

ENERGICA MOTOR COMPANY

FY2019: Boost in revenues from the MotoE World Cup

Strong revenue growth and EBITDA overperforming estimates:

Energica Motor Company closed FY 2019 with sales of Euro 3.2 m, +47% vs. FY 2018 confirming the outlook announced in November 2019. The growth was driven in particular by MotoE sales with a total weight of c. 25% on total sales. Total revenues (PV) amounted to Euro 5.7 m, +165% vs. Euro 2.2 m in FY 2018, largely in line with our estimate (Euro 6.0 m). As typical for a start-up, EBITDA was negative of Euro 4.9 m, vs. Euro -5.5 m in FY 2018 (Euro -6.0 in our estimate). Net Result was negative of Euro 7.7 m (negative of Euro 7.7 m in FY 2108), in line with or estimate of Euro -7.8 m. Debt stood at Euro 0.3 m (Euro 1.4 m in FY 2018).

First Sustainability report: The Company – characterized by a strong vocation for sustainability – released its first ESG Report that represents the beginning of a path fully coherent and integrated with the environmental-mobility business model and strategy. The report shows how corporate management aims at creating sustainable value for its stakeholders.

Technology Leadership Energica Motor Company is the first and only manufacturer of high-performing e-motorcycles. During 2019 the Company signed two important partnerships with Omoove (to equip the motorbikes with remote connectivity) and Dell'Orto (to develop new type of power unit for small and medium size electronic vehicles).

Positive outlook with revenue growth of +100% in FY 2020. FY 2020 had a very positive start as the growth trend in order backlog mainly driven by MY2020 models already started in Q419 continued. Although, the Company was forced to halt production for almost 5 weeks as the COVID-19 pandemic hit Italy in March, order backlog continued to increase to Euro 2.9 m at the end of April, +125% compared to total sales of vehicles in 2019.

However, considering the global economic effect of the COVID-19, we have reviewed our estimates and in particular the top line in FY20 to Euro 5.7 m (+80% yoy), somewhat more conservative than management outlook (+100%). Going forward we fine-tuned sales for FY 21-22 (average of +1% vs. previous estimates) as we believe the market should recover. Overall, we estimate a 2019-2022 sales CAGR of +102% with sales reaching Euro 26.0 m in FY 2022. We expect the Company to reach breakeven at EBITDA level in FY 2022, in line with management's outlook. Considering that the commercial start-up phase is still in progress and revenues are still insufficient to cover fixed costs, we assume the full subscription and conversion of the Euro 7m recently signed POC.

Sector: Manufacturing

Market Price (Euro)	1.93
Market Cap (Euro m)	35.1
EV (Euro m)	37.4
<i>(Factset – September 1st, 2020)</i>	

Share Data

Market	AIM Italia
Bloomberg	EMC IM
ISIN	IT0005143547
N. of Shares	18,198,630
Free Float	44.85%
Main Shareholder	CRP Meccanica (48.18%)
CEO	Livia Cevolini

Aim Positioning

FY 2019	Company	AIM Sector	AIM Italia
Revenues (Euro m)	3	96	45
Revenues Yoy	47%	10%	17%
EBITDA Margin	n.m.	12%	15%
ND/EBITDA (x)	n.m.	2.0	2.1

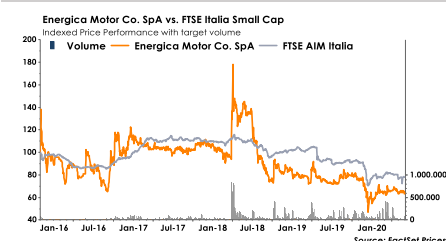
Market Data	Company	AIM Sector	AIM Italia
Mkt Cap. (Euro m)	35	61	45
Perf. YTD (%)	-20%	-21%	-12%
Free Float (%)	45%	28%	33%
ADIT YTD (Euro k)	94	45	74

Performance

	1M	3M	1Y
Absolute	0.52%	-2.28%	-16.09%
Relative (TSE AIM Italia)	-2.73%	-5.82%	-17.57%
52-week High/Low (Euro)	2.62		1.42

IR TOP RESEARCH

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Key Figures (Euro m)	Sales	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	3.2	+47%	(4.9)	n.m.	(7.6)	n.m.	(7.7)	0.3
2020E	5.7	+80%	(3.9)	n.m.	(6.1)	n.m.	(6.1)	1.6
2021E	14.2	+150%	(3.6)	n.m.	(5.2)	n.m.	(5.2)	2.9
2022E	26.0	+83%	2.6	9%	1.7	6%	1.7	2.6

KEY FIGURES

Profit&Loss Statement	2018A	2019A	2020E	2021E	2022E
Revenues	2.3	5.7	7.0	18.2	29.0
EBITDA	(5.4)	(4.9)	(3.9)	(3.6)	2.6
EBIT	(7.3)	(7.6)	(6.1)	(5.2)	1.7
Financial Income (charges)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	(7.3)	(7.7)	(6.1)	(5.2)	1.7
Taxes	0.0	0.0	0.0	0.0	(0.1)
Net profit (loss)	(7.3)	(7.7)	(6.1)	(5.2)	1.6

Balance Sheet					
Net working capital (NWC)	2.3	(1.4)	0.2	0.0	1.0
Net fixed assets	4.1	4.0	2.6	2.4	2.6
M/L Funds	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)
Net Capital Employed	6.2	2.3	2.5	2.1	3.4
Net Debt	1.4	0.3	1.6	2.9	2.6
Equity	4.8	2.1	0.9	(0.8)	0.8

Cash Flow					
EBIT	(7.3)	(7.6)	(6.1)	(5.2)	1.7
D&A	1.9	2.8	2.2	1.6	0.9
Tax	0.0	0.0	0.0	0.0	(0.1)
Change in M/L Funds	0.1	0.0	(0.0)	0.0	0.0
Gross Cash Flow	(5.3)	(4.8)	(3.9)	(3.6)	2.6
Change in NWC	1.1	3.6	(1.5)	0.1	(1.0)
Operating Cash Flow	(4.1)	(1.2)	(5.4)	(3.5)	1.5
Capex	(0.8)	(2.6)	(0.9)	(1.4)	(1.2)
Change in other non-current asset	(0.0)	(0.0)	0.0	0.0	0.0
Financial Income (charges)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
Free Cash Flow	(4.9)	(3.9)	(6.4)	(4.8)	0.4
Dividend	0.0	0.0	0.0	0.0	0.0
Change in Equity	6.8	5.0	5.0	3.5	0.0
Change in Net debt	1.9	1.1	(1.4)	(1.3)	0.4

Per Share Data					
Current Price	1.93				
Total shares out (mn)	18.2				
EPS	(0.38)	(0.40)	(0.32)	(0.27)	0.08
DPS	0.0	0.0	0.0	0.0	0.0
FCF	(0.3)	(0.2)	(0.3)	(0.3)	0.0
Pay out ratio	0%	0%	0%	0%	0%

Ratios					
EBITDA margin	n.s.	n.s.	n.s.	n.s.	9.0%
EBIT margin	n.s.	n.s.	n.s.	n.s.	5.8%
Net Debt/Equity	29.5%	12.9%	175.1%	-359.9%	336.3%
Net Debt/(Net Debt + Equity)	22.8%	11.4%	63.7%	138.5%	77.1%
Net Debt/EBITDA	n.s.	n.s.	n.s.	n.s.	0.99
Interest cover EBIT	n.s.	n.s.	n.s.	n.s.	111.21
ROE	-152.4%	-373.6%	-663.3%	641.4%	206.1%
ROCE	-117.6%	-327.2%	-240.5%	-246.0%	51.5%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	0.9%

Growth Rates					
Revenues	-20%	150%	22%	161%	59%
EBITDA	-44%	9%	20%	6%	171%
EBIT	-31%	-5%	20%	15%	132%
Net Profit	-25%	-6%	20%	15%	130%

FY 2019 RESULTS

For Energica Motorcompany, FY 2019 was characterized by a set of significant events:

- the start of the first MotoE world championship
- the launch of MY2020 models, an upgrade of current models to increase performance in technological content
- the international expansion of the commercial network: n. 53 dealers at the end of 2019, +15 vs. year end 2018. At the end of May 2020 the total number of dealers was 65.
- Continuous growth in sales volumes: +47% vs. 2018, and 4 times sales in FY 2017

More in detail, Energica closed FY 2019 with **sales** of Euro 3.2 m, +47% vs. FY 2018, in line with our estimates of Euro 3.2 m, and confirming Management's outlook announced in November 2019. Growth was mainly driven by the MotoE related sales accounting for c. 25% of total sales. With 96% of sales realized abroad, the Group confirmed its international calling.

Total revenues (PV) stood at Euro 5.7 m, +165% vs. Euro 2.2 m in FY 2018, largely in line with our estimate (Euro 6.0 m). Revenues include (i) 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 MotoE and (ii) the change in inventories for Euro 1.5 m due to a strong growth in order book over the last month of the year.

As typical for companies still in the start-up phase, **EBITDA** was negative for Euro -4.9 m vs. Euro -5.5 m in FY 2018. Compared to our estimates of Euro -6.0 m, EBITDA overperformed mainly thanks to the above-mentioned insurance reimbursement. **Net Result** was negative for Euro 7.7 m, in line with previous year (Euro -7.3 m) and our estimate (Euro -7.8 m).

At year end 2019, Net Working Capital was negative of c. 1.4 m, after a significant decrease vs. FY 2018 (Euro 2.3 m), mainly due to a non-operational debt of Euro 4.1 m related to the advanced payment by EnelX for the damage caused by the fire accident in Jerez. Adjusted for the above, NWC would have been positive for c. Euro 2.7 m, substantially in line with FY 2018.

Net Debt stood at Euro 0.3 m vs. Euro 1.4 m in FY 2018 and Net Cash of Euro 2.8 m in 1H 19. The increase vs. 1H 19 was in part due to investments necessary to restore damaged material from the fire incident in Jerez.

INNOVATION AND R&D

2019 year was also characterized by innovation and intense R&D activity.

Technological partnership

In March 2019 Energica signed a partnership with **Omoove**, a company specialized in Intelligent Mobility and fully owned by Octo Telematics group, the leading global provider of telematics solutions and data analysis for the automotive insurance sector. Thanks to the partnership, Energica will be equipped with remote connectivity, adding Bluetooth technology to the local short range connectivity.

In July 2019 Energica signed an agreement with **Dell'Orto** 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). Dell'Orto is a historic manufacturer of electronic fuel injection systems. This project has the goal of offering technologically-advanced solutions to the major manufacturers operating in the motorcycle market, by combining Energica unique know-how in the electric motorization with Dell'Orto's design skills in injection systems.

Product evolution

Thanks to continuous innovation and investments in R&D, the Company has introduced disruptive evolutions on the MY2020 motorcycle range for the electric two-wheel sector: 21.5 kWh power unit, with 60% more autonomy (up to 400 km), torque increased by 10% and 5% less weight. The Company participated in EICMA 2019 by previewing the new products.

Strong focus on Sustainability

The Company released its first 2019 ESG Report. It represents the beginning of a path fully coherent and integrated with the environmental-mobility business model and strategy. The report shows how corporate management aims at creating sustainable value for its stakeholders. The sustainability report adopts GRI Sustainability Reporting Standards, currently the most widespread and recognised non-financial information reporting standard at international. The key issues of the report are summarized below.

Innovation	Quality & Safety	Supply Chain	Environment	Human Resources
R&D is the core activity	Compliance with the safety of products and services	80% Italian origin components	2.057 GJ of energy consumption	46 employees of which 17 female and 17 under 30
3 patents	Compliance with marketing communications	Italian suppliers less 100 km from headquarters	1.239 Kg of special waste – of which 98% recovery	None serious work accidents

Source: IR Top Consulting elaboration on Company data

Energica Motor Company is a worldwide leader in the high-performing e-motorcycles market. The Energica motorcycles, on top of the technical advantages in terms of performance and technological offer, also contribute to the goal of a more sustainable form of transportation, with regards to zero harmful emissions and noise pollution.

Energica also promotes sustainability in the workplace through:

- welfare system;
- support to young employment;
- equal opportunity and gender diversity;
- training courses for employees.

OUTLOOK

FY 2020 had a very positive start as the growth trend in order backlog mainly driven by MY2020 models already started in Q419 continued. Although, the Company was forced to halt production for almost 5 weeks as the COVID-19 pandemic hit Italy in March, order backlog continued to increase to Euro 2.9 m at the end of April, +125% compared to total sales of vehicles in 2019, and of which 41% was related to the US market hence confirming the Company's international expansion path.

In May 2020, Management confirmed revenue and EBITDA targets as of guidelines released in mid-January: revenues +100% vs. 2019 and EBITDA break-even in 2022 thanks to increased sales volumes and the optimisation of the supply chain.

To support the plan, the Company signed an agreement with Negma Group in April 2020 for the subscription of a capital increase of Euro 500 k and a convertible bond cum warrant, for Euro 4 m extensible up to Euro 7 m. The POC previously in place with Atlas Special Opportunities was entirely converted (last tranches in February 2020).

2020-2022 ESTIMATES

Considering the global economic effect of the COVID-19, we reviewed our estimates and in particular the top line in FY20 to Euro 5.7 m, +80% yoy (Euro 7.9 m previously), adopting a somewhat more conservative approach compared to Management's outlook (+100%).

However, in line with the outlook, we expect the Company to reach breakeven at EBITDA level in FY 2022. Considering that the commercial start-up phase is still in progress and revenues are still

insufficient to cover fixed costs, we assume the full subscription and conversion of the Negma POC (Euro 7 m) over the period considere.

Our new forecast provides FY20 estimated sales of Euro 5.7 m, +80% vs. FY 2019 (-28% vs. our previous estimates). Going forward we fine-tuned sales for FY 21-22 (average of +1% vs. previous estimates) as we believe the market should recover. Overall, we estimate a 2019-2022 sales CAGR of +102% with sales reaching Euro 26.0 m in FY 2022. These numbers assume a 10% increase in sell-out price as we believe that the sales mix will shift towards models with higher technological content as the brand awareness increases and MotoE related sponsorship income for 2020-2021 of approx. Euro 1 m annually.

Looking at the rest of the Profit&Loss statement we believe that the Company will reach breakeven at EBITDA level in 2022 when EBITDA estimated to be positive of Euro 2.6 m (9.0% EBITDA margin), +36% vs our previous estimates due to the higher sales volumes.

Working Capital should develop gradually to reach DSIs of 150, DSOs of 35 and DPOs of 125 at year end 2022 as the Company will have concluded its commercial start-up phase. Prudently we have kept the debt vs EnelX unchanged, without therefore assuming any collection for insurance reimbursements. We assume total Capex over the period of Euro 3.4 m for R&D, production efficiencies and increased capacity and maintenance. Net debt over the period considered will increase to meet working capital requirements as revenues increase. At year end 2022 Net Debt is expected at Euro 2.6 m.

Total Equity at year end 2020 include the conversion of Euro 1.0 of the last tranche of the Atlas POC (February 2020) and the Euro 0.5 m capital increase of Negma (May 2020) and the assumption of conversion of Euro 3.5 m of the Negma POC.

The Company's commercial stat-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 beak-even. Based on this, our estimates assume the full subscription and conversion of the Negma POC over the period. In any event CRP Meccanica (majority shareholder) has committed to continue to financially sustain the Company, should equity injection be necessary in order to guarantee business continuity at least year-end 2020.

MAIN FINANCIAL INDICATORS

Euro m – ITA GAAP	19A	Old 20E	New 20E	Old 21E	New 21E	Old 22E	New 22E
Sales	3.2	7.9	5.7	13.1	14.2	27.5	26.0
yoy	+47%	+148%	+80%	+65%	+150%	+111%	+83%
Revenues (VoP)	5.7	12.6	7.0	17.7	18.2	32.4	29.0
yoy	+165%	+110%	+22%	+40%	+161%	+83%	+59%
EBITDA	(4.9)	(4.5)	(3.9)	(3.1)	(3.6)	1.9	2.6
margin	n.m.	n.m.	n.m.	n.m.	n.m.	6%	9%
EBIT	(7.6)	(6.5)	(6.1)	(4.0)	(5.2)	1.3	1.7
margin	n.m.	n.m.	n.m.	n.m.	n.m.	4%	6%
Pre tax profit	(7.7)	(6.5)	(6.1)	(4.1)	(5.2)	1.3	1.7
Net Profit	(7.7)	(6.5)	(6.1)	(4.1)	(5.2)	1.2	1.6

Euro m – ITA GAAP	19A	Old 20E	New 20E	Old 21E	New 21E	Old 22E	New 22E
Net Working Capital (NWC)	(1.4)	(1.4)	0.2	(2.2)	0.0	(3.6)	1.0
Fixed net assets	4.0	1.9	2.6	2.1	2.4	1.6	2.6
Funds	(0.3)	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net Capital Employed	2.3	0.2	2.5	(0.4)	2.1	(2.4)	3.4
Net Debt	0.3	(3.9)	1.6	(0.5)	2.9	(3.7)	2.6
Equity	2.1	4.1	0.9	0.1	(0.8)	1.3	0.8
Sources	2.3	0.2	2.5	(0.4)	2.1	(2.4)	3.4

Source: Company data for FY 2019 and IR Top estimates for 2020-2022

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 September 1st, 2020)

Listing Market: AIM Italia
 Code: EMC
 Bloomberg: EMC IM
 Reuters: EMCC.MI
 ISIN: IT0005143547
 Ordinary Shares: 18,198,630
 Price: 1.93 Euro
 Performance from IPO: -40%
 Capitalisation: 36 Euro m
 Free Float: 44.85%
 Nomad e Specialist: Banca Finnat Euramerica SpA

BOND (as of September 2nd, 2020)

Name	Max Size (Eu m)	Subscribed (Eu m)	Convert (Eu m)	Outstanding (Eu m)	Expiry	Rate
BOND 2017 Convertible	4.0		Fully converted			
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		Fully converted			
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	1.0	-	02/20/2020	1%
BOND 2020 Convertible cum warrant	7.0					
First Tranche		0.5	-	0.5	12 months	-
Second Tranche		-	-	-	12 months	-
Third Tranche		-	-	-	12 months	-
Fourth Tranche		-	-	-	12 months	-
Fifth Tranche		-	-	-	12 months	-
Sixth Tranche		-	-	-	12 months	-
Seventh Tranche		-	-	-	12 months	-
Eighth Tranche		-	-	-	12 months	-
Ninth Tranche		-	-	-	12 months	-
Tenth Tranche		-	-	-	12 months	-
Eleventh Tranche		-	-	-	12 months	-
Twelfth Tranche		-	-	-	12 months	-
Thirteenth Tranche		-	-	-	12 months	-
Fourteenth Tranche		-	-	-	12 months	-

WARRANT Energica Motor Company 2016-2021 (as of September 2nd, 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 – No warrant converted

 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 September 2nd, 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.

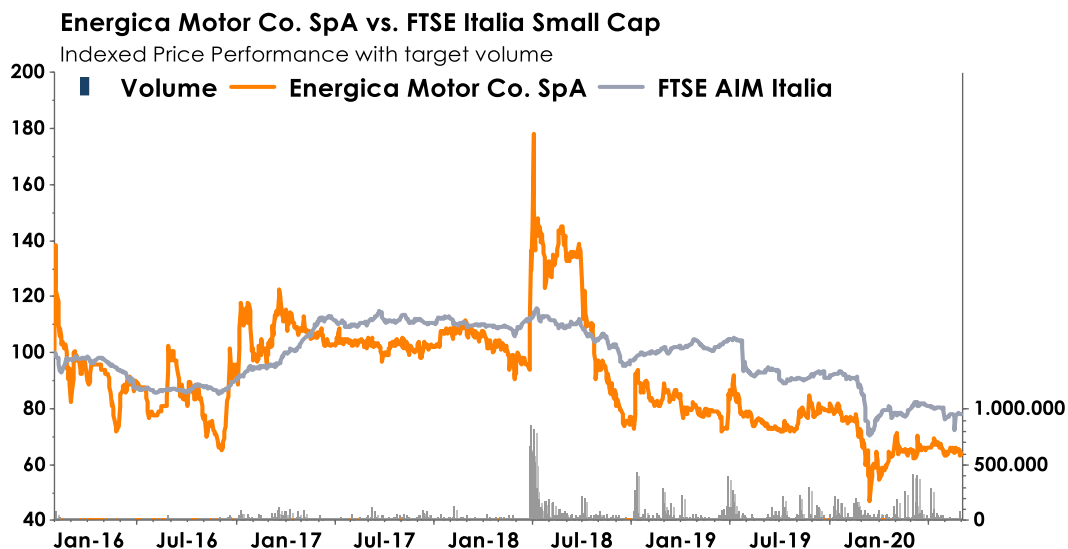
OWNERSHIP

The main shareholder of EMC is CRP Meccanica which holds overall 48.18% of outstanding shares. The share capital subscribed and paid up is Euro 181,986.30, made up by n. 18,198,630 ordinary shares.

Free float is 44.85%.

Shareholder*	n. of shares	%
CRP Meccanica	8,769,000	48.18%
Maison SA	880,000	4.84%
CRP Tecnology	187,500	1.03%
Testoni Giampiero	100,000	0.55%
Vezzani Andrea	100,000	0.55%
Market	8,162,130	44.85%
Total	18,198,630	100.00%

Source: Company data as of September 2nd, 2020



ENERGICA MOTOR COMPANY IN BRIEF

COMPANY PROFILE

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 45 employees EMC recorded FY2019 sales of Euro 3.2 m, +47% vs. FY 2018 and of which approx. 96% was realized in export markets.

INNOVATION

EMC continues to invest in R&D 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.
- **Supply Unit.** 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.
- **eABS:** The eABS mounted on the Energica motorcycle verifies the presence of friction conditions and, in case of slippery conditions, limits the maximum regeneration torque.

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.

STRATEGY

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

OPPORTUNITIES

- Leading position in growing market
- High entry barriers
- Exclusive manufacturer for MotoE World Cup
- Strong Know How and Innovation
- 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 performance motorbikes

MAIN RISKS

- Financial resource still needed
- Financial breakdown
- Growth can be only organic: as Energica works in a market niche with few industrial players, there are no possible target for an acquisition
- 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

DISCLAIMER

UPDATES: This Research is an update 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. Last Research on the same Company was released on January 28th 2020. 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
September 2 nd , 2020	U.R.	1.93	12 months
January 28 th , 2020	U.R.	2.30	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. 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

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