



Good FY22 results with 2H22 under acceleration and a great start for 2023

Sector: Technology Services

FY22 sales at Euro 21.5 m, growth strictly in line with expectations. In light of the market environment that has been created with the consequences of Russia-Ukraine conflict, the energy crisis and the inflationary impact on prices in almost all merchandise sectors, the highlights of FY22 for Websolute are the maintenance of double-digit growth in revenues, which saw an acceleration in 2H22, the confirmation of a solid financial structure, with a very low incidence of financial charges and the timely reaction and recovery of operating margins, thanks to the moves put in place to make the Group more efficient in terms of structural costs. The Group scored revenues of Euro 21.5 m, with an increase of +15.9% from Euro 18.6 m in FY2021, to which all business families contributed (see table on pages below), especially with the "Augmented reality and Artificial Intelligence" (+142%) and "Digital Strategy Consulting" (+66%) BUs; EBITDA stood at Euro 2.1 m (vs. Euro 2.9 m in FY21) with a marginality of 9% compared to 15% posted in previous year.

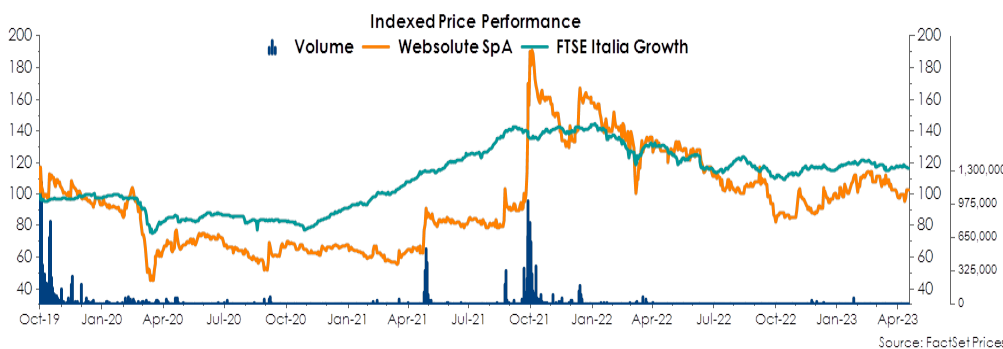
The goodness of these revenues and EBITDA results emerges through the intra-period analysis, which shows a 2H22 characterized by accelerated revenue growth (+19% YoY compared to +13% YoY) and significantly better characteristic income performance compared to 1H22: while EBITDA in the first half stood at Euro 0.89 m (down significantly from Euro 1.62 m in 1H21), in the second half amounted to Euro 1.2 m (Euro 1.3 m in 2H21), a result that could not fully benefit from the advantages of the rationalization and efficiency actions implemented since last June. Net Income was negative and amounted to Euro -0.4 m, compared to Euro 0.2 m in FY21; the change was negatively affected by the full write-down for impairment of the investment in WS WEBNESS SRL, put into liquidation on last December 20, for Euro 0.178 m. Net debt at the end of the period considered was of Euro 3.2 m, up from Euro 2.4 m.

Great start for 2023 and scalability phase confirmed. In 2H22 the Group concretely created the pre-conditions to seize the restart of 2023, which already shows positive signs both in terms of order backlog and sales performance, with respect to the first 3 months of previous year.

The order backlog as of January 1, 2023, exceeding Euro 5 m, shows a positive trend that conservatively allows for coverage approximating 4 months of production planning.

Sales trend in the first two months of 2023 shows a growth of +8.6% and sales management are engaged in introducing specific actions aimed at increasing order intake in the short term. Group companies are benefiting from the positive effects of synergies, which are a significant component of the sales achieved by subsidiaries, in addition to the fact that the type of customers for which Websolute operates manifest the need, as for most Italian companies, to accelerate investments in digital transformation. The constant search for optimization aimed at structural cost containment already started with great effort in the past fiscal year and whose benefits will already be enjoyed in 2023, the inclusion of new products and services that are innovative and in line with the need of the market and in particular of Websolute's target at group level represent the motivation that will animate investments in M&A.

Estimate revision and valuation. Based on our updated estimates and peers' multiple re-rating since our last update in October 2022 and considering FY22 results, we finetuned our estimates to factor in, on the one hand, an acceleration in FY23 of revenues to Euro 24.5 m (Euro 24.3 m previously), while on the other we slightly increase our EBITDA margin to 18% (15% previously). We set a new target price of Euro 4.80 p.s., providing for an upside on current stock price of 129%. Our valuation was obtained by weighting equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY23E/24E EV/EBITDA multiples of 11.9x and 10.2x respectively.



Target Price **4.80 (4.31 pr.)**

Price (€ m) **2.1**

Market Cap (€ m) **21.5**

EV (€ m) **24.7**

As of April 26th, 2023

Share Data

Market Euronext Growth Milan

Reuters/Bloomberg WEB:IM

ISIN IT0005384901

N. of Shares 10.226.825

Free Float 25.03%

CEO Lamberto Mattioli

Financials

	2022A	2023E	2024E	2025E
Sales	21.5	23.5	26.5	29.2
YoY %	+16%	+9%	+13%	+10%
EBITDA	2.1	4.4	5.1	6.1
EBITDA %	9%	18%	19%	20%
EBIT	(0.2)	2.0	2.9	3.9
EBIT %	n.m.	8%	10%	13%
Net Income	(0.5)	1.1	1.6	2.3
Net Debt	3.2	1.6	(0.3)	(2.3)

Performance

	1M	3M	6M
Absolute %	-1.9	-9.5	18.0
Relative (EGM) %	-1.3	-6.4	16.0
52-week High/Low (Eu)	2.81	/	1.16

Research Department of



Edoardo Fumagalli

e.fumagalli@irtop.com

KEY FINANCIALS

Profit&Loss Statement	2021A	2022A	2023E	2024E	2025E
Sales	18.6	21.5	23.5	26.5	29.2
Revenues (VoP)	19.9	22.8	24.5	27.5	30.2
EBITDA	2.9	2.1	4.4	5.1	6.1
EBIT	1.0	(0.2)	2.0	2.9	3.9
Financial Income (charges)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Pre-tax profit (loss)	0.9	(0.3)	1.9	2.7	3.8
Taxes	(0.4)	(0.2)	(0.8)	(1.1)	(1.5)
Net profit (loss)	0.5	(0.5)	1.1	1.6	2.3
Balance Sheet					
Net working capital (NWC)	2.4	3.4	3.9	4.5	5.2
Net fixed assets	7.3	7.9	7.0	6.3	6.0
M/L Funds	(2.0)	(2.5)	(2.6)	(2.7)	(2.8)
Net Capital Employed	7.6	8.8	8.4	8.1	8.4
Net Debt	2.4	3.2	1.6	(0.3)	(2.3)
Minorities	0.9	1.0	1.0	1.1	1.3
Equity	4.3	4.6	5.8	7.3	9.4
Cash Flow					
EBIT	1.0	(0.2)	2.0	2.9	3.9
D&A	1.7	2.1	2.4	2.3	2.2
Provisions and write-downs	0.3	0.2	0.0	0.0	0.0
Tax	(0.4)	(0.2)	(0.8)	(1.1)	(1.5)
Change in M/L Funds	0.2	0.5	0.1	0.2	0.1
Gross Cash Flow	2.8	2.4	3.7	4.2	4.6
Change in NWC	(0.2)	(1.0)	(0.5)	(0.6)	(0.7)
Operating Cash Flow	2.6	1.3	3.2	3.6	4.0
Capex	(1.3)	(2.6)	(1.5)	(1.8)	(1.9)
Change in other non-current asset	(0.2)	(0.3)	(0.1)	0.1	(0.1)
Financial Income (charges)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Free Cash Flow	1.0	(1.6)	1.5	1.8	1.9
Change in Equity	(0.1)	0.9	0.1	0.0	0.0
Change in Net debt	0.9	(0.7)	1.5	1.8	1.9
Per Share Data					
Current Price	2.10				
Total shares out (mn)	10.23				
EPS	0.0	(0.1)	0.1	0.2	0.2
FCF	0.1	(0.2)	0.2	0.2	0.2
Pay out ratio	0%	0%	0%	0%	0%
Ratios					
EBITDA margin	14.8%	9.1%	18.0%	18.6%	20.2%
EBIT margin	4.9%	n.m.	8.2%	10.4%	13.0%
Net Debt/Equity	55.9%	70.0%	27.6%	-4.4%	-24.9%
Net Debt/(Net Debt + Equity)	35.8%	41.2%	21.6%	-4.6%	-33.1%
Net Debt/EBITDA	0.82	1.55	0.36	-0.06	-0.38
Interest cover EBIT	13.18	n.m.	19.80	28.13	38.75
ROE	10.9%	-11.2%	19.8%	22.7%	24.5%
ROCE	18.3%	0.0%	33.0%	48.6%	64.9%
Free Cash Flow Yield	4.7%	n.m.	7.2%	8.8%	9.4%
Growth Rates					
Revenues (VoP)	34%	15%	7%	12%	10%
EBITDA	106%	-29%	112%	16%	19%
EBIT	86%	-122%	1053%	42%	38%
Net Profit	37%	-210%	320%	44%	39%

Source: Company Data and PMI Capital Research Estimates

Revenue breakdown by segment

	2022	%	2021	%	Δ %
Digital Platform	5.679	25%	5.429	27%	+5%
Digital Marketing	5.654	25%	5.203	26%	+9%
Brand UX, UI, Customer Journey	1.704	7%	1.278	6%	+33%
Social & Influencer marketing	2.559	11%	2.395	12%	+7%
E-Commerce strategy & Management	0.698	3%	0.636	3%	+10%
Cloud & System Integration	0.687	3%	0.643	3%	+7%
Mobile Apps	0.238	1%	0.237	1%	0%
Publishing New Media	0.399	2%	0.323	2%	+24%
Academy	2.253	10%	1.490	7%	+51%
Augmented reality and Artificial Intelligence	1.003	4%	0.414	2%	+142%
Software Licences & Marketplace B2B services	0.380	2%	0.365	2%	+4%
Digital Strategy consultancies	0.285	1%	0.172	1%	+66%
Total sales	21.542	95%	18.586	93%	+16%

Source: Company Data and PMI Capital Research Elaboration

Estimate revision – Euro m

Euro m	21A	22A	23E Old	23E New	24E Old	24E New	2025E
Revenues (VdP)	19.9	22.8	24.2	24.5	28.9	27.5	30.2
yoy	+34%	+15%	+22%	+7%	+19%	+12%	+10%
EBITDA	2.9	2.1	4.12	4.4	5.8	5.1	6.1
margin	14,8%	9,1%	17%	18%	20%	19%	20%
EBITDA adjusted	2.8	2.6	-	4.4	-	5.1	6.1
margin	14%	11,4%	-	18%	-	19%	20%
EBIT	1.0	(0.2)	2.48	2.0	4.0	2.9	3.9
margin	5%	n.m.	10%	8%	17%	10%	13%
Net Profit	0.5	(0.5)	1.26	1.1	2.1	1.6	2.3
yoy	+37%	-210%	+168%	+320%	+43%	+44%	+39%
EPS	0,05	n.m.	0,13	0,11	0,21	0,16	0,22

Euro m	21A	22A	23E Old	23E New	24E Old	24E New	2025E
Net Working Capital (NWC)	2.4	3.4	3.2	3.9	2.5	4.5	5.2
Fixed net assets	7.3	7.9	7.4	7.0	6.9	6.3	6.0
Funds	(2.2)	(2.5)	(2.2)	(2.6)	(2.3)	(2.7)	(2.8)
Net Capital Employed	7.6	8.8	8.3	8.4	7.1	8.1	8.4
Minorities	1.2	1.0	1.2	1.0	2.1	1.1	1.3
Net Debt (Cash)	2.4	3.2	1.9	1.6	(4.2)	(0.3)	(2.3)
Equity	4.3	4.6	5.3	5.8	9.2	7.3	9.4
Sources	7.6	8.8	8.3	8.4	7.1	8.1	8.4

Source: Company Data and PMI Capital Research Estimates

2022 main investments and recent developments

In 2022 Websolute devoted, through research and development, significant energies to the implementation of various type of investments, more specifically:

- Strategic: aimed at increasing internal know-how and tools, as well as the purchase, through the exercise of an option, of Sida Group S.r.l.'s "Academy" business unit, which had previously been granted as a business unit lease.
- Production and Product related: investment programs were resumed, which include both the creation of new platforms and the reengineering of platforms already on the market through new technical solutions. To this end, mention should be made of the Bom (Back Office Manager) applications, for which complete reengineering is underway, as well as the development and implementation of integrations related to electronic commerce and to new solutions related to marketing and sales consulting (Retail Loyalty Club, Data Driven Content Strategy, Poke Strategy), training (Liquid Learning), as well as applications for DAM (Digital Asset Management), hosting, new functionalities for management and process analysis and related to the Metaverse and Web 4.0 technologies.
- Organizational: activities were completed to enhance and develop possible synergies on both internal and external sides, with particular reference to the management of new rules on electronic commerce, functionalities for extracting management, financial and accounting information, including from investee companies and even in the absence of material bookkeeping with the Microsoft Business Central system, the feeding of a database of information that can be queried in an indexed and dynamic manner. Resources were also devoted to the implementation of modules for the integration of process/product management outsourcing B2C flows as well as to the development of new management systems and production-process functionality.

For a more correct interpretation of Websolute's performance in FY2022 and estimates for FY23, two additional factors must also be taken into account:

1) Since June, the Group has activated a careful policy of rationalization of both personnel costs (with the aim of starting FY23 with a more efficient organizational structure in terms of resources employed and production capacity) and organizational structure, with the liquidation of the subsidiary Ws Webness Srl, as specified in our cover page, internalizing in the parent company the production and software development activities in the sphere of some specific technological platforms;

2) Non-recurring cost components for a total of Euro 0.52 m were burdened in 2022, mainly referring to one-time costs for bonuses to Websolute and Moca directors, resolved with accounting effects in 2022 but referring to incentives referable to the results of the 2020-2021 management period and to the one-time redundancy payment incurred to incentivize the termination of employment relationships of employees as part of the policy of normalizing costs and rationalizing the organizational structure activated in the second half of 2022. Non-recurring items had generated a negative differential of Euro 0.15 m in FY21 and in FY22 their impacts has been of Euro 0.67 m.

Not taking into account these one-time components, EBITDA adjusted for FY22 stood at Euro 2.6 vs. Euro 2.8 m, with an EBITDA margin adjusted of 12.1% for FY22, compared to 15% for FY21.

VALUATION UPDATE

Based on our updated estimates and peers' multiple re-rating since our last update in October 2022, we set a new target price of Euro 4.70 p.s. (4.31 pr.) providing for an upside on the current stock price of 124%. Our valuation was obtained by weighing equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY23E/24E EV/EBITDA multiples of 11.9x and 10.2x.

Our DCF model is based on a three-stage model with explicit estimates for 2023-26E, 5 years to 2031 with growth normalizing at 5% and terminal value discounted at 6.44% WACC and 1% growth.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 23/25 and EGM Peers	50%	4.34	44.4
DCF (WACC 6.44% and g 1.0%)	50%	5.27	53.8
Target Price	100%	4.80	49.6

Source: PMI Capital Research Elaboration

DCF Model

DCF Valuation			
<i>Euro m</i>			
WACC		6.44%	
g		1.0%	
Sum of PV 2023-26 FCFs		10.4	18.2%
Discounted terminal value		46.7	81.8%
Enterprise Value		57.1	
Net Cash (FY22)		3.24	
Minorities		0.03	
Equity Value		53.8	
N. of outstanding shares (m)		10,226.8	
Fair Value p.s.		5.27	

Source: PMI Capital Research Estimates

Multiples Comparison

Following our peers and comparables analysis, we evaluated the company by using the 2023E–25E EV/EBITDA and P/E market multiples of the peers considered.

We also considered FY22 Net Debt at Euro 3.2 m and we end up with our Websolute's equity value of Euro 44.4 m for EV/EBITDA.

Companies	Country	Market Cap	Price	Sales	Sales	EBITDA %	NI %
				2023	yoy 23/22	2023E	2023E
Digital Value	Italy	628	63.0	817.3	15%	10%	125%
Digital360	Italy	96	4.7	86.9	53%	19%	195%
DigiTouch	Italy	36	2.6	46.0	9%	17%	150%
MAPS	Italy	38	3.2	31.1	19%	24%	104%
Neosperience	Italy	36	1.9	30.6	30%	31%	357%
Relatech	Italy	91	2.1	104.9	73%	21%	582%
DHH	Italy	76	15.5	36.8	29%	31%	343%
Average		143.1	13.3	164.8	33%	22%	265%
Websolute		21.48	2.10	23.48	9%	18%	320%

Source: FactSet data as of April 26th, 2023, and PMI Capital Research Estimates for Websolute

Companies	EV/EBITDA			
	22A	23E	24E	25E
Digital Value	8.7	7.1	6.1	5.4
Digital360	8.4	5.4	4.6	4.2
DigiTouch	5.1	4.4	n.a.	n.a.
MAPS	8.8	7.0	5.9	5.1
Neosperience	5.3	4.4	3.3	2.3
Relatech	8.5	5.1	4.4	3.7
DHH	8.4	6.7	6.0	5.0
Average	7.6	5.7	5.0	4.3
Websolute	11.8	5.6	4.8	4.1
Premium/Discount to Peers	61.1%	-2.3%	-4.4%	-5.4%

Source: FactSet data as of April 26th, 2023, and PMI Capital Research Estimates for Websolute.

INDUSTRY COMPARISON

WEBSOLUTE Spa (IDNTT-IT): PMI Capital Research estimates and Factset Data

EGM Sector: average data for listed on EGM included in the Technology Services sub sector: Almayave, Circle, Cy4Gate, Cyberoo, Datrix, Defence Tech Holding, DHH, Digital Value, Digital360, DigiTouch, Doxee, e-Novia, Expert.ai, FAE Technology, Finanza.Tech, FOS, Franchetti, Growens, IDNTT, MAPS, Matica Fintec, MeglioQuesto, Neosperience, Neurosoft, Prismi, Redelfi, Reevo, Relatech, Reti, Sababa Security, SIAV, Softec, Spindox, Tecma Solutions, TPS, UCapital24, Vantea Smart

Industry Peers: average data for a selected group industrial peer (see tables above)

Euronext Growth Milan: average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Growth Index.

Key Financials	WEB-IT	Technology Services	XS0072	
	Websolute	EGM Sector	Peers Avg	FTSE Italia Growth
Revenues	21.5	53.2	151	38.9
EBITDA	2.1	6.9	17	6.2
EBITDA %	9.8%	13.0%	11.1%	16.0%
EBIT	-0.2	3.3	13	2.8
EBIT %	-0.9%	6.3%	8.5%	7.3%
Earnings	-0.5	1.5	7	1.8
Earnings %	-2.3%	2.9%	4.7%	4.7%
Net Debt	3.2	2.9	7	3.7
ND/EBITDA	1.5	0.4	0.4	0.6
<i>FY21-23 Revenues CAGR</i>	12%	29%	45%	35%
<i>FY22-24 Revenues CAGR</i>	11%	21%	27%	15%
<i>FY21-23 Earnings CAGR</i>	48%	69%	31%	66%
<i>FY22-24 Earnings CAGR</i>	160%	95%	40%	38%
Market Data				
Market Cap	21.5	69.0	143	56.6
EV	24.7	68.2	145	59.4
Free Float	25%	42.0%	42.6%	37.0%
ADTT YTD (Eu k)	15	65	119	70
Market Multiples				
EV/Sales 2022	1.1	2.1	1.7	1.5
EV/Sales 2023	1.1	1.5	1.2	1.2
EV/Sales 2024	0.9	1.2	1.1	1.2
EV/EBITDA 2022	11.8	10.5	7.6	12.4
EV/EBITDA 2023	5.6	7.2	5.7	11.5
EV/EBITDA 2024	4.8	6.3	5.0	7.0
EV/EBIT 2022	n.m.	18.5	15.3	25.7
EV/EBIT 2023	12.3	10.7	9.7	14.7
EV/EBIT 2024	8.5	62.1	7.3	21.7
P/E 2022	n.m.	39.4	36.6	35.0
P/E 2023	19.5	16.6	17.0	19.8
P/E 2024	13.4	38.7	9.9	19.4
Earnings Yield	n.m.	2.5%	2.7%	2.9%
Stock Performance				
1D	0.0%	-0.2%	-1%	-0.3%
1W	-1.9%	-0.5%	-2%	-1.1%
1M	-1.9%	0.6%	-7%	-0.6%
3M	-9.5%	5.2%	-3%	-3.3%
6M	18.0%	10.7%	4%	1.7%
YTD	2.9%	7.0%	2%	0.3%
1Y	-16.3%	-12.0%	-1%	-9.0%

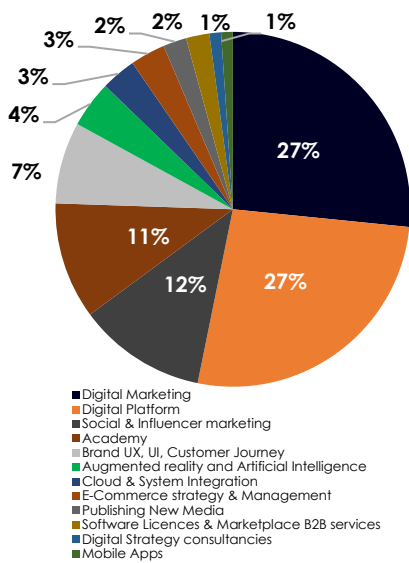
FactSet and PMI Capital data as of April 26th, 2023. Group data and PMI Capital Research estimates for Websolute

WEBSOLUTE IN BRIEF

Group Description

Founded in 2001 by Claudio Tonti – Head of Marketing and Digital Strategy and Lamberto Mattioli (current chairman and CEO), Websolute Spa is an innovative SME and operating holding company of the Websolute Group, Italian leader in digital communication, digital marketing, and e-commerce. In 2015 Maurizio Lanciaprime, current Vice General Manager, CFO & Investor Relations Manager became a Partner, with a shareholding equal to that of the founding partners. An innovative SME established in 2001, Websolute has an average of over 240 employees and a widespread presence throughout Italy, thanks to the Group's 13 operating offices and a sales network consisting of 21 sales. The Company offer a wide range of services tightly integrated and designed ad hoc for every need: Digital Strategy Consulting, Digital Platforms, Digital Marketing, Brand UX-CX & Customer Journey, Ecommerce Business Strategy & Management, New Media Publishing, Social & Influencer Marketing, Academy Business School, Data Science & Artificial Intelligence, Cloud & System Integration and Virtual and Augmented Reality projects and services. Websolute realizes and presides in-house over the entire value creation chain, from strategic consulting, implementation and maintenance of digital services aimed at brand enhancement to the implementation of marketing strategies and integration of e-commerce activities aimed at the development and consolidation of its clients' business.

Revenues breakdown by segment



Strategy	Investment Opportunity
----------	------------------------

Over the next years the Group's growth strategy will focus on:

- Strengthening the direct commercial structure in order to increase geographical presence in Italy
- Creation of an indirect commercial network through partnership agreements with advertising agencies and research/integration of personnel specialized in the commercial field
- Websolute Academy, special training in the commercial, technical and consulting field for Group resources
- M&A

- Wide product and service offering
- High portion of recurring revenues
- Continuous focus on innovation and R&D
- Strong M&A and integration track record
- Wide and diversified client portfolio, high standing clients
- Long term relationship with clients and continuous scouting activities
- Strong M&A track record

Product/Service Portfolio	Governance
---------------------------	------------

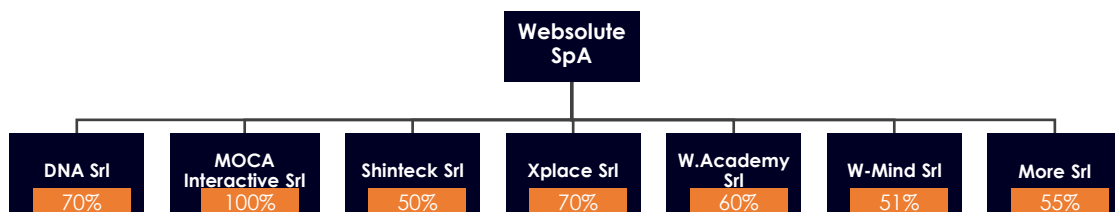
Product/Service Portfolio

The Group's product/service offering is characterized by its wide range of integrated services designed ad-hoc to satisfy every client's specific need.

- Digital platforms
- Digital Marketing
- Brand UX-CX & Customer Journey
- Social & Influencer Marketing
- Academy Business school
- VR/AR
- Data Science & AI

- **Lamberto Mattioli** – Chairman (General Commercial Director)
- **Maurizio Lanciaprime** – CFO, Investor Relations Manager & E-commerce Business Strategy
- **Claudio Tonti** - Marketing and Digital Strategy
- **Paolo Pecetto** – Board Member
- **Alfonso Del Giudice** – Independent director

Group Structure



Source: Company Data and PMI Capital Research Elaboration

WEBSOLUTE ON EGM

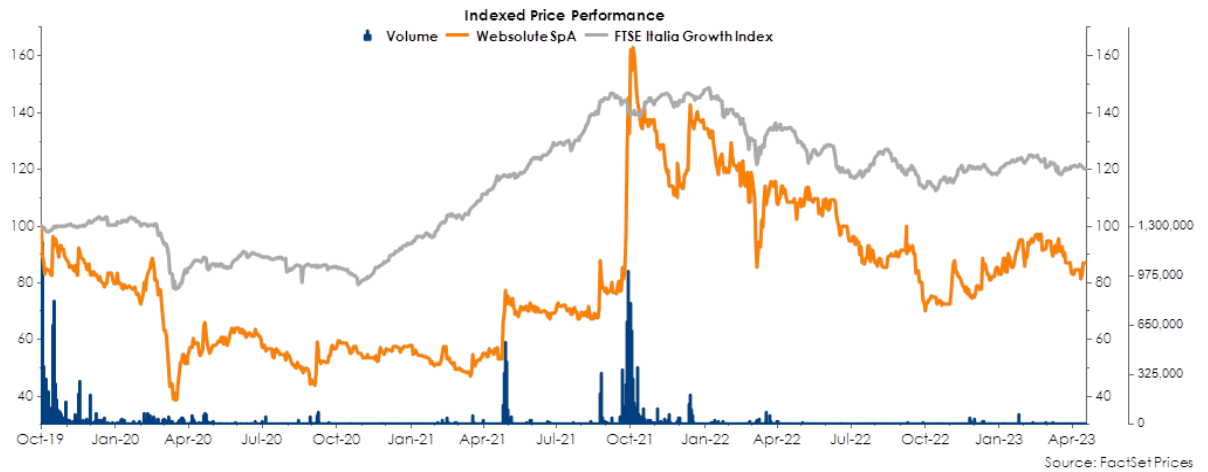
IPO

Trading Market: AIM Italia – Borsa Italiana SpA
Date: September 30th, 2019
Price: 1.50 Eu
Capital raised: 3 Eu m equity through a capital increase
Capitalisation: 12.9 Eu m

SHARES (as of April 26th, 2023)

Code: WEB
Bloomberg: WEB:IM
Reuters: WEB.MI
ISIN ordinary shares: IT0005384901
Shares: 10.226.825
Price: 2.10 Euro
Performance from IPO: 40%
Capitalisation: Euro 21.5 m
Free Float: 25.03%
NomAd: Integrae SIM S.p.A.
Specialist: Integrae SIM S.p.A.

STOCK PERFORMANCE



OWNERSHIP

Shareholder	%
Lyra Srl	19.32%
Maurizio Lanciaprima*	20.60%
W Srl	17.97%
Innovative – RfK SpA	12.21%
Paolo Pescetto	0.98%
Own Shares	3.89%
Free float	25.03%
Total	100.00%

Source: Group presentation
*Through Cartom srl for 18.34%

**DISCLAIMER
UPDATES**

This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on WEBSOLUTE (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on April 23rd 2021. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
26 April 2023	4.80	2.10	12 months
20 October 2022	4.30	1.85	12 months
22 March 2022	5.23	2.74	12 months
28 September 2021	5.06	3.56	12 months
23 April, 2021	2.55	1.31	12 months
8 October 2020	2.30	1.44	12 months
13 May 2020	3.26	1.64	12 months
14 November 2019	3.66	2.26	12 months

VALUATION METHODOLOGY (HORIZON: 12M) IR Top Research obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top Research used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM

Edoardo Fumagalli (Analyst, AIAF Associated)

No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them, who was involved in producing the Research.

INTERESTS INVOLVED AND CONFLICTS

This document has been prepared by IR Top, *Partner Equity Markets* of Italian Stock Exchange, part of LSE Group, on behalf of the Company according to a contract, under which IR Top undertook to prepare this report expressing only independent, fair and balanced views on the Company. The fees agreed for this Research do not depend on the results of the Research. This Research has been disclosed to the issuer to which the Research, directly or indirectly, relates before its release. It is incumbent on the Company to provide timely and constructive feedback on draft Research prior to publication. It is IR Top's sole discretion as to whether comment and feedback from the Company is incorporated into the Research prior to publication and where it is, a further iteration to the draft will be sent to the Company for comment. IR Top is also engaged in investor relations services in the interest of the Company and might occasionally be involved in other consulting activities intended to increase the value of the Company. In any case, Chinese Walls and other information barriers are in place to avoid the exchange of confidential information between the Equity Research Department and other services areas; employees and advisors involved in such services have restrictions preventing them from the access to confidential information that can not be published.

IR Top restricts research analysts from performing roles, which could prejudice the independence of their research. In particular:

- they are permitted to attend and speak at widely attended conferences or other widely attended events at which IR Top colleagues and clients, among others, may also be present, provided that their independence may not be affected. These widely-attended conferences/events may include some investor presentations by clients of investor relations services.

- Analysts are also permitted to attend and speak at conference calls or meetings between analysts and bankers, investors or customers in which are discussed Research reports already published or general view on specific sectors. In such cases, at the start of that meeting, bankers, investors or customers need to be clarified that the discussion cannot involve the communication of privileged information to the analyst as the analyst would be prohibited from producing new research report on the companies whose privileged information has been disclosed. Members of the Research Team do not receive salaries, commissions, bonuses or any other form of compensation based upon specific investment banking transactions or securities' performances. IR Top and the members of the Research Team do not have any further interest or conflict of interest directly or indirectly related with the Research, the Company or the securities, that may reasonably be expected to impair the objectivity of the Research.

There are no other interests or conflicts of interest of any person belonging to the same group of IR Top that are: (a) known, or reasonably expected to be known, to the persons involved in the production of the recommendation; or (b) known to persons who, although not involved in the production of the recommendation, have or could reasonably be expected to have, access to the recommendation prior to its completion.

In any case, as a general Policy, nobody of the Research Team nor IR Top is allowed to have a financial interest in the securities of the client company or serve as an officer, director or advisory board member of the client company. Analysts must not undertake personal transactions on financial instruments that are object of the investment research or that relate to the same industry. Exceptions may be made with the prior approval of IR Top's CEO in special circumstances such as for disposal of (a) positions already held before the employment or before the implementation of the company policy, or when initiating coverage and (b) positions obtained as a result of the issuer extraordinary activities. By the way, when analysts hold instruments to which Equity Research relates, they are required to disclose their interests in Research reports. Any trades that analysts make must be in line with their recommendation(s), contained in the last published Research. An analyst is prohibited from producing a Research on an issuer if the analyst carries out activities for which he receives compensation from the issuer. If an analyst's household member / relative / relative in-law (within the second degree) serves in such a high capacity for the issuer (i.e. manager or director), the analyst has to inform IR Top's CEO and the analyst will cease covering the issuer.

POLICY

IR Top has in place a "Joint conflict management policy" in order to effectively manage any conflicts of interest, and an "Equity Research Policy", in order to rule research services in compliance with Parliament Regulation (EU) no.596/2014 and Commission Delegated Regulation (EU) no. 958/2016 on Market Abuse. IR Top has adopted the "Joint conflict management policy" in accordance with best practice regarding "information barriers" to restrict the flow of information to prevent the misuse of information and/or prevent any conflicts of interest arising from other activities of IR Top. A copy of these policies is available to the recipient of this Research upon making a request to IR Top by e-mail.

DISCLAIMER

This report has been prepared solely for information purpose and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. IR Top does not accept any liability for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of IR Top. Opinions and estimates in this Research are as at the date of release and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this Research may not be suitable for all investors. In any case, you should consult your investment advisor. This document is intended for distribution only to E.U. "qualified investors" and to "qualified counterparties" resident in Italy, within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/EC) and Consob Reg. 16190, as subsequently amended and supplemented; its distribution in USA, Canada, Australia, Japan is not allowed. In Italy, this document is being distributed only to, and is directed at qualified investors within the meaning of article 100 of legislative decree no. 58 of 24 February 1998, as amended, and article 34-ter, paragraph 1, letter b), of Consob regulation on issuers no. 11971 of May 14, 1999, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders, such as persons authorized and regulated to operate in financial markets, both Italian and foreign.

DISTRIBUTION

In the United Kingdom, this document is not for distribution to persons that would be defined as private customers under rules of the FSA; it is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2) (a) to (d) ("high net worth companies, unincorporated associations etc.") of the financial promotion order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FINANCIAL SERVICES AND MARKETS ACT 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is not addressed to any member of the general public and under no circumstances should this document circulate among, or be distributed to (i) a member of the general public, (ii) individuals or entities falling outside the definition of "qualified investors" as specified above or (iii) distribution channels through which information is or is likely to become available to a large number of persons.