

ENERGICA MOTOR COMPANY

A motor excellence of Made in Italy

Company Description: Energica Motor Company is an **innovative SME** and market leader in the production and commercialization of **Made in Italy high-performance electric motorcycles**. The Company is the single supplier of **motorcycles for the FIM Enel MotoE™ World Cup** and is present in the market with 3 fully electric high performing motor bikes characterized by high technological content.

With 43 employees EMC recorded FY2019 sales of Euro 3.3 m, +50% vs. FY 2018 and of which approx. 95% was realized in export markets. The Company is still in a commercial start-up phase and needs to further invest in marketing and expand distribution network in order to reach volumes that will allow a financial break-even.

Reference market: Energica is a **premium brand in the High Powered Two Wheels Market**. The reference market of the Company is the niche of high-performance electric motorcycle within the Electric Vehicles market. According to Tecnavio, **this market's size is expected to grow at a CAGR of over 35% in the 2020-2024 period**. Further, the development of solar powered and automated charging stations creates a huge opportunity for the growth of the electric scooter and motorcycle market.

Strategic guidelines: Energica Motor Company intends to develop its growth path focusing on the following pillars:

- R&D investments
- Development of sales network
- Marketing activities and participation in the most important trade fairs
- MotoE
- Partnership to develop new projects

2019-2022 estimates: We expect revenues to grow at a 2018-2022 CAGR of +97%. **Main growth drivers are:** (i) growing demand in the of electric vehicles market and development of charging points infrastructure, (ii) visibility from the FIM Enel MotoE™ World Cup for the 2019-2021 period, and (iii) increase brand awareness through marketing investments and trade fairs participations. EBITDA margin should improve thanks to the scale up of the business and production efficiencies obtained from R&D and is estimated to be positive at year end 2022. Our estimates include a share capital increase of Euro 8 m in 2020.

Sector: Manufacturing

Market Price (Euro) 2.30
 Market Cap (Euro m) 39.3
 EV (Euro m) 36.6
(Factset – 27 January 2020)

Share Data

Market	AIM Italia
Bloomberg	EMC IM
ISIN	IT0005143547
N. of Shares	17,393,302
Free Float	42.20%
Main Shareholder	CRP Meccanica (50.59%)
CEO	Livia Cevoli

Aim Positioning

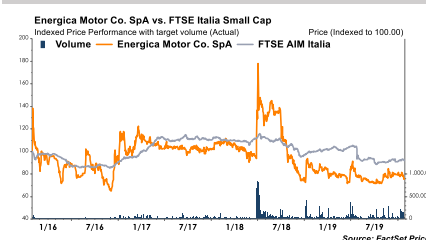
FY 2018	Company	AIM Sector	AIM Italia
Revenues (Euro m)	2	97	44
Revenues Yoy	325%	37%	29%
EBITDA Margin	n.m.	11%	15%
ND/EBITDA (x)	n.m.	2.8	3.8

Market Data	Company	AIM Sector	AIM Italia
Mkt Cap (Euro m)	41	72	52
Perf. YTD (%)	-4%	2%	1%
Free Float (%)	42%	27%	34%
ADTT YTD (Euro k)	112	69	125

Performance

	1M	3M	1Y
Absolute	-2.47%	+8.72%	-10.90%
Relative (TSE AIM Italia)	-5.64%	-5.61%	-26.25%
52-week High/Low (Euro)	2.88	2.10	

IR TOP RESEARCH
Luisa Primi – lprimi@irtop.com
 T +39 02 89056957



Key Figures (Eu m)	Sales	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2018A	2.2	325%	(5.5)	n.m.	(7.4)	n.m.	(7.3)	1.4
2019E	3.2	49%	(6.0)	n.m.	(8.3)	n.m.	(7.8)	(0.1)
2020E	7.9	148%	(4.5)	n.m.	(6.5)	n.m.	(6.5)	(3.9)
2021E	13.1	65%	(3.1)	n.m.	(4.0)	n.m.	(4.1)	(0.5)
2022E	27.5	111%	1.9	5.9%	1.3	4.0%	1.2	(3.7)

KEY FIGURES
Profit&Loss Statement

	2015A	2016A	2017A	2018A	2019E	2020E	2021E	2022E
Revenues	0.8	2.5	2.9	2.2	6.0	12.6	17.7	32.4
EBITDA	(1.0)	(3.5)	(3.7)	(5.5)	(6.0)	(4.5)	(3.1)	1.9
EBIT	(1.6)	(5.1)	(5.5)	(7.4)	(8.3)	(6.5)	(4.0)	1.3
Financial Income (charges)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	(1.6)	(4.9)	(5.8)	(7.3)	(7.8)	(6.5)	(4.1)	1.3
Taxes	0.2	0.9	0.0	0.0	0.0	0.0	0.0	(0.1)
Net profit (loss)	(1.4)	(4.0)	(5.8)	(7.3)	(7.8)	(6.5)	(4.1)	1.2

Balance Sheet

Net working capital (NWC)	(0.0)	1.0	3.4	2.3	(0.9)	(1.4)	(2.2)	(3.6)
Net fixed assets	4.9	6.4	5.3	4.1	3.0	1.9	2.1	1.6
M/L Funds	(0.8)	(0.1)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net Capital Employed	4.0	7.3	8.5	6.2	1.9	0.2	(0.4)	(2.4)
Net Debt	0.9	2.9	3.3	1.4	(0.1)	(3.9)	(0.5)	(3.7)
Equity	3.1	4.4	5.2	4.8	2.0	4.1	0.1	1.3

Cash Flow

EBIT	(1.6)	(5.1)	(5.5)	(7.4)	(8.3)	(6.5)	(4.0)	1.3
D&A	0.5	1.5	1.8	1.9	2.3	2.0	0.9	0.6
Tax	0.2	0.9	0.0	0.0	0.0	0.0	0.0	(0.1)
Change in M/L Funds	0.8	(0.7)	0.0	0.1	0.0	0.0	0.0	0.0
Gross Cash Flow	(0.0)	(3.4)	(3.7)	(5.4)	(6.0)	(4.4)	(3.1)	1.9
Change in NWC	0.0	(1.0)	(2.4)	1.1	3.1	0.5	0.8	1.5
Operating Cash Flow	0.0	(4.4)	(6.0)	(4.3)	(2.8)	(3.9)	(2.3)	3.4
Capex	(5.4)	(3.0)	(0.7)	(0.8)	(1.1)	(1.0)	(1.2)	(0.1)
Change in other non-current asset	(0.0)	0.1	(0.2)	0.2	0.5	0.0	0.0	0.0
Financial Income (charges)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cash Flow	(5.4)	(7.3)	(7.0)	(4.9)	(3.5)	(4.9)	(3.5)	3.3
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Equity	4.6	5.3	6.6	6.8	5.0	8.7	0.0	0.0
Change in Net debt	(0.9)	(2.0)	(0.4)	1.9	1.5	3.8	(3.5)	3.3

Per Share Data

Current Price	2.3							
Total shares (mn)	17.4							
EPS	(0.08)	(0.23)	(0.33)	(0.42)	(0.45)	(0.37)	(0.23)	0.07
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF	(0.3)	(0.4)	(0.4)	(0.3)	(0.2)	(0.3)	(0.2)	0.2
Pay out ratio	0%	0%	0%	0%	0%	0%	0%	0%

Ratios

EBITDA margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.9%
EBIT margin	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	4.0%
Net Debt/Equity	27.0%	65.6%	63.2%	29.5%	-5.9%	-94.8%	-554.5%	-284.4%
Net Debt/(Net Debt + Equity)	21.3%	39.6%	38.7%	22.8%	-6.3%	n.m.	122.0%	154.2%
Net Debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	-1.94
Interest cover EBIT	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	43.65
ROE	-45.5%	-91.2%	-111.8%	-152.4%	-395.3%	-157.6%	-4987.8%	93.8%
ROCE	-43.7%	-81.6%	-65.1%	-119.8%	-446.2%	n.m.	1089.4%	-56.3%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	8.2%

Growth Rates

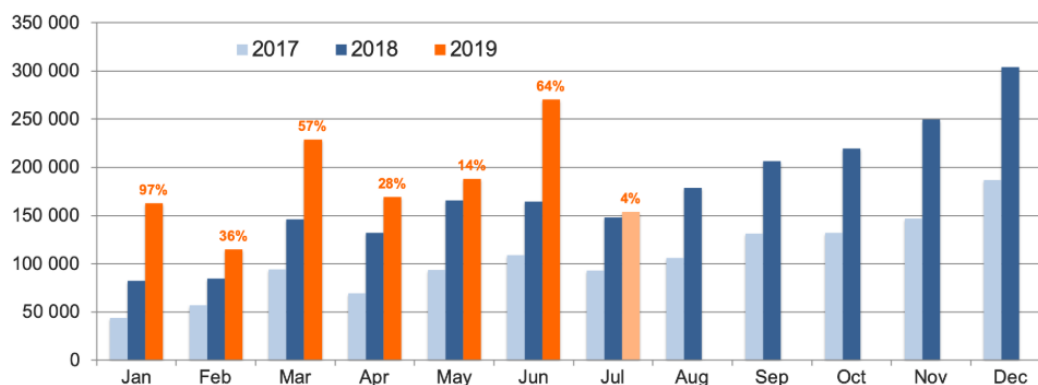
Revenues	233%	13%	-25%	178%	110%	40%	83%
EBITDA	-241%	-5%	-48%	-9%	26%	31%	162%
EBIT	-221%	-9%	-34%	-12%	22%	38%	133%
Net Profit	-181%	-45%	-25%	-7%	16%	38%	130%

REFERENCE MARKET

Energica Motor Company is the market leader in the production and commercialization of high-performance electric motorcycles. The reference market of the Company is the **niche of Electric Motorcycles** in the **Electric Vehicles** market.

According to EV-volumes.com, approximately 1.1 m Plug-in Vehicle (PEV) units were sold in 1H2019 (2.5% of total car sales), with a yoy growth of +46% vs. 1H2018. Specifically Battery Electric Vehicles (BEV) stands for 74% of the global volume, plug-in hybrids (PHEV) for 26%. PHEV are vehicles with an internal combustion engine and an electric motor that can be charged by connecting to an outlet; BEV run solely on electricity by means of on-board batteries that are charged by connecting to a charging station or an outlet.

Global Monthly PEVs Sales

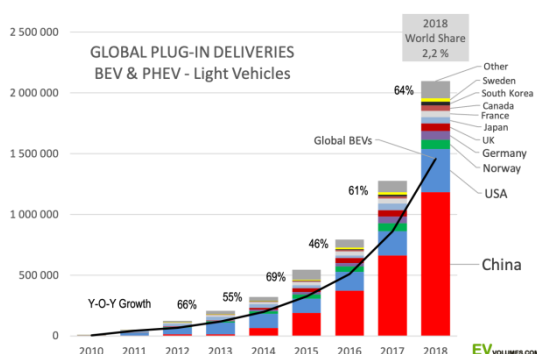


Source: EV-volumes.com

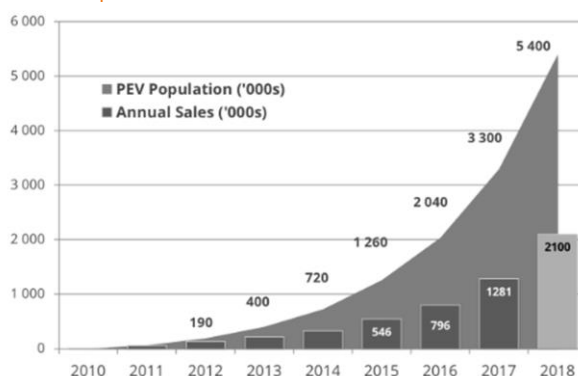
From 2010 to the end of 2018, the PEV population reached 5.4 m worldwide and, for 2019, EV-volumes.com expects to add 3.2 m of new vehicles.

In geographical terms USA was the fastest growing markets (+79% vs 2017), followed by the China (+78% vs 2017 with a market share of 56%) and Europe (+34% vs 2017).

Global PEVs Population

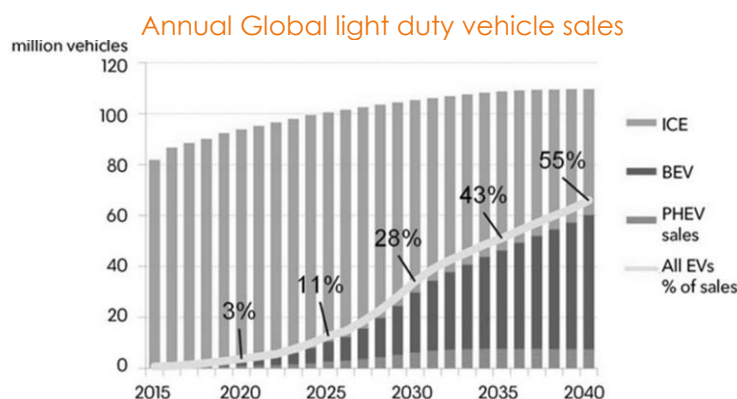


Source: EV-volumes.com



Source: EV-volumes.com

According to Bloomberg New Energy Finance (BNEF) sales of electric vehicles (EVs) is expected to reach 10 m vehicles in 2025, 28 m in 2030 and 56 m by 2040, overtaking ICE vehicles (Internal Combustion Engine) with a share of 55% of total annual sales.



Source: Bloomberg New Energy Finance (BNEF)

Key growth drivers for electric vehicles:

- **Infrastructure charging stations:** the number of charging stations is a key driver for the EV industry. In 2018 BNEF counted 632 k charging points worldwide, up from 77 k in 2012, registering a CAGR of 42%.
- **Emissions regulations and incentives:** greater attention to climate change and harmful emissions, prompt governments and supranational authorities to implement stricter emission reduction regulations. Some government are also supporting EV market with purchase incentives or free use of charging and free parking (e.g. France, Italy, ...)
- **Decreasing battery prices:** battery represents one of the biggest costs for an EV (about 25%). According to Bloomberg New Energy Finance, battery prices are expected to fall from current pack level of \$176/kWh to \$87/kWh in 2025. This will allow OEMs to push cost benefit toward customers in order to definitely close the price gap between ICEs and EVs by the mid-2020s in most segments.

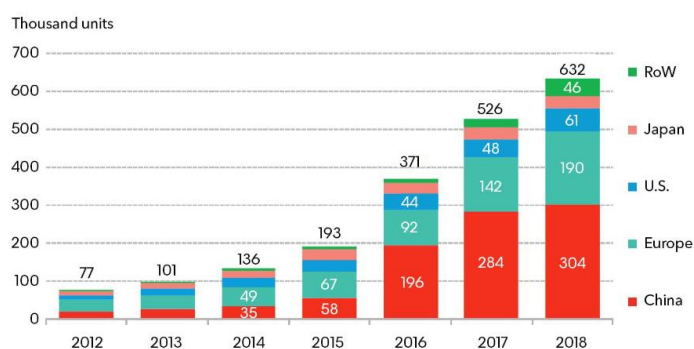
The Electric Motorcycle market is divided into 3 segments:

- **Electric Scooter:** limited power electric scooters used exclusively in urban areas.
- **Low-powered Electric Motorcycle:** small electric motorcycles with less than 30 kW of power.
- **High-powered Electric Motorcycle:** electric motorcycles with more than 30 kW of power, similar to traditional endothermic motorcycles both for aesthetics and use, used not only to move but also for pleasure. **This niche market represents the niche market of EMC.**

According to Tecnavio, the **global high-performance electric motorcycle market size is expected to post a CAGR of over 35% during 2020-2024**. One of the key drivers for this market will be the technological advances in high-performance electric motorcycles.

The **infrastructure of charging points** is a crucial driver for the development and the widespread distribution of electric vehicles on the territory. There are 632,000 public charging points installed globally, almost half of these in China (304,000), followed by Europe (190,00), and US (61,000). To improve the charging experience, new technological solutions are also being developed, such as ultra-fast chargers (150kW +, and up to 350kW in some cases), wireless charging, battery swapping, solar powered charging and new roaming agreements between charging operators.

Public charging outlets installed globally



Source: Bloomberg New Energy Finance (BNEF)

Further, the solar powered and automated charging stations create a huge opportunity for the growth of the electric scooter and motorcycle market. EV providers have ample opportunities to put forward their arms in the design and development of such charging stations to widen the horizons of EV-based transportation.

In Italy **Enel confirmed that it will invest Euro 300 m in electric charging stations during its 2018-20 Strategic Plan**, increase charging columns by a minimum of 14,000 by 2020 and a maximum of 28,000 by 2022. According to ENEL 2018-2020 Strategic Plan, electricity will increase from 18% to 29% of total energy demand driven by electric vehicles and heat production by 2040; Lithium battery cost of electric vehicles is expected to decrease from 270\$/KWh to 110\$/KWh.

COMPETITIVE LANDSCAPE

The competitive landscape in which Energica operates is moderately fragmented, with various players which occupy the market share but mainly dominated by a few of small Electric Motorcycles focused players. Below is a table showing the companies operating in the production and sale of electric motorcycles and the companies which intend to launch electric motorcycles.

Energica is a premium brand in the High Powered Two Wheels Market (i.e. potentially competing with KTM and Harley Davidson), but **avoiding direct competition as it is specialized in innovative electric motorbikes**.



Source: Company Presentation

The high-performance electric motorcycle market consists of few vendors and is characterized by technological advancements. The market is witnessing investments to come up with lighter high-performance electric motorcycles with higher drive range and is likely to grow further during the forecast period.

The leading vendors in the market are:

- Energica Motor Company
- Harley-Davidson
- Zero Motorcycles

Energica Motor Company is an **innovative SME** and market leader in the production and commercialization of high-performance electric motorcycles Made in Italy. EMC was officially founded in 2014 as a spin-off of CRP Group which started the project in 2010 with the aim of creating the first high-powered electric motorcycles. In January 2016 the Company listed on AIM Italia (MTF organized and managed by Borsa Italiana), raising Euro 5.3 m in order to start production. CRP is an Italian company with over 50 years of experience in the world of F1 and more than 20 years of experience in Additive Manufacturing and CNC machining (computer numerical control), in fields including automotive and motorsports, design, aerospace, UAVs, marine, entertainment, defence.

Energica is currently headquartered in the Italian Motor Valley, near Modena and operates in a new (2016) 32.000 square foot factory with a production capacity, when fully operational, of 5,000 vehicles annually. With 43 employees the Company registered sales of Euro 3.3 m in 2019, +50% vs. FY 2018.

In December 2017, Energica was chosen by **Dorna** (the exclusive commercial and TV rights holder for the leading motorcycle racing championships on the planet) as exclusive manufacturer of motorcycles until 2021 for the **FIM Enel MotoE™ World Cup** that started in July 2019.

Over the last five years, EMC has developed 3 models of high-performing fully electric motor bikes, and although revenues increased significantly in FY 2019, the **Company's commercial start-up phase** is still in progress with revenues still insufficient to produce the marginality necessary to cover fixed costs. The Company needs to further invest in marketing and expand the distribution network in order to reach volumes that will allow a financial break-even. Meanwhile, CRP (majority shareholder) has committed to continue to financially sustain the Company, should other equity injection be necessary in order to guarantee business continuity until year-end 2020.

Since listing in 2015, the Company has raised an additional Euro 18.8 m of Equity (including Euro 8.6 m conversion POC, Euro 4.1 m capital increase, Euro 4.1 m conversion of shareholders' loan and in June 2019 an ABB of 1.9 m). In January 2020 the Company started a roadshow for a new round of funding.

On January 16th, 2020, Management announced a new strategic plan which foresees increased production efficiency from the increase in sales volumes and the optimisation of the supply chain, and targets to reach a positive EBITDA in 2022. The plan further targets a revenue growth in 2020 of 100%, based also on a very strong order book that, at the beginning of January, stood at Euro 1.4 m, representing over 40% of FY 2019 preliminary sales.

PRODUCT PORTFOLIO

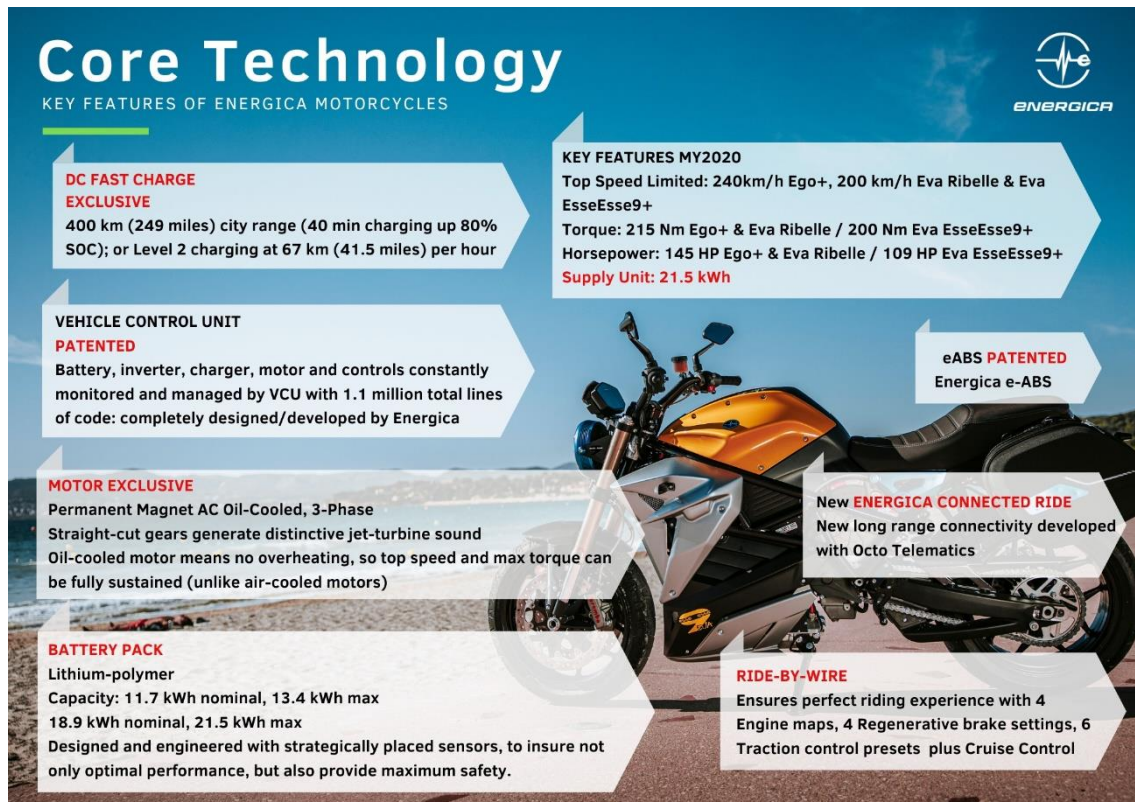
EMC's product portfolio currently includes **3 recently updated models** of fully electric and high-performing motorcycles. **All models are equipped with Fast Charge facilities** (0-80% in 40 min), eABS system allowing to limit the maximum regenerative torque in case of slippery conditions, and other highly technological parts designed by internal R&D department and protected by international patents. Energica's bikes are fully homologated and approved by authorities for both Europe and USA.

- **EGO+**: the first Italian high-performing electric sport bike, with a power of 107 kW, maximum speed limited to 240 km/h, torque of 215 Nm and fast charge on board;
- **EVA Ribelle**: the streetfighter model, with a power of 107 kW, maximum speed limited at 200 km/h, torque of 215 Nm and fast charge on board;
- **EVA EsseEsse9+**: the "old-school" electric motorcycle awarded Best Electric Bike of the Year in 2018 by Motor Cycle News UK, with a power of 80 kW, maximum speed limited at 200 km/h, torque of 200 Nm and fast charge on board.

KEY FEATURES

- Battery: Lithium polymer battery (Li-NMC) with a maximum capacity of 21.5 kWh managed by the battery Management System;
- Fast Charge DCFC Type 4 (400 km/h or 6,7 km/min) or Slow Charge Type 2 or 3 (63,5 km/h);
- Top speed: 150 mph/240km/h;
- Acceleration: from 0-100 km/h in less than 3 seconds
- Front/rear brake system provided by Brembo;
- eABS, able to limit the maximum regenerative torque in case of slippery conditions;

- Total weight: approx. 280kg;
- Average list price: between Euro 16,386-24,419 +VAT, excluding accessories and customization;
- Italian Design.



Core Technology

KEY FEATURES OF ENERGICA MOTORCYCLES

DC FAST CHARGE EXCLUSIVE
400 km (249 miles) city range (40 min charging up 80% SOC); or Level 2 charging at 67 km (41.5 miles) per hour

VEHICLE CONTROL UNIT PATENTED
Battery, inverter, charger, motor and controls constantly monitored and managed by VCU with 1.1 million total lines of code: completely designed/developed by Energica

MOTOR EXCLUSIVE
Permanent Magnet AC Oil-Cooled, 3-Phase
Straight-cut gears generate distinctive jet-turbine sound
Oil-cooled motor means no overheating, so top speed and max torque can be fully sustained (unlike air-cooled motors)

BATTERY PACK
Lithium-polymer
Capacity: 11.7 kWh nominal, 13.4 kWh max
18.9 kWh nominal, 21.5 kWh max
Designed and engineered with strategically placed sensors, to insure not only optimal performance, but also provide maximum safety.

KEY FEATURES MY2020
Top Speed Limited: 240km/h Ego+, 200 km/h Eva Ribelle & Eva EsseEsse9+
Torque: 215 Nm Ego+ & Eva Ribelle / 200 Nm Eva EsseEsse9+
Horsepower: 145 HP Ego+ & Eva Ribelle / 109 HP Eva EsseEsse9+
Supply Unit: 21.5 kWh

eABS PATENTED
Energica e-ABS

New ENERGICA CONNECTED RIDE
New long range connectivity developed with Octo Telematics

RIDE-BY-WIRE
Ensures perfect riding experience with 4 Engine maps, 4 Regenerative brake settings, 6 Traction control presets plus Cruise Control

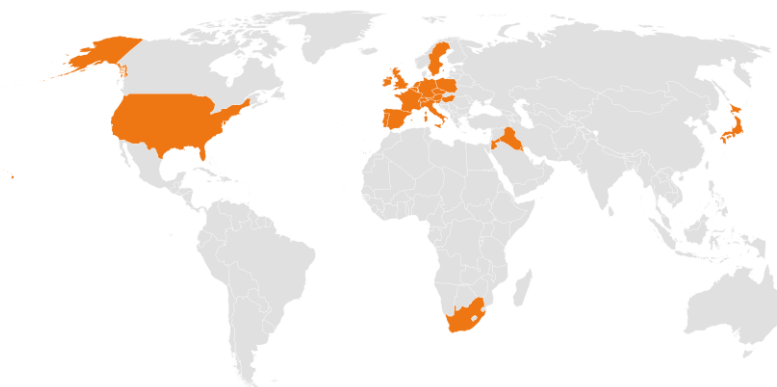
Source: Company Presentation

BUSINESS MODEL

EMC operates with a business model that allows to efficiently monitor the different phases (design/R&D, Supply, Assembly/quality Control and Sales & Marketing) of the value chain in order to ensure efficient planning and optimization of delivery times.

- **R&D activity is the core of the Company's business model:** R&D aimed at creation and development of new products, as well as on the improvement of performance of existing products, and in particular: lighter weight of vehicles, improve aerodynamics, performance and vehicle drivability and new IT solutions. The R&D activity is carried out internally by a team of 15 FTEs.
- **Energica relies on third party suppliers to produce the various parts assembled in-house. Suppliers are carefully selected players** of high standing and able to provide products of primary quality and reliability (Pirelli, Brembo, Bosch, Ohlins, etc). Thanks to EMC's patented Vehicle Control Unit system, able to interface with a wide range of electronic equipment, the Company can change any supplier of any strategic piece (such as batteries or powertrain's electronic), without the need to redesign the vehicle. This independence from strategic suppliers represent an important competitive advantage for the Company.
- The **assembly activity** is carried out in the production facility near Modena, which at full capacity can produce about 5,000 units per year. Energica is able to maintain a high production efficiency even at relatively low volumes thanks to the fact that the different models produced share the same components. All products are subject to **careful testing and quality control including road tests**.
- Energica's operates with a **sales network** of over 50 dealers, covering the main European countries, USA, Africa, Japan, Jordan and Gulf Cooperation Council (GCC).

Sales network distribution



Source: IR Top Elaboration on Company Data

- The Company has made important investments in **marketing activities** in order to develop the **brand awareness** in support of the business model. Activities include electric driving courses, marketing events and the participation at international trade fairs (Eicma, Intermoto, Swiss Moto, MCN London, the IMS show circuit fairs in the US). The FIM Enel MotoE™ World Cup is also a strategic marketing channel that is expected to improve effectiveness and reduce costs as EMC will benefit from the worldwide visibility of the competition (estimated 10 million people between social media and television (MotoGP streaming, Sky Italia, FOX, Canal+).

INNOVATION AND R&D

EMC is a registered **Innovative SME** and continues to invest in R&D (approx. Euro 2 m annually) in order to maintain and improve its competitive edge, and has already registered 3 international patents on its technology:

Vehicle Control Unit (VCU): Energica's battery, inverter, charger and ABS are constantly monitored and managed by the internally developed and designed VCU. The VCU implements a multi-map adaptive energy, and a power management algorithm that manages the electric motorcycle. The system, carefully monitors and adjusts the motor's power according to the throttle thrust 100 times per second while riding. The Energica Software has reached 1.1m of program lines (645,000 program lines only for the VCU).

Supply Unit. A very important part of an electric vehicle, and in particular of an electric motorbike, is the case containing the rechargeable batteries. EMC, in order to avoid the overheating of batteries, has developed an innovative battery case designed to avoid overheating, and which includes a cooling plate made of aluminium provided with several through holes that communicate outside and cross the cooling plate. This solution allows the batteries to have a longer life cycle.

eABS: The latest generation eABS mounted on the Energica motorcycle is able to limit the maximum regenerative torque in case of slippery conditions. In particular, the system verifies the presence of friction conditions and, in case of slippery conditions, limits the maximum regeneration torque.

The company is active in seeking partnerships in order to develop highly innovative projects. In particular, it has developed the following main projects:

- Power Units:** Energica and Dell'Orto SpA, a historic manufacturer of electronic fuel injection systems, have recently signed an agreement for the development and production of a new type of Power Unit for small-size (power range 8/11kW) and medium size (power range up to 30 kW) electric motorcycles (EV), with the aim of offering solutions developed to large manufacturers operating in the "two-wheeler" sector;
- Long range connectivity:** Energica, in partnership with Octo Telematics, the main provider of telematic services and advanced data analysis solutions for the insurance sector and for Intelligent Mobility, has developed the long-range connectivity which allow customers to monitor the motorcycle performance by app.
- Smart Ride,** a project managed and developed in all its phases in Italy by Samsung Italia and Energica, aims at making possible the interaction - through NFC and Bluetooth connectivity - between Samsung Galaxy Watch and the Energica motorbike, guaranteeing a brand-new riding experience. The Energica prototype designed for this project is also fitted with intelligent mirrors. The Head-up

Displays consist of two Samsung Galaxy A series devices integrated into mirrors which, thanks to the videos generated by the two cameras – one rear and one front – on the motorbike, revolutionize road safety, analysing images in real time and warning the rider of any hazards and obstacles ahead. **Bolid-E**, the prototype developed by Energica Motor Company for Smart Ride has been designed starting from the electric old-style Eva EsseEsse9, the newly proclaimed Best Electric Bike of the Year 2018. The result is “Bolid-E”, a speed machine which exalts the concept of speed as an emotion: a futuristic motorbike in which Samsung technologies and Energica expertise come together.

In addition, as of 2015, the Company, is part of the “**TAAPS**” **Project (Trusted Application for Open Cyber Physical System)**, financed by Horizon 2020. The project develops devices for Cyber-Physical systems able to improve human safety. These new innovative devices will be tested on Energica's motorbikes. Thanks to this partnership the Company is working on after-sales services able to give to the riders highly safety advanced connectivity features on board.

OWNERSHIP

The main shareholder of EMC is CRP Meccanica which holds overall 50.59% of outstanding shares. The share capital subscribed and paid up is Euro 173,933.02, made up by n. 17,393,302 ordinary shares. Free float is 42.20%.

Shareholder*	n. of shares	%
CRP Meccanica	8,799,000	50.59%
Maison SA	880,000	5.06%
CRP Tecnologia	175,000	1.01%
Testoni Giampiero	100,000	0.57%
Vezzani Andrea	100,000	0.57%
Market	7,339,302	42.20%
Total	17,393,302	100.00%

*The shareholding represented includes the last 30 bonds converted in January 2020 and not yet formally registered.

GOVERNANCE

List vote: 10%

The Board of Directors has 5 members, of which 1 Independent.

Franco Cevolini – Chairman: After graduating in Materials Engineering at the University of Modena in 1997, he entered the newly founded CRP Technology Srl (spin-off from Roberto Cevolini & Company) as Executive Director in 1996). Currently member of CRP Group's board.

Livia Cevolini – CEO: After graduating in Mechanical Engineering in 2003 at the University of Parma, she entered the CRP Group as Marketing and Sales Director. Responsible for the Energica project since 2009 and became CEO of Energica Motor Company in 2014, when the company was founded.

Andrea Vezzani – CFO: Graduated in Economics at the University of Modena. Since its foundation, Andrea Vezzani is the CFO of Energica Motor Company S.p.A. Previously he has held various positions in management control depts. From 1996 to 2000, he was financial controller at McDonald's Development Italy Inc. and from 2001 to 2006, he was financial controller at Think3 Inc.

Giampiero Testoni – CTO: Started working at CRP Technology S.r.l in 2016 and became Racing Department Manager. Since 2010 he started working in the department of R&D for the Energica project and contributed in the creation of numerous registered patents for Energica.

Gian Carlo Minardi – Independent Director: After a period as a pilot, he began his career in the field of motor racing achieving excellent results in minor formula. In 1975, he started a collaboration with Ferrari. In 1979, Gian Carlo created the Minardi Team, obtaining four brilliant seasons in Formula 2. From 1985 to 2005, Minardi made his Formula One debut, achieving 340 Grand Prix. Currently, he carries out consultancy activities in the automotive sports sector and is a sports commentator.

STRATEGY

- **R&D:** EMC will continue the R&D activities in order to maintain and improve its competitive edge. As exclusive manufacturer of MotoE World Cup, the Company has an extraordinary opportunity to test new parts and technologies that could be installed on the commercial version of the bikes.
- **Sales Network:** Increase client base through new partnerships and agreements with dealers and importers worldwide. Over the next two years EMC will focus on Asia-Pacific markets and continue the expansion on EMEA and Americas markets not yet covered. Dealers should increase from current 54 to over 200 in 2022.
- **Production:** Installation of additional assembly lines in the production facility to meet growing demand. The production plant boasts a maximum output capacity of roughly 5,000 units with very limited development capex.
- **Marketing:** further investments to improve brand awareness internationally. The Company currently participate in the most important motorcycle trade fairs worldwide and intends to continue to invest in this field. Furthermore the MotoE World Cup is also a strategic channel to improve effectiveness.
- **Partnerships to develop new projects** in the R&D and commercial fields

OPPORTUNITIES

- **Leading position in growing market:** EMC has a leading position in the e-PTW market that is expected to grow at a **CAGR of over 35% during 2020-2024**. Growing attention towards environmental impact of air pollution is bringing some countries to increase the investments in sustainable mobility. In particular, an increase in charging stations can give a strong boost to the Company's growth.
- **High entry barriers:** there are only a few industrial players present in the Electric Motorcycle market. The high level of specialization and technological innovation prevents new players from entering the market without major investments and years of development.
- **Exclusive manufacturer for MotoE World Cup:** the agreement with Dorna, thanks to which Energica will be for 3 years period (2019-2021) the only supplier of electric motorbikes for MotoE World Cup, will increase Energica's brand awareness and visibility all around the world, allowing the Company to cut advertising & promotion costs and to acquire new customers.
- **Strong Know How and Innovation:** Thanks to its internal know how and cutting-edge technology EMC has developed the world's highest performing E-bike and has registered 3 international patents: (i) Vehicle Control Unit (VCU), (ii) Supply Unit, and (iii) eABS.
- **Possible target of M&A:** as a consequence of growing attention towards sustainable mobility, the big motorcycle manufacturers could evaluate the possibility to acquire Energica, in order to widening its products range to high performed electric motorbikes.

MAIN RISKS

- **Financial resources still needed:** the Company's commercial **start-up phase is still in progress with revenues** lagging behind the original plan and, still insufficient to produce the marginality necessary to cover fixed costs. In order to guarantee business continuity in the three-year period considered additional financial resources are needed.
- **Financial breakeven:** Our estimates are based on assumption of a growing market and infrastructural network. A slowdown in market growth and/or the spread of charging points, in particular those that allow fast charging, could result in a delay in reaching the targets of sales and the break-even point.
- **Growth can be only organic:** as Energica works in a market niche with few industrial players, there are no possible targets for an acquisition, hence growth can be only organic.
- **Competitiveness risk:** if the competitive advantage is not exploited quickly by Energica, there is the risk that big players of motorbikes industry entry the market with new electric products and take advantage of their stronger commercial power, quickly winning market shares.

- **Dilution:** The conversion of the residual 20 bonds outstanding (Euro 400k) would lead to a smaller dilution for shareholders. In addition, in June 2018, the Shareholder Meeting resolved upon a capital increase of up to Euro 20 m, in support of the strategical plan. The residual part amounts to Euro 18.1 m.

HISTORICAL RESULTS OVERVIEW (2015-2018)

Revenue growth at a 2015-2018 CAGR of +41%: Over the 2015-2018 period sales increased significantly as the Company passed from early stage to expansion by implementing its commercial strategy. More in detail revenues increased from Euro 0.8 m of 2015 to Euro 2.2 m in 2018 thanks to the reinforcement of the sales network (40 dealers at year-end 2018) in US, Europe and Africa. In 2018 **95% of total sales was realized in export markets**, in particular in Northern Europe and the US.

Revenues still insufficient to cover fixed costs: as is typical for start-ups, EMC's EBITDA has been negative over the four-year period considered, with a negative peak in 2018, following the strengthening of the operational structure in order to support growing production and R&D. At year end 2018 total employees amounted to n. 43 units (n. 19 at year-end 2015). Marketing expenses (which are mostly booked as costs) remain an important cost time as the Company is focused on increasing its customer base. In FY 2018 the Company recorded marketing expenses (advertising and trade fairs) of Euro 0.7 m.

Eu m – ITA GAAP	FY 2018	FY 2017	FY 2016	FY 2015
Raw material	(2.4)	(2.4)	(2.8)	(0.6)
Services	(2.9)	(2.4)	(1.7)	(0.6)
Cost of rents	(0.2)	(0.3)	(0.2)	(0.0)
Personnel	(2.0)	(1.5)	(1.3)	(0.6)
Other operating expenses	(0.1)	(0.0)	(0.0)	(0.0)
Total operating costs	(7.6)	(6.6)	(6.1)	(1.8)

Eu m – ITA GAAP	FY 2018	FY 2017	FY 2016	FY 2015
Sales	2.2	0.5	0.8	0.2
Yoy	+325%	-37%	+233%	n.a.
Revenues (VoP)	2.2	2.9	2.5	0.8
EBITDA	(5.5)	(3.7)	(3.5)	(1.0)
margin	n.m.	n.m.	n.m.	n.m.
EBIT	(7.4)	(5.5)	(5.1)	(1.6)
margin	n.m.	n.m.	n.m.	n.m.
Pre tax profit	(7.3)	(5.8)	(4.9)	(1.6)
Net Profit	(7.3)	(5.8)	(4.0)	(1.4)

Source: Company data

Over the last four years **Net Working Capital** has been highly influenced by the fact that the Company is in a start-up phase. Inventory increased significantly in FY 2017 to prepare for the ramp up in production in 2018. In FY 2018, a write down of inventory of Euro 0.4 m was made to reflect the potential risk of lower realizable value of certain finished products.

Investments booked in the P&L: The larger part of investments in marketing and R&D is book in the P&L as costs. Management estimate total investments over the period of approximately Euro 8 m. Total capex of the same period was of approx. Euro 3.5 m, and was almost exclusively related to increase brand awareness, and the realization of EgoCorsa for the MotoE World Cup. R&D expenses related to other models and projects were expensed in the period.

Fixed assets at year-end 2018, stood at Euro 4.1 m, represented for the larger part (Euro 2.8 m) by intangibles and in particular (Euro 1.5 m residual) the know how transferred from CRP Meccanica through the business contribution operation in 2015, with related annual amortization of Euro 0.9 m.

Net Debt at the end of FY 2018 stood at Euro 1.4 m, down from Euro 3.3 m in FY 2017 mainly thanks to the conversion of a shareholder's loan (Euro 4.1 m) to reserve for future capital increase. In 2018 EMC signed an agreement for a second convertible bond with Atlas Special Opportunities for a total of Euro 5.0 m (first bond signed in FY 2017 for Euro 4.0 m).

Eu m – ITA GAAP	FY 2018	FY 2017	FY 2016	FY 2015
Trade receivables	0.1	0.0	0.0	0.0
Inventory	4.5	4.4	2.2	0.4
Trade payables	(2.6)	(1.5)	(2.1)	(0.6)
Other current assets/liabilities	0.3	0.4	0.9	0.1
Net Working Capital (NWC)	2.3	3.4	1.0	(0.0)
Fixed net assets	4.1	5.3	6.4	4.9
Funds	(0.2)	(0.1)	(0.1)	(0.8)
Net Capital Employed	6.2	8.5	7.3	4.0
Net Financial Position (Cash)	1.4	3.3	2.9	0.9
Equity	4.8	5.2	4.4	3.1
Sources	6.2	8.5	7.3	4.0

Source: Company data

1H 2019 RESULTS

In the first half 2019 the Company recorded **Sales of Euro 1.8 m**, +57% vs. Euro 1.2 m in 1H 2018 and driven by the expansion of the sales network with 7 new commercial agreements in Europe and US. Sales in the period included Euro 0.5 m of income from sponsorship for MotoE.

Total Revenues amounted at Euro 2.9 m, +177.5% vs. Euro 1.0 m in 1H 2018, and include Euro 0.6 m insurance reimbursement for the damage caused by a fire incident after a pre-season testing in Jerez, involving race material for the Moto E. Total damage was estimated in Euro 5.1 m, and in order to be able to rapidly reconstruct the racing motorcycles destroyed, Energica signed an agreement with EnelX according to which the funds necessary will be advanced by EnelX until the future reimbursement by the insurance companies.

EBITDA of the period was negative of Euro 3.2 m compared to Euro -3.0 m in 1H 2018 and **Net Result** was negative of Euro 4.5 m (negative of Euro 3.9 m in 1H 2018).

Net Working Capital decreased significantly in the period mainly due to a non-operational debt of Euro 4.3 m (net of repayments already obtained) related to the advanced payment by Enel X. Adjusted for the above, NWC would be positive for Euro 2.0 m, in line with FY 2018 (Euro 2.3 m).

Net Cash stood at Euro 2.8 m (Euro 1.4 m in FY 2018) after cash in of Euro 1.9 m from the ABB finalized in June 2019.

Key Figures (Eu m)		1H 2019	1H 2018	FY 2018
Sales		1.8	1.2	2.2
Revenues (VoP)		2.9	1.0	2.2
	YoY	+177.5%	-41.2%	-24.6%
EBITDA		(3.2)	(3.0)	(5.5)
	margin	n.m.	n.m.	n.m.
EBIT		(4.4)	(4.0)	(7.4)
	margin	n.m.	n.m.	n.m.
Net Profit		(4.5)	(3.9)	(7.3)
Net Working Capital (NWC)		(2.3)	2.3	2.3
Fixed net assets		3.8	4.6	4.1
Funds		(0.2)	(0.2)	(0.2)
Net Capital Employed		1.9	6.7	6.2
Net Financial Position (Cash)		(2.8)	4.7	1.4
Equity		4.7	2.0	4.8
Total Source		1.9	6.7	6.2

Source: Company data

2019 OUTLOOK AND NEW STRATEGIC PLAN

The Company recently announced FY 2019 preliminary sales which reached Euro 3.3 m, +50% vs. previous year, driven primarily by the expansion of the distribution network.

Management also announced a new strategic plan which foresees increased production efficiency from higher sales volumes and the optimisation of the supply chain, and targets to reach a positive EBITDA in 2022. The plan further targets a sales growth in 2020 of 100%, based also on a very strong order book that, at the beginning of January, stood at Euro 1.4 m, representing over 40% of FY 2019 preliminary sales.

2019-2022 ESTIMATES

Although sales increased significantly in FY 2019, the Company's commercial **start-up phase is still in progress**. However, thanks to the strategic actions put in place by the Management, and the recent good news in terms of order portfolio, we basically confirm Management's targets. Other assumptions for our estimates are:

- Revenue growth at a 2018-2022 CAGR of +97%, thanks to (i) growing demand in the electric vehicles market coupled with the development of charging points infrastructure, (ii) visibility from the FIM Enel MotoE™ World Cup, and (iii) improvement of brand awareness through marketing investments and trade fairs participations.
- We have assumed a ramp-up of vehicles sold over the period to reach 1,400 units in FY 2022. We also assumed a 10% increase in sell-out price as of 2022 as we believe that the sales mix will shift towards models with higher technological content as the brand awareness increases. Finally, we have also assumed MotoE related sponsorship income for 2020-2021 of approx. Euro 1.0 m annually.
- EBITDA margin should improve thanks to the scale up of the business (operating leverage as operating costs are spread over higher sales volumes) and production efficiencies obtained from R&D. We believe that when fully operational (5,000 vehicles), the Company can reach an EBITDA margin of approx. 18%, whereas EBITDA break-even should be reached with a approx. 1,250 vehicles sold.
- Our EBITDA estimate for FY 2019 has been adjusted not to consider the Euro 0.6 m insurance reimbursement in 1H 2020.
- We have assumed Euro 8 m of capital increase in 2020, as according to our estimates, this would be the amount necessary to guarantee business continuity.
- We assume total Capex over the period of Euro 3.2 m for R&D, production efficiencies and increased capacity and maintenance.
- Working Capital should develop gradually to reach DSIs of 150, DSOs of 19 and DPOs of 155 at year end 2022.
- Net debt over the period considered will increase to meet working capital requirements as revenues increase. At year end 2022E Cash is expected at Euro 3.7 m.

MAIN FINANCIAL INDICATORS

Eu m – ITA GAAP	18A	19E	20E	21E	22E
Sales	2.2	3.2	7.9	13.1	27.5
yoy	+325%	+49%	+148%	+65%	+111%
Revenues (VoP)	2.2	6.0	12.6	17.7	32.4
yoy	-25%	+178%	+110%	+40%	+83%
EBITDA	(5.5)	(6.0)	(4.5)	(3.1)	1.9
margin	n.m.	n.m.	n.m.	n.m.	6%
EBIT	(7.4)	(8.3)	(6.5)	(4.0)	1.3
margin	n.m.	n.m.	n.m.	n.m.	4%
Pre tax profit	(7.3)	(7.8)	(6.5)	(4.1)	1.3
Net Profit	(7.3)	(7.8)	(6.5)	(4.1)	1.2

Eu m – ITA GAAP	18A	19E	20E	21E	22E
Net Working Capital (NWC)	2.3	(0.9)	(1.4)	(2.2)	(3.6)
Fixed net assets	4.1	3.0	1.9	2.1	1.6
Funds	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net Capital Employed	6.2	1.9	0.2	(0.4)	(2.4)
Net Debt	1.4	(0.1)	(3.9)	(0.5)	(3.7)
Equity	4.8	2.0	4.1	0.1	1.3
Sources	6.2	1.9	0.2	(0.4)	(2.4)

Source: Company data and IR Top estimates

ENERGICA MOTOR COMPANY ON AIM
IPO

Date: January 29th, 2016
 Capital raised: Euro 5.3 m
 Price: Euro 3.20
 Capitalisation: Euro 37.3 m

SHARES (as of January 27th, 2020)

Listing Market: AIM Italia
 Code: EMC
 Bloomberg: EMC IM
 Reuters: EMCC.MI
 ISIN: IT0005143547
 Ordinary Shares: 17,393,302
 Price: 2.30 Euro
 Performance from IPO: -28%
 Capitalisation: 39 Euro m
 Free Float: 42.20%
 Nomad e Specialist: Banca Finnat

BOND (as of January 27th, 2020)

Name	Max Size (Eu m)	Subscribed (Eu m)	Convert (Eu m)	Outstanding (Eu m)	Expiry	Rate
BOND 2017 Convertible	4.0					
First Tranche		0.8	0.8	-	03/15/2017	1%
Second Tranche		0.4	0.4	-	06/13/2017	1%
Third Tranche		0.4	0.4	-	06/13/2017	1%
Fourth Tranche		0.4	0.4	-	10/30/2017	1%
Fifth Tranche		0.4	0.4	-	10/30/2017	1%
Sixth Tranche		0.4	0.4	-	03/22/2018	1%
Seventh Tranche		0.4	0.4	-	03/22/2018	1%
Eighth Tranche		0.4	0.4	-	06/14/2018	1%
Ninth Tranche		0.4	0.4	-	06/14/2018	1%
BOND 2018 Convertible	5.0					
First Tranche		1.0	1.0	-	09/26/2018	1%
Second Tranche		1.0	1.0	-	12/03/2018	1%
Third Tranche		1.0	1.0	-	01/31/2019	1%
Fourth Tranche		1.0	1.0	-	04/01/2019	1%
Fifth Tranche		1.0	0.6	0.4	12/27/2019	1%

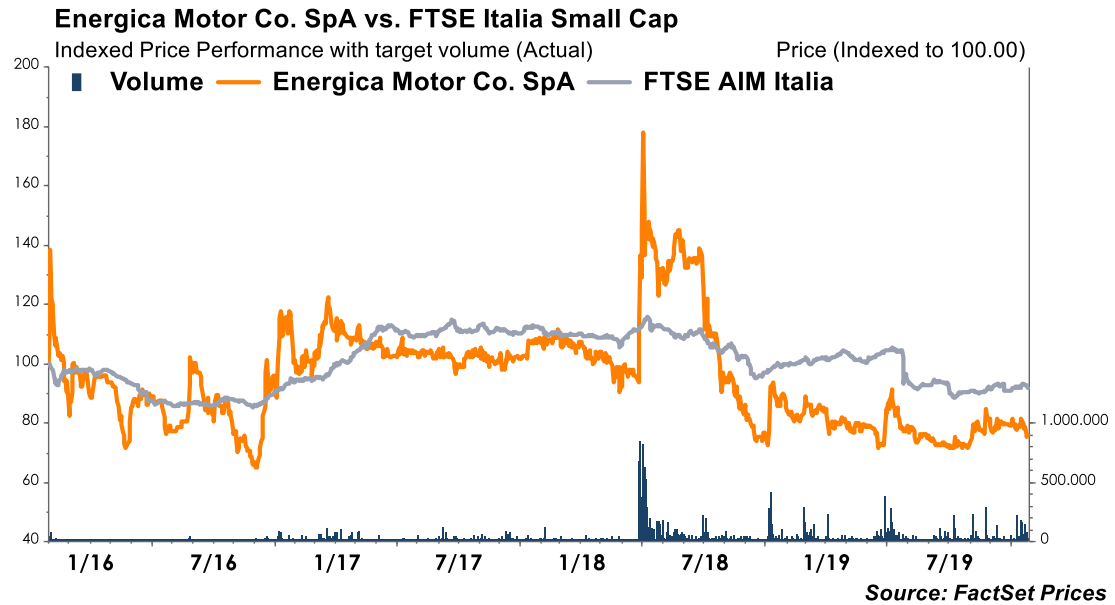
WARRANT Energica Motor Company 2016-2021 (as of January 27th, 2020)

Code: WEMC21
 ISIN: IT0005152183
 Issued Warrants: 1,128,250
 Exercise ratio: 1:1 (shares:warrants)
 Exercise Periods:

1st period: from 10/03/2016 to 10/17/2016 – Strike Price 3.52 Eu – No warrant converted
 2nd period: from 10/02/2017 to 10/16/2017 – Strike Price 3.87 Eu – No warrant converted
 3rd period: from 07/02/2018 to 07/16/2018 – Strike Price 3.15 Eu – 88,750 warrant converted
 4th period: from 10/01/2018 to 10/15/2018 – Strike Price 3.50 Eu – 2,100 warrant converted
 5th period: from 06/17/2019 to 07/01/2019 – Strike Price 4.20 Eu – No warrant converted
 6th period: from 10/01/2019 to 10/15/2019 – Strike Price 4.60 Eu – No warrant converted
 7th period: from 06/15/2020 to 06/30/2020 – Strike Price 6.00 Eu –
 8th period: from 10/01/2020 to 10/15/2020 – Strike Price 6.60 Eu –
 9th period: from 06/15/2021 to 06/30/2021 – Strike Price 8.00 Eu –
 10th period: from 10/01/2021 to 10/15/2021 – Strike Price 9.00 Eu –
 As of January 27th, 2020 outstanding warrants: n. 1,037,400

STOCK OPTION PLAN

In June 2018, the Company granted a total of 200,000 stock options in favour of the Company's management. Each option gives the right to one share at a price of Euro 2.00 p.s., for a five year period.



DISCLAIMER**UPDATES**

This Research is the first coverage made by IR Top Consulting S.r.l. (IR Top) on Energica Motor Company (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment.

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.

VALUATION METHODOLOGY (HORIZON: 12M)

IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models.

Moreover, IR Top 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

Luisa Primi, (Senior Analyst, AIAF Associated)

Chiara Cardelli, (Researcher)

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.

IR TOP CONSULTING SPECIFIC DISCLOSURES

We disclose that IR Top acts as Investor Relations and Financial Communication advisor for the Company.

IR Top S.r.l.

Via Bigli, 19 – 20121 Milan

Telephone +39 02 45473884/3

info@irtop.com

www.irtop.com