nodes aimed at energy efficiency of the housing unit which allows savings of about 80% on the consumption of the bill.

A simple App will help users in the development and choice of the NeXTy system that best suits the specific needs of the user, helping them to choose between the different options available. NeXTy will always offer a functional, simple, specific, integrated system dedicated to the family that lives there.



Hybrid Smart NanoGrid systems

Smart NanoGrid Home Solutions

NeXTy Hybrid Smart NanoGrid (HSNG) - through the Hive-Smart.System Protocol - integrates in a modular and scalar way, all the NIR technologies, developed around the Home & Office environment in general, aimed at energy efficiency - Data, Energy, Environment - which combines SEI System Platforms of Building Electric Technology, and 12 Technological Subsystems exclusively NIR, listed as follows:

1. HDG - Hybrid Distributed Generation
2. TokenHive Platform
3. MODULA - Hybrid Panel System
4. NANORETI - Ring BUS AC/DC
5. Hy.DOM – Energy Point
6. AI HIVE API - Management Software
7. HIVE Check-App
8. Hive SECURITYLife System
9. MyLIGHT System
10. BioAIR System
11. EcoWarm System
12. HivəApp

Each Domotic Platform is based on a specific NIR exclusive technological system.

The HSNG System is by its very nature Dynamic, Flexible, Scalable, Dedicated, Integrated, Safe, Secure and Easily Expandable.

The Hive-Smart.System protocol offers a simplified model in the construction of high efficiency electrical systems, guaranteed through the System of: “NeXTy Integrated Domestic Nano-networks”, which, interfaced with each other, become “Integrated Domestic & Cooperative Nano-networks”.

By adding home automation systems for Distributed Generation and storage with Energy Trading, the system becomes Hybrid Smart NanoGrid AI-API, aimed at dynamic and shared efficiency for energy, data and the environment.

The NeXTy product strategy bases its Idea on the regulatory standardization of the entire construction system of an electrical system, in order to reduce all its essential parts into KIT - Basic and Evolved - modular and scalable according to need. The Smart NanoGrid can conceptually be imagined as an intelligent and cooperative integration of connected Home Automation Kit and EPS solutions.



Building Solution Networks with NeXTy GD Dedicated Control Unit Condominium Solutions & Shared and cooperative energy management

Through a dedicated control unit, the NeXTy System will connect the Private Home Nano-networks located inside a Building. The aim is to obtain an integrated management of services, utilities and energy consumption.

In this category, the use of the Hybrid Smart NanoGrid NeXTy System with Distributed Generation (GD) and storage is envisaged, connected to the Condominium Network of the Building.

The Condominium System will cooperate with the Domestic Systems by exchanging and managing the energy loads and the contemporaneity of consumption. This method, which already allows an overall energy efficiency of about 60%, if combined with new and cheaper storage systems (with verifiable ROI), can lead to efficiency thresholds higher than 80%.



NeXTy Dedicated API Software with IoT-AI Control Unit Solutions for the management of Home Integrated Services

A specific Software, with API System, dedicated to the NIR galaxy - NeXTy (originally created for industrial development), which can be integrated with an innovative NeXTy home artificial intelligence system, will act as an Integrated and Interactive Platform for the Management of Services between the home, its occupants and the exterior. The communication protocols used between the IoT-AI devices of the home automation system will be among those currently most widespread in the world: Z-Wave; Hue; Bluetooth; Google Home; Enocean, which will make the API System dynamic, developing a series of customized applications that allow the creation of a specific communication for the different typical profiles in the field of Wireless Sensor Networks, which vary from the world of energy (Smart Energy) to that of home automation (IoT).



NeXTy Hive with Zero Emissions Home Universe Solutions for the supply of Integrated Services

NIR aims to develop the NeXTy Electric System and make it the reference point for the construction of new generation electrical systems.

NIR's green-living vision finds its maximum application in the NeXTy Hive project aimed at both the Customer and Professional retail market and which offers an integrated and shared vision of all NeXTy systems, making the most of the concept of "Dynamic Energy Management - Data and Strength - for the efficiency of the Zero Emission NEXT GreenTowns.

In a broader vision, thanks to the strategic advantage given by the Integrated Home Nano-networks, NeXTy will develop a dense commercial network, national and international, characterized by a wide range of innovative products in the Home Furniture and SmartHouse sector.

CHANNEL STRATEGY

NIR wants to attack the data and energy supply market, both in the home automation environment than industrial,

The Company started the first marketing processes, limiting its function to market checks and testing the sales management model, finding positive feedback from selected customers, and starting negotiations with important players on the national and international market.

NIR has taken care to protect the emotional value and the price of the product so as not to jeopardize the imminent large-scale advertising and commercial launch. **The NIR sales strategy, for the initial stages** (six months/one year), **will be aimed at introducing EPS solutions and discovering and enhancing of the Brand.**

The 6 Business Lines respond to the strategic need to balance a commercial portfolio that could be adherent to business needs with a view to development and economic sustainability medium/long term:

- **EPS-Basic Kit** (16 Typologies);
- **EPS-Advanced Kit** (8 Typologies);
- **Kit Home Automation Room** (12 Typologies);
- **Hive-Smart.System** (3 Levels);
- **Hybrid Smart NanoGrid System** (3 Levels);
- **Smart MicroGrid Building Solution control units with AI-API management software** for energy management and cooperative Distributed Generation.

The corporate strategy for commercial launch and market penetration - National and International - provides for the sale through various Commercial Channels - specialist and generalist - divided by areas of competence, which in 36 months will lay the foundations for the group's business:

- Resellers Channel – B2B Resale;
- Installatori Channel – B2B Resale & Installation;
- Specialist Channel – General Contract B2B;
- Factory Channel – B2B Customizations;
- E-Commerce Channel – B2B/B2C Promotion;
- ESCo Channel – B2B Services.

The strategic portfolio aims at diversifying the risks of markets, territories and areas, adopting an omnichannel policy, aimed at rapid, territorial and inclusive development, and which protects the company from the risk of having an “overexposed supply chain” (provision of goods, over/under sizing of production and commercial lines, etc.).

In the first phase, the sales estimates provide for a rapid and balanced diffusion of Problem Solving Kits through B2B lines, while limited sales are assumed in the supply of integrated electrical circuits (Experimental General Contracts). In fact - in this area - until the entire technological system developed by NIR is completed, the company is aimed at creating only programmatic-design collaborations, in the medium and long term, giving up an aggressive sales policy.

With the completion of technological developments for Smart NanoGrids, combined with the integrated software system for the design, computation and rapid budgeting of plants, it will be possible to tackle the commercialization of large-scale circuits in a sustainable manner.

The E-commerce channel, managed directly by NIR, protects the commercial exclusives of distributors and/or dealers affiliated to the group, regulating and offering a profit-sharing system capable of guaranteeing the stability and sharing of the business. Specifically, NeXTy E-commerce will recognize a fee in the case of direct sales - online - of a product intended for a customer located within a territory subject to a NeXTy dealer and/or consortium and / or partner and/or affiliate who adheres - for consideration - to the National E-Commerce Platform.

MARKET PENETRATION

NIR will be favored by the green living trend started in the last decade, by the many Italian government incentives in the field of energy redevelopment and efficiency (for example, superbonus, eco-bonus, tax credit, etc.), as well as similar ones approved in other states Europeans, which will all together constitute an important sales lever. **The Smart NanoGrid designed by NIR guarantees maximum energy efficiency in domestic environments** (home, office, commercial, hospitality, industrial, etc.), through an innovative peripheral and intelligent energy management (both data and power).

NIR, in reference to the EPS category, claims – indeed – **to market a type of “Emotional Product”**, because it is able to solve problems of daily life related to the electricity supply in a quick and resolute way and to assist the customer in the same way wishes to install new consumer equipment (data and energy).

The solutions proposed by NIR technologies - aimed at renewal, redevelopment, digitization and energy efficiency - find easy global application in all areas and sectors that require data and energy connections - especially in environments that require high performance, camouflage and energy security and environmental: if a product or service requires power, Next-Tape offers the most efficient solution, both from a technical and an economic point of view.



MARKET BARRIERS AND THE VALUE CHAIN

Companies already present on the traditional market, thanks to the barriers to entry into the market, they are in some way protected from potential competition. The exclusive and innovative product Next-Tape, even in the future, does not necessarily damage the business of the companies present which, on the other hand, find in NIR a new economically attractive parallel commercial channel.

The formulation of the strategy for overcoming market barriers relies heavily on the rich **VALUE CHAIN that NIR products can generate for themselves and for their business partners.**

The NIR, both with the EPS Kits, and with the integrated proposal (tape, heating/cooling, home automation, lighting, energy management, energy production, energy storage, smart grid), offers an added value to the customer, quantified by the price that this pays, or would be willing to pay, to meet their product or system requirement.

The higher value represents the largest difference between price and cost.

Primary and support activities will participate in the value chain, in order to maximize profit margins:

PRIMARY ACTIVITIES

- Services
- Marketing
- Sales
- Logistics.

SUPPORT ACTIVITIES

- Infrastructure of the company
- Skills and human resource management
- Technology development
- Procurement.

NIR's competitive entry strategy will be linked to:

- **Decisions aimed at giving the company a competitive advantage over the use of traditional products and technologies.**
- **Offer a competitive advantage to sector operators** because it is able to carry out the activities envisaged in the value chain with greater efficiency (economic and functional).
- **Differentiation from the competition** for the availability of systems capable of producing complete solutions - both autonomous and integrated - because they are characterized by the combination of specialized cooperative home automation kits, all aimed at improving data, energy and environment efficiency.

11. MARKETING PLAN IN BRIEF

The Company divides the scope of marketing into both insourcing and outsourcing operational categories:

- NIR / NeXTy Marketing Department - Insourcing, which will mainly deal with strategic marketing
- Specialized marketing agency - Outsourcing, to which to delegate the implementation and strictly specialized activities of the field.
- Punctual Marketing - Insourcing, aimed at the recruitment campaign of the sales team aimed at the installation and / or resale of NIR products. The channels described will all be B2B.
- National Web Marketing - Insourcing, which will take care of marketing promotion, social media at national level on which it will convey the only B2C sales channel provided by NIR.

MARKETING AGENCY – INSOURCING E OUTSOURCING

NIR will manage the corporate marketing strategies with its own internal office but will be assisted by an external marketing agency which will be entrusted with all the tasks and specialized activities for the promotion of the brand through social and traditional channels capable of launching and making the product known. to people, starting from market research up to touching all strategic marketing sectors.

The delegated operational activities will concern:

- Social Consulting
- Press office
- Strategic Consulting
- Seo and Sem
- Google Adwords
- Adv Social
- Remarketing campaigns
- Retargeting campaigns
- Video Tutorial Realization
- Graphic Management
- Event Management
- Landing Page Creation

TIMELY MARKETING BY CHANNEL

NIR develops a Punctual Marketing - Insourcing - aimed at the recruitment campaign of the team of commercial partners aimed at the installation and/or resale of NIR products: Distributors, Installers, Specialists, Factories, Professionals.

The sales channels described represent the company's strategic commercial channels - all B2B - that NIR intends to recruit thanks to specific specialized marketing initiatives - customized for each interlocutor. The marketing campaign includes a document suite complete with samples, information material, regulatory, graphic/design technical, dedicated apps and access to the commercial software platform.

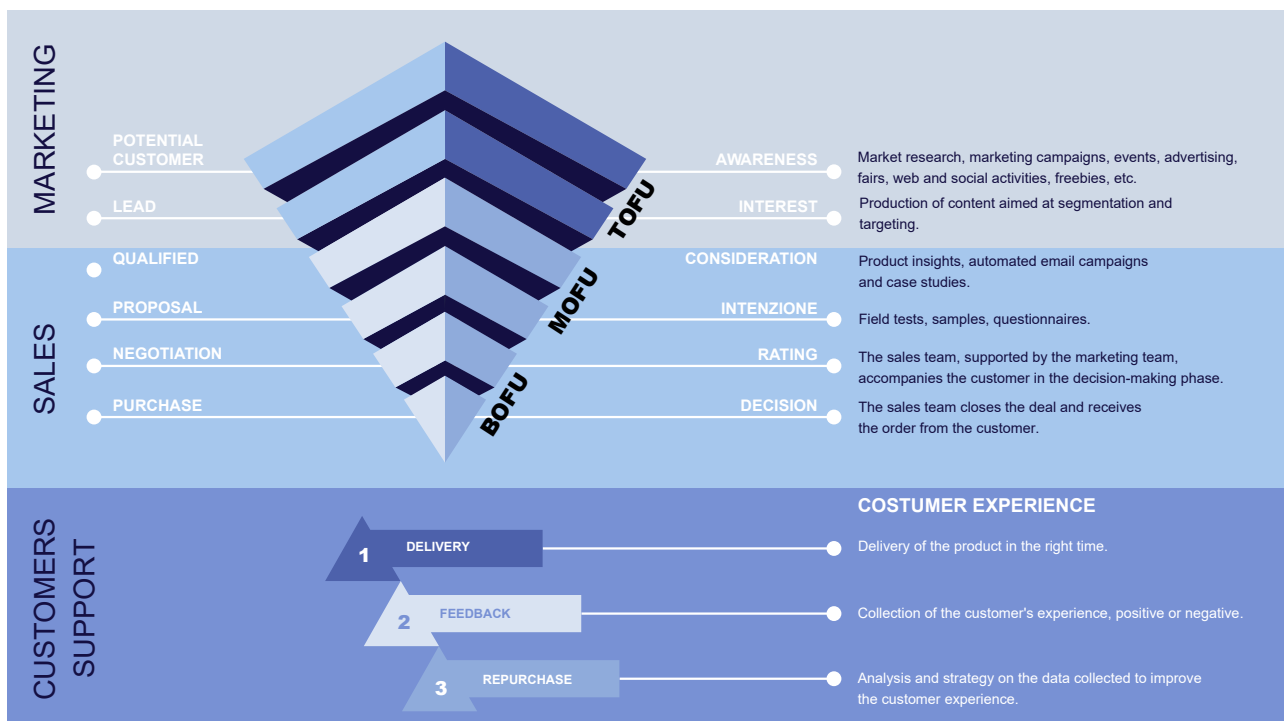
Where necessary, the creation of specific customized commercial prototypes useful for marketing and signing B2B commercial agreements is envisaged. The promotional actions, reinforced by dedicated advertising events, will also be carried out at professional and category associations, public and private entities, wholesalers and distributors of electrical equipment, as well as industries deemed strategic.

The activity will also be carried out by means of:

- Joint conferences
- Counter promotions assisted by technical sales staff
- Advertising totems with brochures and product samples
- Videos on typical application examples and on the technical characteristics of the products.

NATIONAL MARKETING - WEB

For the national promotion part of the Brand, NIR prefers Social and Web Platforms. For the online marketing platform relating to sales, it was decided to use the Sales Funnel, together with a prudent CRM software and the use of social networks and more accredited video channels, thanks to which the three phases that the LEAD (potential buyer) will be induced to go through in order to become a customer will be identified.



The sales process will be articulated in a consequential way:

- CUSTOMER REQUEST
- OFFER PROPOSAL
- PURCHASE

By requesting online feedback, post-sales technical support, sending newsletters about NIR activities and news, you must ALWAYS keep the interest of the acquired customer alive.

The Web Platform will also be used as a management support - commercial and industrial - for the management of all business processes. In particular, it will be decisive for distance professional training, support to the sales network and the acquisition of data useful for calibrating corporate marketing actions and generating increasingly accurate estimation models aimed at producing reliable and reliable sales and industrial production forecasts and programmable. The web software management, foreseen by NIR, will be an essential element for improving the efficiency of every business area.

12. CORPORATE COMMUNICATION AND TRAINING

NeXTy will base its communication on the strength of its **Technological Asset**, highlighting the many elements of excellence that characterize it.

The absolute mastery of the NeXTy project in managing all the technical and complementary aspects of the business meets the commercial favor of all the parties involved.

NeXTy affirms its brand through specialized commercial channels, such as the artistic and cultural one, identifying the preferential channel for brand visibility in the energy redevelopment and safety of historic and listed buildings, including religious ones.

Being an innovative technology, the critical element of the commercial operation lies in the need to promote the NeXTy idea around the world, favoring its acceptance and subsequent dissemination.

NeXTy deals with complex, vast and articulated topics and must reach different specialized fields in an articulated manner.

The communication strategy therefore becomes fundamental and must be able to address all aspects simultaneously, through a single integrated system, balancing specialist activities to be developed in-sourcing and out-sourcing.

The NIR / NeXTy group entrusts promotional activities relating to marketing and advertising to external specialist agencies; while it shares with the territorial partners the technical communication aimed at specific niches or market areas.

The group develops on its own (in-sourcing), corporate communication aimed at enhancing the brand.

This activity will be divided into four main channels, managed by four management offices:

- **Press Office** – drafting of articles for the scientific and academic dissemination of technologies and NIR products, in collaboration with the Polytechnic of Bari and other Academic and Public Bodies of primary importance.
- **Academy** – technical-regulatory specialist training, as well as professional practice and exercise, with the issue of NIR certifications and company certificates.
- **Integrated software management platform** – integrated management of the company commercial and dissemination platform, aimed at providing organic and integrated support for NeXTy planning, dissemination and promotion.
- **Marketing Office** – development of promotional initiatives of a technical, scientific and academic nature, useful for the affirmation of the brand.

PRESS OFFICE

The affirmation of the Brand, in addition to a nationwide advertising campaign, will be based above all on the technical-specialist aspect of NIR products. These aspects will be made public and enhanced by NeXTy also thanks to the creation of a press office for scientific editing aimed at disseminating innovative company technologies. This activity will be carried out in collaboration with the Polytechnic of Bari, the CETMA institute and leading Italian universities.

Bill of Activities:

- Drafting of Scientific Articles
- Graphics and Design
- Photo Shooting
- Costs of Publishing and Printing
- Web Portal Management
- Video documentation and animations dedicated to the scientific area

ACADEMY

NIR develops a specific Academy platform aimed at technical-regulatory training, as well as professional practice and exercise referable to NIR technologies, with the issue of company certifications and certificates. The Academy will be divided into 3 sectors addressed to 3 specialist areas:

- planning regulations - public and professional bodies;
- certifications, laying and installation - operators and dealers;
- regulatory-economic marketing and energy business, aimed at service operators, ESCos, utilities, etc.

All Academy services will be usable and manageable through the social and inclusive NeXTy platform.

SOFTWARE PLATFORM

The Inclusive Software Platform dedicated to the NeXTy universe - MyHive - will consist of multiple modular software, dedicated to the different functions but interconnected with each other. The element that best expresses the concept described by the Software Platform is represented by the NeXTy "MyHive" App, which, depending on the use made, will allow the user and the seller to access each area and use the entire NeXTy platform.

The platform, as a whole, is able to fulfill all the functions of promotion, marketing, technical and scientific dissemination on behalf of the company. The ability to update the entire package remotely (considering the area in which it operates) becomes an additional strategic benefit in favor of the project.



MARKETING OFFICE

The marketing office – pertaining to NeXTy – develops shared commercial initiatives, plans participation in events, selects scientific initiatives with public institutions aimed at the visibility and affirmation of the brand. He is also responsible for the development and coordination of the marketing network in the web, advertising, design, etc. and directs the trade expo or, more generally, the promotion of the brand.

Finally, the marketing office manages and coordinates the company e-commerce and dictates the guidelines, filters and provides the contents included in the management software platform in use by both the company and - in the dedicated parts - to suppliers and 'final user'.

The management software platform - MyHive - also through dedicated dAPPs, will allow us to manage in a widespread, integrated and coordinated, as well as intuitive, all communication aspects through 5 dedicated doors:

- **Promotion**
- **Training**
- **Disclosure**
- **Communication**
- **Analysis (big data) and market projections**

MyHive is in fact an “inclusive and interactive site” that will filter, through dedicated areas, all the technical aspects, legal, economic, promotional, etc. of the five doors and of the Apps (dAPPs), which constitute it.



13. BUSINESS PLANNING - IMPLEMENTATION DEVELOPMENT

The Business Model - Company and Products - is characterized by a widespread “standardization” of functional models, lines and products capable of being inserted and incorporated into any market area - omnichannel - that needs an electrical outlet. Products and companies are scalable - in a fractal way - in different areas, territories and contexts.

In fact, **the commercial Lines and the NeXTy products, can take on multiple meanings:**

- Large-scale consumer facility and utility product for the masses
- Highly regulated professional specialist product
- Green Living product, innovative
- Fashion product, appreciated in design and by the new economy

The business strategy of NIR envisages an initial focus on the selection of a National Top Leader, for each of the specialist areas in which NIR systems find specific application. The model will then be reproduced on an international scale.

All target customers are known for their innovative management, labor costs are proportionate to company professionalism and a common suffering in the growth of their market share, which in recent years has not been able to grow due to difficulties mainly related to technical problems of electrical installation and power supply of its products and/or services.

As an example, the selected Top Leader identifies in the power supply problem - electricity/data - the limit of the diffusion of his business (product and/or service), where, with EPS, he will be able to solve these problems with significant economic benefits for both Parties.

13.1 DESIGN

The design of products and commercial packages will always follow the declared objective of quality (which manifests itself in precision, simplicity, speed and reliability), innovation, service (unmatched, provided by NIR technicians and not by external contractors) , and the total price (supply and installation).

NIR-NeXTy Management is firmly convinced that providing quality innovative solutions and products be the main and most important task to achieve the expected market share.



13.2 DEVELOPMENT

Innovation and service are the true aspects of utility and quality and, consequently, attention will be strongly focused on these areas. To foster innovation and maintain a constant dialogue with its customers, **NIR has created a technical analysis group that will meet on a monthly basis to discuss the needs for business growth aimed at identifying possible strategic partnerships for business in general: Flower Strategic Partnership Platform.**

- a) The group will be chaired by the Marketing Director NeXTy, in collaboration with the General Managers NIR (for the industrial sector), and NeXTy (for the commercial sector); the group will also be attended by the Project Directors of the Marketing-Shared macro-initiatives and the representatives of the Development Partners who have as their object the development of business units referable to the Holding NIR (e-commerce branch, franchising, international, national dealers). The group will meet at the NIR headquarters.
- b) The entire platform will be able to count on full availability and maximum, increasing operability - Step by Step - of the I-CToS Management Software System which, through the “control dashboard”, assists, coordinates, integrates and efficiently every technical and commercial aspect of the Group’s Corporate Mission.

13.3 I-CToS AND CONTROL DASHBOARD

The NIR I-CToS computer analysis platform was born with the need to compare the new NeXTy electrical system with traditional systems in an analytical and statistical manner. This System aims to create a useful model for integrated modular and shared management of the entire business and commercial chain.

The entire software platform will evolve through technological upgrades capable of interfacing with the user (company / operator / customer), through dedicated apps - Control Dashboard - useful and necessary, both for the analytical management of the group (management and commercial partners), that functional to the social and sales area dedicated to the end user.

The Software Platform and respective app interfaces are listed as follows:

- MEC Protocol (Comparative Example Models);
- Mini Software MEC;
- I-CToS (Intelligent Comparative Template of Standard) software;
- NeXTy APP with integrated i-CToS Software;
- NeXTy Social Platform - MyHive;
- EnergyToken



13.4 THE PRICE POLICY

NIR products are absolute novelties on the mass market and their technical characteristics make them a candidate to have a very high added value.

Today the indicative selling price of an electrical tape is about 20 euros per linear meter, equal to about 10 times the composite price of a traditional, non-wired electrical circuit, consisting of three traditional 1.5mm cables and a corrugated one.

Taking into account the implementation, the economic relationships are completely reversed, regardless of the specific scenarios of use. Generalizing, for the construction of a domestic electrical system, wanting to compare traditional systems with NIR systems, the exemplary parametric prices are so distinct *:

- **Traditional concealed electrical system** – parametric price, equal to 13 €/linear meter.
- **NIR electrical system** – parametric price, equal to € 36 / linear meter, but which, thanks to the innovative laying system, for domestic environments with sizes greater than 60 square meters L3, guarantees a relationship of use of about 1:10.

* costo di un intervento complessivo che comprenda cavo, canaletta, assistenza muraria, elettricisti, smaltimento macerie, giornate di lavoro.

Although NIR Management believes that price will be the least relevant variable in purchasing decisions, the company will set its prices in the mid-market range. Wanting to summarize the NIR business in two macro-areas EPS kits and NIR electrical systems, the proposed price for the energy tape (key element of the business) was obtained by assuming to supply an electrical circuit (supply and installation), whose overall cost is competitive with respect to a system traditional, while ensuring high profitability for the intermediaries involved.

In relation to the construction costs between Traditional Electrical System and NIR, obtained from the analysis of comparative exemplary models (MEC), parameterized by size (from 60 to 200 square meters), and by category regulated (L1, L2, L3), the smart NanoGrid NIR systems are increasingly more competitive both from the point of view of efficiency and simplicity and cost-effectiveness of use.

Generalizing, in terms of construction costs, the HSNR NIR plants turn out to be:

In terms of costs, as a whole, the NIR electrical system offers a potential saving of about 15% compared to the traditional electrical system, while offering technical performance and margins at the same time for the - Parties involved - far greater.

In order to ensure a wide margin of all parties involved, distributors, installers, etc. special tape lines dedicated exclusively to the professional line for home circuits will be developed, which will offer superior performance and discounts compared to the standard model.

13.5 SUPPORT

Any doubts of customers on the mid-range price will be addressed with the use of comparative-specifications, which compare the performance of NIR products with those of competitors and with on-site demonstrations. In this regard:

- a) a specific **comparative platform MEC (Comparative Example Model)** was developed, aimed at calculating and improving the efficiency of company costs and prices in reference to comparable technologies, regulations, different markets and related direct/indirect competitors.

I dati forniti dal MEC saranno completi di esemplificazioni e comparazioni pratiche customizzate sul cliente che ne fa richiesta, ma non fornisce accesso al modello software e procedurale considerato segreto aziendale (restituzione API – Application Programming Interface).

- b) a specific Academy platform was developed for regulatory and technical training and implementation of NIR products and initiatives.

The Academy will be divided into 3 sectors addressed to 3 specialist areas:

- planning regulations - public and professional bodies;
- certifications, poses and installations - reseller operators;
- Regulatory-economic marketing and energy business, aimed at service operators, ESCos, users, etc.;

All Academy services will be accessible and manageable through the inclusive NeXTy platform.

13.6 COMPETITIVENESS

The innovative NIR systems solve objective and widely shared practical problems in a revolutionary key, working within an area - plant engineering, electrical engineering - substantially backward in reference to installation, distribution and energy management systems.

All this makes the NIR / NeXTy commercial proposal extremely competitive, with the implication of a substantial market monopoly where, in the coming years - as required by law and directed by the market - we will go in the direction of an **energy revolution aimed at low consumption, strongly connected and eco-sustainable homes: nZEB + IT.**

In this way - immediate problem solving and integrated systems of the future - the company will be able to achieve standard margins, in the short term, above the industry average, despite a mid-high-range pricing policy and a total initial ignorance of the product. This last factor, while representing a limit in the initial part of the sale, will play in favor of the company thanks to a marketing policy focused on novelty, innovation, the avant-garde and the energy revolution in progress.

13.7 DISCOUNTS AND SAL

With reference to the discounts, **the Company divides the sellers into classes of merit and/or title**, referable both to the function exercised, and to the corresponding potential purchase value and related discounts.

Among the classes of belonging, for generic example, we mention the importers and the medium distributors. Buyers **Importers** and dealers as well as large B2B collaborations will be granted discounts of up to 64% on the retail list price, but only for multi-year contracts that provide:

- important purchase constraints (quantities of minimum goods);
- direct collaboration (professional and/or financial);
- technical assistance (product regulations, installation, assistance, maintenance);
- contributions in part relating to the development and management costs of e-commerce and national marketing;
- own specialized territorial marketing activities.

Distributors/installers of medium and large distribution, consortia, B2B, etc., which provide for annual/multi-year contracts, persist the same items of constraint already described, but calibrated in relation to the lower purchasing and distribution power. These minor classes will receive discounts of between 30% and 60% on the retail list price, to be calculated on the basis of the specific class to which it belongs (merit and title). The company policy - nationally - will require a 40% deposit on all orders, with an additional 30-40% SAL on delivery and the balance of 20-30% within the next 30 days (time to verify quality, product dispute, goods exchange). In consideration of the large EBITDA offered to retailers, the company policy on SAL, relating to the sales of the finished product, guarantees between NIR and its sellers the mutual sustainability of the business.

NIR's standard warranties (parts and labor) will be in accordance with the industry standard with reference to the specific product/service sold.

13.8 PERCEPTION

The assistance contracts for the sale of commercial packages - product/service - of the company will be substantially different from those of the market, both for the innovation of the NIR technical product and because the prices of the subscribed services will be extremely competitive. **Marketing aims at the affirmation of the Brand also through the collaboration of large national companies (ESCo)**, that convey utility contracts - light, energy - of which the NIR electrotechnical systems represent the final distribution system.

This marketing operation, in addition to sales purposes, **will have the aim of strengthening the public image of the Brand**, which must be perceived as reliable also because it is accredited by the largest national operators in the energy sector and data in general.

The pricing policy and discounts for these services will be calculated based on the duration of the contract of assistance that NIR will offer to its customers but, at least initially, will be addressed to the sole purpose to aggregate the highest potential market share to itself.

The same interpretation will be applied in general for all marketing initiatives, on a national scale and international, in which the Brand will have the opportunity and / or the need to create a specific and/or specialist public image. This operation will be updated through the matching - coherent and diversified - with public and/or private entities and institutions, or companies in general, to be finalized for specific, useful purposes to the business and corporate image to be capitalized in the medium/long term.

13.9 IMPLEMENTATION

NIR's modular approach to product design, combined with their structural simplicity, will allow the company to guarantee customers installation and installation times of its products, and consequently of the equipment connected to them, incredibly reduced in a ratio of no less than 1:10 compared to current standards.

The regulatory environment, and more specifically the electrotechnical redevelopment sector to public funding and reimbursements (see eco-bonuses and similar), and more generally the area of service management (field of interest of ESCos), is one of the primary strategic objectives of NeXTy Marketing and sales for the medium/long term. In the same way, specific targeted marketing programs will be addressed to offer product/service packages through the insurance channel in the field of property and people.

13.10 EXPANSION

NeXTy intends to activate a broad market diffusion and saturation policy by creating a Model - defined by standardized, fractal, omnichannel NIR - not only scalable in different areas, but easily reproducible in each Partner Country:

- a) **By selecting Top Leader Importers/Distributors in relation to specific strategic areas** (81 sectors identified), effectively starting an initial diffusion with a very low territorial density - for a maximum of 10 Regions per nation - to be subsequently scaled in the provincial context. This strategy offers the benefit of granting its partners very extensive and therefore competitive and attractive commercial areas. The aim is to compensate the partner for the inherent risk that arises from innovative technologies but in fact unknown to the mass.
- b) **Operating a progressive and rapid vertical saturation in the same Areas and Territories already covered**, combining it with a contextual implementation of the international diffusion policy. This strategy can count on the penetration power of the EPS product and the fractal business model that favors the scalability of products and commercial processes, paving the way for success of the Smart NanoGrid NIRs that will be proposed - in full form - over the 12/24 months following the launch of the EPS.

13.11 STOCKS

Inventory control will be one of the main areas of management attention and it will require close collaboration between marketing, sales, manufacturing and purchasing.

In the production field, the most expensive items in inventory will be compounds for the production of tapes, whose current delivery terms are 60-90 days from receipt of the order. In more detail:

- 60-90 days for starting production from scratch;
- 30 days, full supply;
- 15 days, fast retrieval, strategic merchandise.

For the compound tape sector, management has established a maximum inventory period of 45 days in the first year. It is expected that the period will be shortened in the following years, as the forecasts for orders stabilize more. After the compound tapes, the lowest rotation components in stock, will be the connectors. However, with the use of multiple suppliers, NIR believes it can rotate the components in stock on a monthly basis during of the first year.

In case of suspension of supplies, the stocks of the compound must guarantee between 30-45 days of ordinary production. Should stocks be reduced to 15 days of production, the department - automatically - will require direct shipments to meet excess production demands.

At any time, the financial manager of NIR Warehouse, thanks to a sophisticated inventory control package, will be able to carry out detailed reports on the warehouse to verify and protect the assets produced.

For the first year, inventory on sales will be 10% of the annual forecast.

13.12 STAFF NEEDS

The Company starts its business activities with 11 employees and 9 contract university researchers, supported by a rich team of highly qualified external - national and international - consultants and professionals.

In the first 24 months of activity, the Company has the minimum objective - target Puglia Region - to bring the workforce to 33 people, 18 of which will be technical personnel. NIR has an ambitious development plan whose staff will vary according to the different scenarios that will be covered by the Company during the realization of the business.

The great innovative value of NIR products has favored the involvement of the academic world, and in particular of the Polytechnic University of Bari, also through the sharing of laboratories of electronics, information technology and electrical engineering, as well as a research department dedicated to the development of NIR technology, updated through the funding of a reserved scientific technical group, consisting of a researcher, two doctoral students, two fellows and four research fellows, coordinated by the General Management of the Department of Electrotechnics and Computer Science.

STAFF - FIXED AND VARIABLE COSTS

NIR identifies the following costs, fixed and variable:

- **Fixed Costs**

Governance Asset - General Management, Administration and Management

Research Assets - R&D, Engineering

Asset Marketing - Marketing and Training

- **Variable Costs**

Productive Assets - Production and Warehouse

Logistic Assets - Logistics and Procurement.

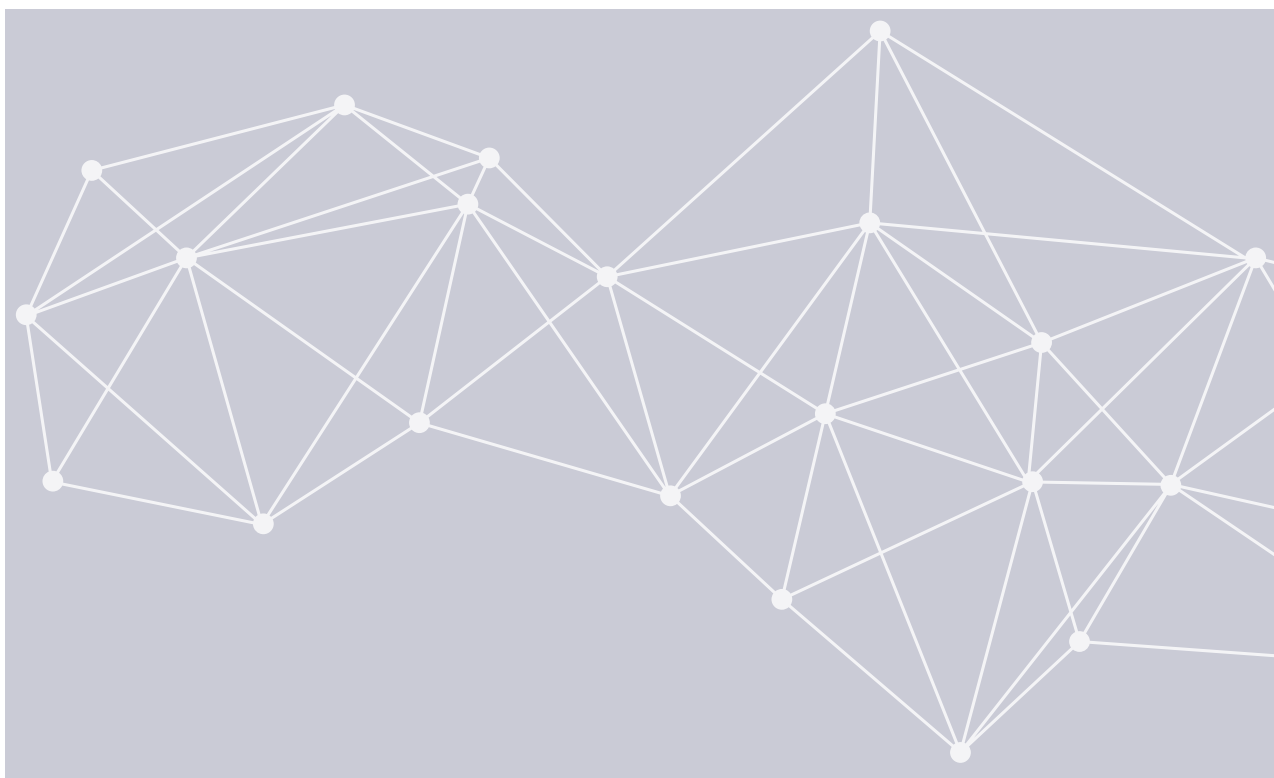
Commercial Asset - E-Commerce and Sales.

With reference to Fixed Costs, NIR sizes and plans its staff on a fixed-term basis in relation to a medium/long-term strategic business plan, not strictly linked to turnover even if it provides for a progressive programmatic growth activated by minimum turnover thresholds.

With reference to Variable Costs, NIR sizes and plans its permanent staff in relation to market trends by dedicating resources as a percentage of company turnover and the consequent growing industrial production needs.

Variable costs include occasional and/or continuous implementation development programs to be managed through consultancy and external collaboration contracts, which include business consultancy companies, professionals, contracts with Universities and Public and Private Bodies and Institutions .

The fixed costs also include the charges for additional personnel to be hired in relation to the increase in turnover and related company development.



14. SALES PLAN AT A GLANCE

NIR will employ both internal sales staff with credentials and extensive product knowledge, and external operators/agents who will be entrusted with specific and timely initiatives and commercial tasks.

The freelance agents will be coordinated by regional area heads distributed across the country.

Area heads will work independently for objectives.

Commercial attention will certainly be focused on customer needs.

During the first twelve months, both the Administrator and the Marketing Director will play a fundamental role in contacting the target customers.

SALES

All sales of the first year will be made and/or coordinated by the headquarters. Based on the growth of the installed bases (Top Leader distributors), licenses will be granted for territorial sales and assistance offices to be developed in 10 Italian regions and subsequently one for each Nation participating in the strategic partnership program - Flower.

At the moment it is expected that the agreement with a National and/or Regional Top Leader (responsible for at least 20 of the 81 specialist fields available, and/or 20 territorial offices), justifies the opening of a commercial collaboration relationship, with the possibility of territorial exclusivity and / or scope and/or sector.

Sales personnel will be paid an industry standard salary and no sales related bonuses will be awarded. Starting from the second year - and in any case not before passing the Break Even Point - the company will provide a staff incentive policy with dedicated training courses and productivity bonuses (for objectives achieved).

FEEDBACK

Sales personnel will need to provide weekly telephone contact reports, indicating initial contacts, the continuation and the orders foreseen on a quarterly rotating basis.

The six-monthly objectives, drawn up by the sales staff, will be presented within the second and seventh month of the year, while the budget / final comparisons of the previous period will be examined in the same place.

The guiding principle of the NIR sales force will be professionalism, both in terms of image and approach. In-depth knowledge of customer needs, NIR products and those of competitors will be strengthened by monthly meetings in the sales area, conducted by the CEO and the head of marketing and sales.

E-COMMERCE

The e-commerce program will be managed in parallel with the company business, and will be able to count on the support of the management software platform and the collaboration of specialized companies in the sector. The e-commerce area will offer national sales and promotion, guaranteeing functional and non-competitive collaboration relationships with local agencies and NeXTy distributors in general.

14.1 CHANNEL SALES

The corporate strategy for commercial launch and market penetration - National and International - provides for the sale through various Commercial Channels - specialist and generalist - divided by areas of competence, which in 36 months will lay the foundations for the group's business:

- Resellers Channel – B2B Resale;
- Installatori Channel – B2B Resale & Installation;
- Specialist Channel – General Contract B2B;
- Factory Channel – B2B Customizations;
- E-Commerce Channel – B2B/B2C Promotion;
- EScO Channel – B2B Services.

In addition to the commercial lines described, marketing includes specialized territorial initiatives with a great promotional impact as well as significant from an economic / financial point of view. Nevertheless, these activities will be aimed at concluding strategic territorial agreements in the medium / long term, and for this reason they will be treated separately. For the first 2 years these initiatives will not computer the achievement of the Company Break Even.

The Hive Sector is launched through the Specialist channel, generating useful experience for industrial development, aimed at launching on a large scale for the mass market through the other channels.

DIVERSIFICATION

The initial stages of large-scale industrial development are inherently complex, and with the ambition of achieving widespread commercial success, the risk of immediately taking the logistics and production systems of the entire newly formed commercial chain to the limit is concrete.

NIR's strategic portfolio aims at diversifying the risks of markets, territories and areas, adopting an omnichannel policy, aimed at rapid, territorial and inclusive development, but which protects the company from the risk of having an "overexposed supply chain "(Provision for goods, sizing of production and commercial lines, etc.).

NIR plans a differentiated and programmatic marketing in the medium / long term and for these reasons pays great attention to the standardization of business processes and to the testing of production, logistics and commercial processes, based on the completion of the EPS operating platform.

In turn, the EPS Platform will represent the cornerstone of the new key integrated Hive systems once for an exclusive market in the field of Hybrid Smart NanoGrid-Domestic.

14.2 PRODUCTIVITY SUPPORT

In an increasingly informed and aware market that documents itself online on the characteristics of products and ancillary services, prices and conditions of sale, an increasingly aware clientele has been generated. and demanding about what she wants and how much she is willing to pay for it.

DIGITIZATION OF SALES PROCESSES

NeXTy aims at increasingly digital and fluid sales processes because the 1920s consumer is used to using digital technologies in his daily life, including smartphones, tablets, notebooks, smart TVs and personal assistants. That's why he expects to have a rich, engaging shopping experience and multimedia; in which the era of samples and paper catalogs is long over.

According to Forrester Research (before 2019), 77% of shoppers believe the sales staff is unable to fully understand the client's needs and how to help him. The 2019-2020 pandemic event also highlighted the transformation of a commercial trend towards digitalization into a vital necessity for the business of each sector.

Concrete help to increase the effectiveness of the sales techniques adopted by NeXTy will come from sales automation technologies, which allow teams to sell more, engage and engage customers better, retaining them with the use of a social platform and inclusive commerce and able to offer services as well as assist the customer during the purchase.

Automating sales processes, or digitizing them, means supporting the network of agents and representatives with new productivity tools: intuitive and easy-to-use apps that speed up many steps in the sales process, from product quotation to order signing. Software that improve the performance of a sales force that can no longer do without smartphones and tablets, which have become indispensable supports for managing contact with the customer.

MYHIVE INTEGRATED SOFTWARE PLATFORM

NeXTy develops this program in 5 steps.

1. Customization of sales services

Understanding the customer, his habits, his needs is the starting point of every sales process. Differentiation is, today, more than ever a source of strategic success. **Thanks to the Apps of the NeXTy Hive Platform, the possibility for commercials to offer is guaranteed to customers the best solution to adequately enhance the proposed solution.**

Configuring offers in front of the customer and immediately closing the sale improves the effectiveness of strategies of cross selling and up selling and helps build customer loyalty through targeted sales campaigns. A loyalty that, according to NeXTy, is no longer (or not only) a question of the product but it is increasingly a function of a shopping "experience" which is the combination of different elements - brand, product, service and price - and is strongly conditioned by interaction with the commercial staff.

2. Align sales and marketing

The alibi of the seller who does not achieve the set goals is often a flawed strategy marketing, the product is not what the market wants or is not offered at a reasonable price. The alignment between commercial and marketing is, therefore, essential to improve the effectiveness of sales techniques and, as a consequence, increase turnover.

Aligning sales and marketing ensures image consistency and uniformity, helping to engrave the “sales record” with the company brand and its values.

The NeXTy sales record is the trace of the arguments that a company's salespeople will follow in interviews with customers or potential customers.

The use of smartphones and tablets combined with apps and sales automation software allows you to improve the productivity of the sales force by supporting it with constantly updated content - catalogs, brochures, product videos, “how to” tutorials - designed and created by marketing with a “optics of engagement. The sales support also includes content that can be viewed offline which, in the absence of quality data connectivity, offers the agent the possibility of providing immediate answers to the buyer's doubts and requests.

The alignment between marketing and sales has the double advantage of improving strategies to engage the prospect or customer on the one hand, and to push sales performance on the other, also encouraging collaboration and synergies between the members of the sales team.

3. Speed up of negotiations

Sector studies point out that the monthly time that the sales force devotes to pre and post sales activities increases by 15%. The time that commercials spend on purely administrative activities also increased (+ 21%). Agents and representatives therefore spend more time today than in the past carrying out low added value tasks and this takes precious minutes away from what is the “core” responsibility of the commercial direct contact with the customer. In fact, the time spent supporting buyers drops by 26% and cubes 35% of the timesheet of the commercial staff.

This situation changes substantially in companies - such as NIR - which equip themselves with sales automation tools. New apps for tablets and smartphones allow to configure the ideal offer with a few taps on the screen and define prices and discounts and turnaround times in seconds by automating repetitive tasks. Orders too more complex ones can be realized more quickly thanks to a series of preloaded and easily selectable options. Volume discounts, special deliveries, specific configurations of complex products... all activities that normally take a lot of time from the sales force and that can be speeded up thanks to CPQ (Configure Price Quotes).

The offer configurators are tools included within the sales automation NeXTy Commercial Platform.

This will be integrated with CRM (Customer Relationship Management) and ERP (Enterprise Resource Planning), allowing to streamline the sales process by automating most of the procedures and generating error-free quotes. Estimates that can be shared immediately with the customer.

4. Simplification of processes

Thanks to digital technologies, the MyHive Social E-commerce Platform will allow the commercial network the opportunity to involve more directly the customer in the purchasing process, making the offer more attractive and increasing sales. The appointment or visit can be transformed into a moment of value comparison.

The sales automation solutions allow you to compose the offer together with the customer, side by side, defining with him, in real time, the main conditions such as the date delivery terms, payment terms or price dynamics and generating the contract automatically. The same digital technologies then allow the sales manager to quickly bring new agents or representatives “on board”, making all the tools available to them to be productive in a very short time.

Thanks to the integration of the electronic signature, the salesperson will not have to wait to return to the office to finalize the contract, but will be able to finalize it in a few moments on his pocket device, while he is face to face with the buyer.

A further benefit of this process is that the e-commerce support platform used by the commercial through restricted access will also offer similar services aimed directly at the end user also through interactive, multimedia and customizable systems.

5. Customer analytics e insights

According to projections by McKinsey (Sales Growth Survey) companies that “take the pulse” of their customers with continuity through customer analytics see a 126% improvement in profits compared to competitors who do not. The analysis of historical data on orders is increasingly giving way to insights and projections on buyer behavior. Forecasts that allow sales leaders to decide which are the best business opportunities, which help improve the performance of the whole team and increase sales.

The NIR NeXTy Group has developed a specific MEC strategic and comparative analysis software platform used as an essential tool for industrial and commercial strategic planning, also thanks to the intelligent processing of Big Data that are intended to be acquired during the business development and implementation processes.

Sales automation in cloud – MyHive AI.API

In addition to improving the effectiveness of the sales networks, the investments made by the company to equip itself with apps and software that digitize processes pay for themselves easily, especially when confronted with the hidden costs of sales processes that use paper, which are too often approximate. Transcription errors are frequent, and can result in late payment or even in litigation. Oversights in the formulation of quotes can have more or less significant repercussions on sales margins. Inaccuracies and inaccuracies in the drafting of the contract can jeopardize the relationship with the customer and result in damage to the company's image, even if it is quite serious.

MyHive was born precisely to overcome the limitations of traditional sales processes, mainly paper and time consuming. It is an app for smartphones and tablets developed in Italy that digitizes business processes, improves the productivity of sales rep and collaboration within the sales team, helping to increase sales.

Product catalogs, videos and other multimedia content useful for making sales processes more effective can be easily published, shared and played both online and offline. The sales process is guided “step by step” in a rapid and punctual sequence, optimized on the basis of the customer's needs, which ends in the automatic generation of the contract. The document thus obtained can be easily shared via e-mail and, thanks to the support of the graphometric signature, digitally signed, directly on the tablet. MyHive is available in the cloud: its features are therefore easily accessible from any web browser, anywhere.

MyHive will be an innovative sales tool that will allow the seller, but also the end user to view their home apartment on their monitor to use as a configurator for NeXTy products in general.

The application was designed to help the customer in his purchasing process, with the mission of involving him in the creation of the offer thus simplifying everyone's work.



15. DEALERS AND RESELLERS

NIR entrusts all the commercial functions of the group to the NeXTy department (future NeXTy srl). NeXTy will create a capillary, national and omnichannel sales network. **NeXTy shares the group's philosophy and sets the business according to the principles of modularity, standardization and scalability,** developing a sales strategy aimed at creating strategic commercial partnerships identified among the top channel leaders useful for the group's strategy.

The group's strategy involves developing a virtuous sales model, capable of being appreciated and easily scaled in the internationalization phase of the company. To this end, the strategic partnerships with the group's sellers, especially in the initial growth phases, will be aimed at creating collaborations for the implementation of the sales platform, thus taking advantage of the specialized skills and the direct involvement of top leaders in the sector, to whom NIR will grant more performing discounts.

NeXTy will also deal with the e-commerce market in the name and on behalf of the parent company NIR, guaranteeing functional and non-competitive collaboration relationships with local agencies and NeXTy distributors in general. In fact, not only will online sales not compete with distributors and / or dealers but, on the basis of specific agreements, NeXTy dealers (to a lesser extent the underlying ones), will share part of the profits from e-commerce sales.

15.1 CLASSES OF MEMBERSHIP

NeXTy divides the group of sellers into merit and/or security classes - made up of sub-classes - each of which responds to macro parameters, referable both to the function exercised, and to the corresponding potential purchase value and related discounts.

The selling price of the products offered by NeXTy has a fixed shelf list price that must be respected by all retailers, who will never be able to directly declare discounts greater than 10% to the end user.

As per standard, retailers will be able to offer discounts only within their own sales chain and therefore including the product within a B2B (services and / or product), capable of camouflaging - always - the discounts granted by NeXTy, safeguarding the price of the product towards the end user.

Access to the discounts will take place either by title class (professional category), and / or by merit (quantity purchased).

Each class of security provides for a specific entry discount regardless of the order quantity made, but the subject will not be able to access a higher discount that must be achieved solely for turnover merits.

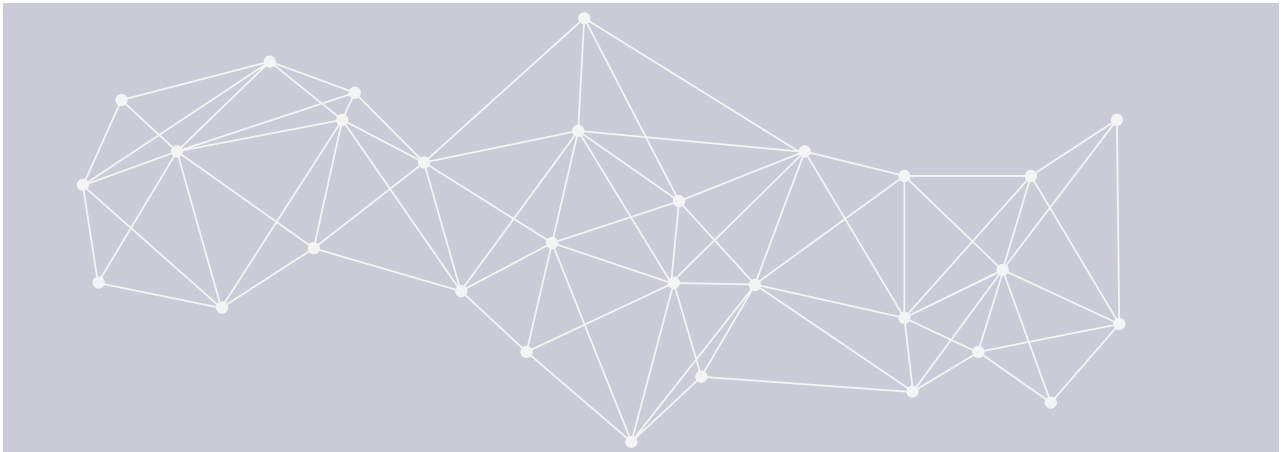
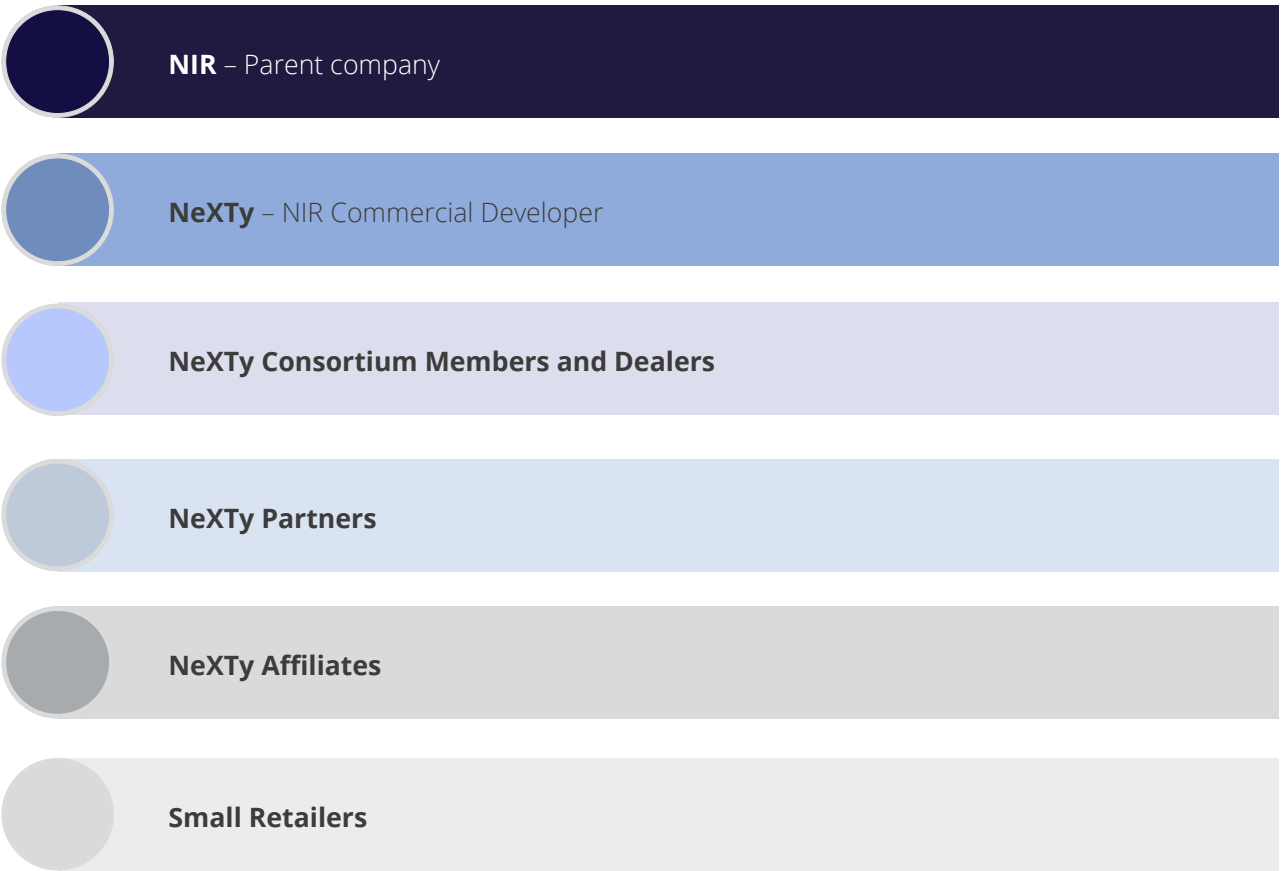
The class of merit, on the other hand, refers exclusively to the quantity of goods purchased, and represents the only useful element for the seller to increase their discounts.

Through specific and confidential agreements, established by NIR in agreement with the seller, it will be possible to fix trial periods in which the seller will be able to access higher discounts aimed at achieving a specific strategic objective shared between the Parties.

These practices will always be known to all the partners of the group who will be organically invited to improve their performance in favor of greater discounts, obtained with objectives sustainable, because they are contextualized in concrete situations.

Failure to comply with the rules and agreements in relation to discounts and more generally to protection and the safeguarding of the price to the end user, will be subject to severe penalties (economic and legal), established by contract to protect all parties.

Specifically, the security classes - starting from NIR - are distinguished as follows:



15.2 PRICES AND DISCOUNTS FOR MEMBERSHIP CLASSES

NIR

Parent company that exclusively grants all marketing and sales rights to NeXTy EU (department/subsidiary company), offering the best discounts available (updated annually), while entrusting NeXTy EU with the coordination and development of the entire commercial platform, which it will have to be supported with the margins that NeXTy EU will be able to obtain.

NIR will manage the e-commerce platform until the establishment of NeXTy E-commerce, and will operate a maximum discount of 10% granted - with shifts - on the entire product category. The sales office - in accordance with NIR marketing - will be able to apply greater discounts only on condition of receiving immediate digital photographic feedback in reference to the application of the product sold and used with satisfaction by the customer. The same, in addition to providing photos of the installation, will have to express feedback on the product, which will be published - together with the image - on the e-commerce platform.

NeXTy – COMMERCIAL DEVELOPER NIR

NeXTy EU holds all the commercial rights of the group, and in order to manage in an organic and non-conflictual manner all commercial collaborations divided into areas, territories and distribution channels, it establishes 5 specialist companies to oversee the distinct commercial addresses useful to the company:

- **NeXTy Store** – will manage and coordinate the commercial activities, concessions, licenses, marketing and advertising of the territorial stores (dealers, distributors, installers, etc.)
- **NeXTy Specialist** – will manage and coordinate the commercial activities, concessions, licenses, marketing and advertising of NeXTy Specialists (NeXTy Arte, NeXTy Home & Office, NeXTy Security, etc.)
- **NeXTy EPS Franchising** – will manage and coordinate the commercial activities, concessions, licenses, marketing and advertising of the entire Franchising (regional, provincial, local, etc.)
- **NeXTy E-commerce** – will manage and coordinate the commercial activities, concessions, licenses, marketing and advertising of the e-commerce platform.
- **InterNext** – will manage and coordinate commercial activities, concessions, licenses, marketing and advertising as part of the internationalization processes of the group's commercial relationships.

The subsidiaries of NeXTy EU will develop 5 complementary commercial branches (principals), which will be coordinated in order to manage and balance the entire sales platform of the group in an efficient and safe manner. NeXTy EU, in light of the changing opportunities and needs that will emerge during the first year, will evaluate if, and when, to activate these commercial safeguards. As long as the activation of separate company branches is not necessary, NeXTy EU will take care of managing projects and accounting within specific commercial departments related to the future - desired - specialist sales supervision and control companies.

N.B. In this regard, the same NeXTy EU mentioned so far, is not yet established, while its functions are regularly exercised within the NeXTy department of NIR S.r.l.

Generally speaking, in relation to the Retail line, NeXTy EU has a minimum annual purchase obligation of 10 million linear meters of tape.

NEXTY CONSORTIUMS AND DEALERS

This class of title receives the highest discounts in the group's sales chain, and has the task to develop its sales network by independently defining its EBITDA.

Generally speaking, in relation to the Retail line, this class of security provides for a minimum annual purchase obligation of 2.5 million linear meters of tape which will entitle you to a basic discount of 62% from the price list.

The seller will be able to obtain greater discounts, only in relation to greater quantities of goods purchased and, up to a maximum discount of 64% referable to orders equal to or greater than 10 million linear meters of tape per year.

This class of title obliges the consortium companies to respect any territorial and/or scope limits within their competence, as well as to contribute economically to the national marketing costs and, in part, to those of the corporate e-commerce platform. Likewise, the concessionaires and/or consortium members will be required to independently develop all the territorial marketing underlying them.

The sub-classes included among the "NeXTy Consortium Members and Concessionaries" are:

- B2B - Inclusive Product
- Installer Consortium
- Distributor Consortium

Those belonging to this class, with reference to what is established by the NeXTy commercial protocols, will be entitled to a percentage (part share) of the EBITDA developed by the e-commerce platform.

NEXTY PARTNERS

Based on the type of collaborative activation commercial relationship, this class purchases its goods directly from "NeXTy Store" and/or from the class of "NeXTy Consortium Members and Concessionaries" from which it may derive.

Generally speaking, in relation to the Retail line, this class of security provides for a minimum annual purchase obligation of 24 thousand linear meters of tape which will entitle you to a basic discount of 48% from the list price.

The seller will be able to obtain greater discounts, only in relation to greater quantities of goods purchased and, up to a maximum discount of 60% referable to orders equal to or greater than 648 thousand linear meters of tape per year. The seller, belonging to this category, will always be entitled to a minimum discount of 48%.

This class of title obliges partner companies to respect any territorial and/or scope limits they are responsible for, as well as making an economic contribution to national marketing costs and, in part, to those of the corporate e-commerce platform. Likewise, partners will be required to develop autonomously all the territorial marketing underlying them.

The sub-classes included between "Partner NeXTy" are:

- B2B - Sale Included
- Great Installer
- General Contract
- Large Distribution

NEXTY AFFILIATES

Based on the type of collaborative activation business relationship, this class purchases its goods directly from “NeXTy Store” and/or from the higher class from which it may derive (“Partner” or “Consortium Members and Concessionaries” NeXTy).

Generally speaking, in relation to the Retail line, this class of security provides for a minimum annual purchase obligation of 3,000 linear meters of tape which will entitle you to a basic discount of 30% from the list price.

The seller will be able to obtain greater discounts, only in relation to greater quantities of goods purchased and, up to a maximum discount of 45% referable to orders equal to or greater than 18 thousand linear meters of tape per year.

The seller, belonging to this category, will always be entitled to a minimum discount of 30%.

This class of title obliges the affiliated companies to respect any territorial and/or scope limits they are responsible for, as well as making an economic contribution to national marketing costs and, in part, to those of the corporate e-commerce platform. Likewise, affiliates will be required to develop autonomously all the territorial marketing underlying them.

The subclasses included among the “NeXTy Affiliates” are:

- B2B - Side Sale
- Medium Installer
- Professionals and Artisans
- Media Distribution
- Commercial Agents and Installers with NIR license

SMALL RETAILERS

Based on the type of collaborative activation business relationship, this class purchases its goods directly from “NeXTy Store” and/or from the higher class from which it may derive (“Affiliates”, “Partners” or “NeXTy Consortium and Dealers”).

Generally speaking, in relation to the Retail line, this class of security provides for a minimum annual purchase obligation of 400 linear meters of tape which will entitle you to a basic discount of 10% from the list price.

The seller will be able to obtain greater discounts, only in relation to greater quantities of goods purchased and, up to a maximum discount of 25% referable to orders equal to or greater than 2 thousand linear meters of tape per year.

The seller, belonging to this category, will always be entitled to a minimum discount of 10%.

This class of title obliges small retailers to respect any territorial and/or scope limits of their competence.

The subclasses included among the “Small Retailers” are:

- Small Installer
- Small Distribution
- Commercial Agents and Installers with NIR license

15.3 DEFENSE OF THE COMMERCIAL VALUE OF RESALE

As anticipated, NeXTy sets the price lists on the shelf and forbids its resellers to apply a retail price with discounts of more than 10%; under penalty of serious legal and pecuniary sanctions. In particular:

- the sales chain operating in the local area will be able to apply the maximum discount of 10% on all products without distinction;
- the e-commerce platform will be able to operate a maximum discount of 10% to be realized in shifts on all products in the catalog. The company will base its choices by interpolating the marketing needs, the statistical projections of sales, as well as the cross-checking of any stocks present within all the warehouses of the dealers registered on the group's I-CToS management platform.

Nexty, therefore, protects the final commercial value of resale (vulgarly shelf price), through company controls, an intelligent and cooperative management of the group's commercial, logistic, promotional and production flows, also thanks to the I-CToS management software; of proprietary technology.

15.4 FEE

NeXTy sets the commercial brokerage fees annually as well as the royalty sharing policy on sales.

INTERMEDIARIES - FEES

In the event of commercial intermediation, successful through a third party registered in the registers of NeXTy resellers, the intermediary will be entitled to a commission on sales. For example, NIR prefers a commission according to the "x per meter" concept.

This amount, calculated by applying the 4% rate on VIC NeXTy, is established by the Company every January 1st of the year. Currently, as an example, the 2021 commission for the most expensive tape (code NM3BT25) is set at 0.29 €/mt, compared to a general average of around 0.22 €/mt.

In the case of commissions referable to continuous sales contracts, the intermediary will be entitled to 100% of his commission in relation to the first year, as well as an annuity (deducted portion), in relation to orders of the same amount made in the following two years (equal to 50% in the second year and 25% of the commission in the third year). Starting from the fourth year, the intermediary will no longer have rights on sales when fully operational, but will continue to keep 100% of its commission in relation to the increases in orders attributable to the same subject, restarting the annuity chain.

The intermediary will be entitled to 100% of his commission, only by introducing a customer not included in the marketing lists indicated by NeXTy, and only in the event that he has exercised the sale in total operational autonomy, without legal technical support or reimbursement of expenses by NeXTy.

E-COMMERCE - FEE

NeXTy, through its subsidiary NeXTy E-commerce, directly manages the online sales platform of the group's products and shares profits with development NeXTy companies according to specific partnership agreements.

At the same time, NeXTy E-commerce, in order to ensure that online sales do not conflict with the business of distributors and/or dealers, has devised a profit sharing system that can guarantee the stability of the business. Specifically, NeXTy E-commerce will recognize a fee in the case of direct - online sales - of a product intended for a customer located within a territory subject to a NeXTy dealer and/or consortium and/or partner and/or affiliate.

100% of the fee will be equal to 50% of the difference between the final online sale price and the purchase price paid by the retailer, with reference to its minimum purchase price.

Exemplifying:

- The reseller buys the tape with a 45% discount, equal to € 10
- The product is sold online in the distributor's territory for € 22
- The operating margin on the non-sale of the reseller is equal to 12 €
- The Fee recognized by NeXTy e-commerce will be equal to € 6 (50% of € 12).

This scenario, which implies a 100% fee, will be granted only under the following conditions:

- The seller must have an equivalent quantity of goods in stock and deliver directly to the counter or by courier.
- In the event that the goods sold online are included within the minimum order quantity relating to the class they belong to, the retailer will be obliged to purchase new product packages in the same number as those sold via the web. All product delivery costs will be borne by the retailer. The functional principle provides that the retailer, who undertakes a minimum annual purchase, undertakes to distribute such goods within his customer base (area and territory), and will not be able to escape this commitment by taking advantage of online sales.
- The retailer can decide to purchase a load of extra-warehouse goods, to be destined (exclusively or by arrangement), to the e-commerce market. The goods can be placed in the seller's warehouses or in the NeXTy e-commerce warehouse. In this case, NeXTy will bear the costs of shipping the goods regardless of whether they are in the NeXTy warehouses or the reseller. The reseller will also be entitled to cumulative discounts in relation to purchases already made, and will be exempt from NeXTy warehouse costs.

If at the time of the online sales order, the area retailer does not have equivalent goods in stock, the fee recognized by NeXTy e-commerce will be reduced to 10% compared to the expected one. This commission can only be collected by the reseller against a new guaranteed minimum annual order.

This opportunity will be recognized only to NeXTy "consortium members and dealers" and "partners".

In conclusion, on the basis of specific protocols, the NeXTy dealers (to a lesser extent the underlying ones), will share part of the profits from e-commerce sales, but the fee recognized by NeXTy e-commerce will be granted only to the top leader of the supply chain, which will have the responsibility to adequately distribute the commission, in part, to its underlyings.

All Parties interested in sharing the e-commerce royalties will be required in a different way to share the costs of developing and operating the platform.

ACCOUNTING OF COMMISSIONS

Each seller category has a specific dedicated profile, managed by the integrated I-CToS NIR platform. Thanks to a specific App, the accredited seller will be able to view their customer portfolio, turnover, commissions, statistics, etc. in real time.

Generally speaking, it is expected that the compensation deriving from the commission will be credited within 30 days of the balance of the sales invoice.

16. INVESTMENTS AND IMPLEMENTATION PLAN

The NIR corporate strategy for the three-year period 2021/2023 was dictated by the level of preparation of the company, the entry barriers and the study of individual markets, as well as exogenous conditions caused from the global pandemic.

NIR draws up a business growth plan - standard scenario - divided into development phases:

- *See economic and financial plan - Standard*
The Standard Development Plan follows the objectives set and signed in the call with the Puglia Region, representing the company's minimum business plan.

16.1 INVESTMENT PLAN

NIR, having already developed the key technologies of all the evolutions of the integrated system - not wanting to lose the strategic advantage acquired - will maintain the policy of horizontal development, without neglecting technological lines in favor of others, accelerating the industrialization of a technology only in final stages of product development based on commercial priorities. For this reason, **generalizing, investments for standard business growth based on the objectives set by the Puglia Region call will always be spread across all business and research and development areas, thus forming the backbone of the entire NIR commercial industrial group.**

Corporate implementation, through modular implementation plans (complementary and integrable in the industrial platform), will envisage various investment scenarios limited to specific areas of interest and/or channel.

The entire process will rely on a regular and programmatic growth phase that will follow a strict schedule for the commercial launch of new products on a regular basis.

The corporate implementation with implementation plans will be developed thanks to an organic program investments from 8 + 4 to approximately 100 million euros and more. The implementation plans dedicated to specific activities will be divided into further intermediate activation phases.

The NIR development project - Puglia Region call - provides for an investment of 11.2 million euros to be made by 2022, of which 7.8 million are intended for experimental research and development to be carried out largely through internal staff and in a minor part through collaboration with the University of Bari. The remaining 2.8 million are destined for production plants and machinery connected to production.

INVESTMENTS FOR COMPANY OPERATIONS

The standard NIR investment plan refers to the basic company program, which recognizes in the target set by the Puglia Region with regional resolution no.700 of 9 April 2019, its minimum investment plan equal to a total of 11.2 million euros, which will be useful for the integral development of technologies and the entire basic commercial chain.

The program is aimed at updating the first step of Standard business development which involves the launch of the entire suite of products, 12 home automation platforms and the first Smart NanoGrid for domestic use in the world.

Standard development includes:

- small-scale industrialization with outsourced production activities;
- activation of only one product per commercial line
- implementations of the technologies in use, not exceeding 10% of the research and development potential
- small commercial marketing and advertising platform in relation to the large market basin and accessible application areas, thus reaching a development, also not exceeding 10% of the company potential.

NIR, for its structural assets, provides for a variable investment plan in relation to the company turnover that divides according to pre-established fixed percentages, to be calculated on the annual company profit and planned according to estimates and different penetrated market projections on the basis of the expected business scenarios. Specifically, the structural assets involved are:

- Management and Management Offices
- Management Software Support
- Assets and Departments
- Cabinet bodies
- Strategic Marketing Initiatives - Project Management

For its strategic assets, NIR provides for a programmed investment plan to be financed through specific programs linked to as many credit lines to be sought in the financial market and among the development partners involved, to be sized on the basis of the industrial economic targets to be achieved. Specifically, the strategic assets involved are:

- Industry and Production Lines
- Research, Development and Engineering
- National and International Marketing Initiatives
- General Contract

Investments Puglia Plan

Investments Synthesis	Ammontare progetto definitivo (€)
Active Materials (Art. 29 Reg. reg. n. 17/2014)	
Preliminary feasibility studies	€ 24.000,00
Project management of works	€ 15.500,00
Similar masonry works	€ 269.175,00
Machinery, plants, equipment and computer programs (hardware and software)	€ 2.815.765,00
patents, licenses, know-how and non-patented technical knowledge	€ 0,00
TOTAL TANGIBLE ASSETS	€ 3.224.440,00
Aid for the acquisition of services (Art. 64 Reg. reg. n. 17/2014)	
Consulting services for business innovation and to improve positioning	€ 124.000,00
Participation in trade expo	€ 100.000,00
TOTAL ACQUISITION OF SERVICES	€ 224.000,00
Aid for investments in research, development and innovation (Art. 64 Reg. reg. n. 71/2014)	
Industrial research	€ 4.537.250,00
Experimental development	€ 3.252.010,00
Patents and other industrial property rights in R&D	€ 52.500,00
TOTALE R&D	€ 7.841.760.000,00
Innovation advisory services	€ 19.800,00
Consulting and innovation support services	€ 70.000,00
TOTAL INNOVATION	€ 89.800,00
TOTAL INVESTMENT PROGRAM	€ 11.280.000,00

INVESTMENTS STANDARD INDUSTRIAL DEVELOPMENT PROGRAMS**RESEARCH AND DEVELOPMENT - FINISHED PRODUCTS IN THE ENGINEERING PHASE**

- FTTH Fiberflat Tape
- Fiber Optic Connectors
- Second Generation low thickness energy data connectors
- Flush-mounted box
- Flat electrical outlet
- Extractor
- Compact Universal Extension

RESEARCH AND DEVELOPMENT - PRODUCTS UNDER TESTING

- Depth sensors
- Next-Air
- Powered coupling systems
- Ultra-thin heating

RESEARCH AND DEVELOPMENT - PRODUCTS UNDER DEVELOPMENT

- Electrical Cabinet
- Peripheral electronics for advanced home automation
- Management software platforms
- Case Zero

INVESTMENTS DEVELOPMENT PROGRAMS PROTOCOL Hive-Smart.System**Hive-Smart.System PROTOCOL (Electric Building Technology)**

- SNG – Smart NanoGrid
- DRE – Double Ring Energy
- HED – Hybrid Electrical Dom
- IT – Information Technology
- ID – Information Diagnostic
- IRE – Integrated Room Enviromental

SYSTEM ARCHITECTURE

- HDG - Hybrid Distributed Generation
- Piattaforma TokenHive
- MODULA - Hybrid Panel System
- NANORETI - AC/DC Ring BUS
- Hy.DOM – Energy Point
- AI HIVE API - Management software
- HIVE Check-App
- Hive SECURITYLife System
- MyLIGHT System
- BioAIR System
- EcoWarm System
- HivəApp Platform

The corporate investment program includes additional functional categories, including:

- Strategic Marketing INITIATIVES
- MARKETING and ADVERTISING
- I-CToS Management Software Platform

17. FINAL CONSIDERATIONS

NIR intends to deal with the integrated management of domestic energy - data, energy, environment - through Hybrid Smart NanoGrid, to be applied to a large number of residential users, to become an energy manager and producer without even having a power plant of electricity production to its credit.

In the year 2020, NIR was able to:

conclude the research and development and pre-engineering process of 80% of its products peak

initiate important commercial negotiations and national and international strategic partnerships

expand its scientific partnership

register new patents with a strong innovative impact

conclude the pre-seller check market phase

complete the development and production of the third generation of production loom for belt Next-Tape

produce and market directly, not only the Next-Tape tape, but its own production line to scale all over the world

17.1 NIR TODAY

NIR is a company strongly characterized by the propensity for R&D but - although in the start-up phase - it is also an operational reality with:

- **2 industrial lines** with a production capacity of 17.5 million (Next Tape), and a new plant dedicated to the FTTH tape being completed.
- **7 Patents** (5 effective), 2 in evaluation + Know How Secretated
- **15 Products** ready for the market and over 70 in development
- **14 Employees**, mainly employed in Research and Development
- **7 Researchers** at the University of Bari.

Starting from an innovative product, the company has created a proprietary infrastructure (project, production line, mix of Secretato know-how and patents).

OFFICES AND PRODUCTION LINES

NIR Factory carries out its production protocol through two offices:

- Padua, for the production of Ribbon Compounds.
- Bari, lights and assembly of all NIR production lines.

In detail, the following NIR Productions are currently active:

- **Production Department – PD Tape**
Production of all types of electrical tapes.
- **Production Department - PD Accessories - Flat Connectors**
Production of components for all types of Flat Connectors
- **Production Department – PD Light**
Production of all types of NIR Light Systems (Customer and Custom).

R.O. - REPRESENTATIVE OFFICES

The Company has developed an R.O. Program, aimed at opening Representative Offices, where spaces will be dedicated to conference digital rooms, Hive-Smart.System exhibition corners with product samples, administrative and commercial offices.

The Company has selected strategic locations and trusted personnel both in Italy and abroad, to be formalized in the second half of 2021.



17.2 THE FUTURE

NIR uses Next-Tape's data and energy technology and aims to accredit the protocol Hive-Smart.System and the underlying Next-Tape technology, as a new standard - first in Europe and then worldwide - for the construction of domestic electrical systems.

NIR will soon be able to offer a complete integrated system of Hybrid Smart NanoGrid IT AI.API and cooperative based on the Next-Tape system, guaranteed by a technological platform - owned by NIR - characterized by modular and integrable products, of an ever-increasing level, to be agreed upon by the end user through the commercial launch of 4 consequential product-platforms :



EPS BASIC KIT AND ADVANCED

EPS (Energy Problem Solving) kit, complete with dedicated electrical engineering (energy, data and environment).



HOME AUTOMATION KIT

Home Automation Kit for domestic and/or residential environments in general.



HIVE-SMART.SYSTEM

Complete electrical systems Hive-Smart System conceptually made up of integrated EPS and Dom kits.



HYBRID SMART NANOGRID & MICROGRID CONTROL UNITS

Hybrid Smart NanoGrid with self-production of energy through renewable energy and punctual and cooperative management of high efficiency energy.

Thanks to the use of this system, NIR will broaden the horizons to domestic Smart NanoGrids and to the integrated peripheral and cooperative energy management of living spaces, buildings, neighborhoods, even in historical, artistic and/or restricted environments in general. NIR Smart NanoGrid use intelligent data and electricity management systems with API (Application Programming Interface) protocols, which exploit bidirectional communications to increase efficiency, reliability and security of data and energy supply.

The application of the Hive-Smart.System protocol, for domestic electrical systems, will ensure energy savings of over 80% on consumption, up to the energy self-sufficiency potentially guaranteed by NIR Hybrid Smart NanoGrids, essential for the construction of nZEB homes in the future.

NIR aims to reduce the environmental and economic impact through systems by Electric Building Technology.

17.3 INTERNATIONALIZATION AND BRAND PROTECTION

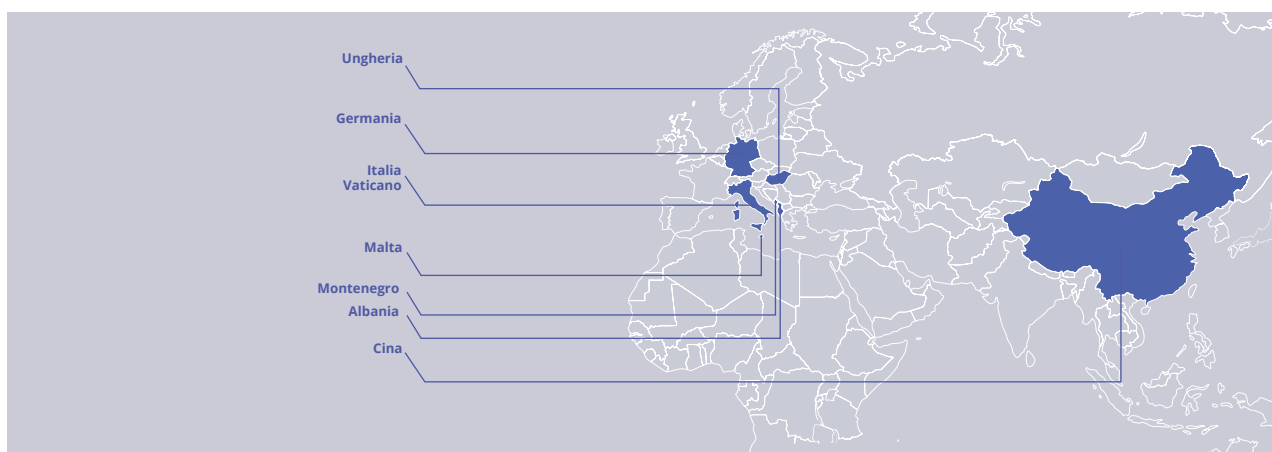
NIR envisages an international expansion policy through the development of a network wide-ranging strategic implementation partnership in the industrial, commercial and financial fields and productive.

The development model provides for the scalability of the NIR-Italy business system in all foreign national areas interested in NIR products.

NIR is already actively involved in the corporate development and internationalization process in China, having initiated a synergy with SIIPRA "Belt and Road Initiative" (Shaanxi Initiative Industry Promotion and Relationship Association BRI), to reach the formalization of research and development collaborations - also with state universities of the PRC. The activities will be customized and applied to local production and commercial areas.

The Company is concluding commercial agreements aimed at developing a first foreign sales network dedicated to the Maltese, Balkan and Middle Eastern markets. The company policy for internationalization provides that each nation complies with the obligation to produce and market exclusively on its own territory and in the national areas of competence, without commercial export rights.

NIR products will be guaranteed by a traceable blockchain marking and by the use of differentiated and specific national packaging and marking for each market, with "suggested price" indicated on the packaging. The NIR subsidiaries around the world will all be required to comply with the quality standards imposed by the parent company both in the production, commercial and social fields, as established by the NIR corporate ethical protocols.



17.4 COLLABORATIONS, INITIATIVES AND COMMERCIAL PROGRAMS

In order to always develop new specialized commercial initiatives, while NIR CL develops specific industrial programs with their respective General Contracts (for Custom Line), NeXTy will rework them programs standardizing them in a Retail key.

The search for new commercial initiatives will always be aimed at discovering new applications of use through continuous technological progress and aimed at qualitative and quantitative standardization, energy efficiency and eco-sustainability.

In the initial phase, NeXTy develops the following multipurpose programs (development, marketing and sales):

INSTITUTIONAL COMMERCIAL COLLABORATIONS

UNWSF – Africa Protocol, LucenergiA

Signing of a memorandum of understanding between UNWSF (United Nation World Silk Road Forum Committee) and NIR for the shared development of LucenergiA Boxes described as Distributed Generation microsystems characterized by Smart NanoGrid Hybrid, self-sufficient, able to feed small isolated villages located in inaccessible and / or hidden environments of our planet.

MARKETING INITIATIVES

Archos BRI – Art Protocol

Promoters with SIIPRA of a shared initiative aimed at developing an international protocol dedicated to the protection of artistic and cultural heritage through a systemic multifunctional approach. The protocol aims to direct and integrate within a single procedure all the activities and skills necessary for the maximum protection and enhancement of historic and / or listed buildings and works of art. The interdisciplinary approach will range from diagnostics to integrated - poly-academic - redevelopment, passing through lighting energy efficiency, safety and permanent adaptive environmental sensors.

17.5 NIR: “THE KEYS TO INNOVATION”

NIR intends to enter the mass market through the commercial **launch of EPS solutions (Minimum Standard Kit)**, and therefore complete the technological development aimed at the 12 integrated NIR home automation platforms that will subsequently be proposed to the market. **The set of 12 home automation systems (Hive-Smart.System), allows the creation of the first hybrid Smart NanoGrid system, BUS, in the world.**

The company development path foresees a progressive evolution of the standard EPS Kit towards a Kit (integrable, modular and scalable), more and more articulated and complete.

The evolution of the Kit with increasingly performing technologies, through intermediate steps, will activate the 12 home automation platforms until they merge into the complete Smart NanoGrid hybrid system, conceptually obtained from the combined sum of more or less advanced EPS kits. From the single electrical tape - data and energy - Next-Tape, to the integrated system of Hybrid Smart NanoGrid, the single products or the specific 12 commercial lines can and find easy application in any field that needs energy efficiency, environmental home automation systems, or more simply data or energy.



CONCLUDING

The NIR/NeXTy project is characterized by **technical uniqueness and innovation** of both product and process, and whose use is simple to apply as well as easily accessible to both the professional and customer market. The objective technical excellence - in the field of energy and enhanced data - and the infinite fields of application, make it the almost totalizing market potential in the field of electricity supply.

NIR intends to self-finance its business by activating EPS marketing, but provides - step by step - the support of external collaborations (industrial, commercial and financial), for specific implementation plans useful and necessary for the acceleration of research, development, trade programs and NIR production.

Programmatic planning, both commercial and financial, must provide for business autonomy of the individual components of the system and in any case activation steps that never jeopardize the balance of company growth that has already matured.

The Company, through initiatives already launched, intends to accredit the brand through two main specifically technical areas:

- advanced industrial applications (development programs in accessible/residential environments, such as railways, boats, etc.);
- artistic and cultural (development programs in the field of enhancement of historical buildings, both public and private, especially ecclesiastical and / or bound by the historical, artistic and landscape superintendency).

The Company enters the market having already in its portfolio all the key technological tools necessary for the fulfillment of the entire program, and faces the market with the intention of **maintaining the strategic advantage through the coordination of the entire business process** to be implemented through implementation partnerships. (industrial and financial), able to accelerate the business nerve centers useful for the growth path, without ever losing control of the group.

The modular, standardized NIR business guarantees its scalability, also thanks to the strategic potential referable to the EPS market which ensures corporate self-financing, the scope of which already represents an immense potential market for growth.

Corporate Governance is aware of the NIR potential and the high industrial and commercial costs of the electronic and electrical engineering market in general, and **focuses on its ability to manage the entire industrial chain and strategic partnership, especially industrial.**

The group must be able to absorb a probable and sudden acceleration of the company business generated by the novelty effect and by emotional EPS products, with easy market penetration, because they are able to provide simple and increasingly advanced problem solving solutions, both to the user. final that makes use of it, that to interested professional parties.

On the basis of what has been described and found, **the exclusive Next-Tape technology - data and energy - is a natural generator and business accelerator, both for itself and for its implementation partners.**

The synergy between Next-Tape technology and the innovative and patented Hive-Smart protocol. to the first Hybrid Smart NanoGrids in the world, they offer the company infinite growth potential, supported by solutions and products with a high value chain and a business model with a strong propensity for scalability, both commercial and production, as well as for specialist fields .



THE INNOVATION
IT IS THE ROAD
TO THE FUTURE,
NIR THE MEANS
TO FOLLOW IT.

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