

# ENERGICA MOTOR COMPANY

## Voluntary Tender Offer on Group's Share Capital

**Recently announced tender offer.** Energica Motor Company (EMC), innovative SME and global leader in the high-performing electric motorcycles niche market, has recently announced that its major shareholders and founders CRP Meccanica, Maison ER & Cie, CRP Technology, Andrea Vezzani and Giampiero Testoni and EMC have entered into a framework agreement with Ideanomics related to the launch, by Ideanomics, of a voluntary tender offer on 100% of the company's ordinary shares at a price of EUR 3.20/share. Following the conclusion of the tender offer, Ideanomics should increase its ownership stake in EMC from 20% to approximately 70%. The offer is expected to be promoted in October 2021 and will be aimed at having EMC's shares delisted from trading on AIM Italy. Ideanomics is a US company (Nasdaq-listed) that facilitates the adoption of commercial electric vehicles and supports next-generation financial services and fintech products. We recall that it had already entered the group's share capital with a 20% stake following the subscription of a tranche of a capital increase.

**1H21 Results.** Net sales stood at Euro 3.4 m, +54% yoy growth (vs Euro 2.2 m in 1H20): despite the global issues related to the procurement of materials, transport times and the various lockdowns imposed on dealers in different areas of the world, the group was able to continue its activity regularly and to significantly increase orders. The commercial start-up phase of the Company is still ongoing and although 1H21 showed a significant improvement, at current volumes revenues are not yet sufficient to cover fixed costs, hence EBITDA was negative of Euro 3.4 m, worsening yoy (Euro 2.7 m in 1H20) due to investments in new workforce, in view of the increase in orders, and to an increase in expenses for technical consultancy and technical investments. After D&As of Euro 0.6 m (Euro 1.3 m in 1H20), EBIT stood at Euro -3.9 m and net result was negative for Euro 4.0 m, both in line with last year results. Net cash was Euro 6.9 m, improving vs. the net debt of Euro 1.6 m posted at FY20: at the beginning of March 2021, EMC successfully completed a EUR 14.9M capital increase with the entry of Ideanomics as a strategic investor in the group's share capital, with a stake of 20%.

**EMC continued its investment plan.** The objective for EMC Company is to reduce production costs by 2% starting from the 1H21 and reaching a saving of 19% by the end of the second half: the Company aims at an improvement on average production cost of 8% in 2021 and more than 20% in 2022. The plan envisages total investments of approximately € 2.2 million, of which € 1.9 million will be allocated to Research and Development: indeed, on April 19, the Company was awarded the Emilia Romagna Regional Authority's tender that will finance investment of over Euro 0.8 m in research and development. Lastly, as part of the E-Power project together with Dell'Orto, EMC signed an agreement with Reinova with the aim of continuing and strengthening E-Power's modular approach by further expanding its range, and its technical support and development capacity to OEMs.

**Estimates and conclusions.** Given all the above, our outlook for the Company remains positive as we believe that efforts to strengthen its leadership in the high-performance e-motorcycle market coupled with the goal of progressively improving financials. Apart from that, investors are now more focused, for sure, on the development linked to the tender offer than on financials.

Consequently, while awaiting the results of the deal, we decided to leave unchanged our FY21-23 expectations forecasts.

## Sector: Manufacturing

Market Price (Euro)	3.17
Market Cap (Euro m)	97
EV (Euro m)	99
As of October 17 <sup>th</sup> 2021	

### Share Data

Market	AIM Italia
Reuters/Bloomberg	EMC IM
ISIN	IT0005143547
N. of Shares	30,640,982
Free Float	36.25%
Main Shareholder	CRP Meccanica
CEO	Livia Cevolini

### Financials

	2020A	2021E	2022E	2023E
<b>Sales</b>	<b>6.0</b>	<b>12.0</b>	<b>24.0</b>	<b>32.5</b>
YoY %	+91%	+98%	+101%	+35%
<b>Revenues</b>	<b>6.7</b>	<b>14.8</b>	<b>32.2</b>	<b>41.5</b>
YoY %	+18%	+121%	+117%	+29%
<b>EBITDA</b>	<b>(4.4)</b>	<b>(3.8)</b>	<b>1.9</b>	<b>4.1</b>
EBITDA %	n.m.	n.m.	6%	10%
<b>EBIT</b>	<b>(6.2)</b>	<b>(5.0)</b>	<b>0.1</b>	<b>2.0</b>
EBIT %	n.m.	n.m.	0.5%	5%
<b>Net Income</b>	<b>(6.3)</b>	<b>(5.1)</b>	<b>0.1</b>	<b>1.5</b>
<b>Net Debt (Cash)</b>	<b>1.6</b>	<b>(7.5)</b>	<b>(4.3)</b>	<b>(3.6)</b>

### Performance

	1M	3M	6M
Absolute	+3.3%	-0.6%	+
Relative (FTSE AIM Italia)	+11%	+3%	+
52-week High/Low (Eu)	3.34		1.37

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**KEY FINANCIALS**

<b>Profit&amp;Loss Statement</b>	<b>2015A</b>	<b>2016A</b>	<b>2017A</b>	<b>2018A</b>	<b>2019A</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
Revenues	0.8	2.5	2.9	2.3	5.7	6.7	14.8	32.2	41.5
EBITDA	(1.0)	(3.5)	(3.7)	(5.4)	(4.9)	(4.4)	(3.8)	1.9	4.1
EBIT	(1.6)	(5.1)	(5.5)	(7.3)	(7.6)	(6.2)	(5.0)	0.1	2.0
Financial Income (charges)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.2)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	(1.6)	(4.9)	(5.8)	(7.3)	(7.7)	(6.3)	(5.1)	0.1	2.0
Taxes	0.2	0.9	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.5)
Net profit (loss)	(1.4)	(4.0)	(5.8)	(7.3)	(7.7)	(6.3)	(5.1)	0.1	1.5
<b>Balance Sheet</b>									
Net working capital (NWC)	(0.0)	1.0	3.4	2.3	(1.4)	(1.9)	(3.0)	(1.3)	0.5
Net fixed assets	4.9	6.4	5.3	4.1	4.0	3.4	4.9	6.5	6.9
M/L Funds	(0.8)	(0.1)	(0.1)	(0.2)	(0.3)	(0.3)	(0.4)	(0.5)	(0.5)
Net Capital Employed	4.0	7.3	8.5	6.2	2.3	1.2	1.5	4.7	6.9
Net Debt	0.9	2.9	3.3	1.4	0.3	1.6	(7.5)	(4.3)	(3.6)
Equity	3.1	4.4	5.2	4.8	2.1	(0.5)	8.9	9.0	10.5
<b>Cash Flow</b>									
EBIT	(1.6)	(5.1)	(5.5)	(7.3)	(7.6)	(6.2)	(5.0)	0.1	2.0
D&A	0.5	1.5	1.8	1.9	2.8	1.8	1.3	1.8	2.2
Tax	0.2	0.9	0.0	0.0	0.0	0.0	0.0	(0.0)	(0.5)
Change in M/L Funds	0.8	(0.7)	0.0	0.1	0.0	0.1	0.1	0.1	0.0
Gross Cash Flow	(0.0)	(3.4)	(3.7)	(5.3)	(4.8)	(4.3)	(3.7)	1.9	3.7
Change in NWC	0.0	(1.0)	(2.4)	1.1	3.6	0.6	1.1	(1.7)	(1.7)
Operating Cash Flow	0.0	(4.4)	(6.0)	(4.1)	(1.2)	(3.8)	(2.6)	0.2	1.9
Capex	(5.4)	(3.0)	(0.7)	(0.8)	(2.6)	(1.3)	(2.7)	(3.4)	(2.6)
Change in other non-current asset	(0.0)	0.1	(0.2)	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Financial Income (charges)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.2)	(0.0)	(0.0)	(0.0)
Free Cash Flow	(5.4)	(7.3)	(7.0)	(4.9)	(3.9)	(5.2)	(5.3)	(3.2)	(0.7)
Dividend	0.0	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	3.8	14.5	0.0	0.0
Change in Net debt	(0.9)	(2.0)	(0.4)	1.9	1.1	(1.4)	9.1	(3.2)	(0.7)
<b>Per Share Data</b>									
<b>Current Price</b>	<b>3.18</b>								
Total shares out fully diluted (mn)	30.6								
EPS	(0.05)	(0.13)	(0.19)	(0.24)	(0.25)	(0.21)	(0.17)	0.00	0.05
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.1)	(0.0)
Pay out ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Ratios</b>									
EBITDA margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	5.8%	10.0%
EBIT margin	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	0.3%	4.7%
Net Debt/Equity	27.0%	65.6%	63.2%	29.5%	12.9%	-345.2%	-83.7%	-47.3%	-34.5%
Net Debt/(Net Debt + Equity)	21.3%	39.6%	38.7%	22.8%	11.4%	140.8%	-512.9%	-89.9%	-52.7%
Net Debt/EBITDA	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	-2.28	-0.87
Interest cover EBIT	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	5.78	131.21
ROE	-45.5%	-91.2%	-	-	-	1330.3%	-56.6%	0.8%	14.0%
ROCE	-43.7%	-81.6%	-65.1%	117.6%	327.2%	-528.6%	-346.0%	1.9%	35.8%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Growth Rates</b>									
Revenues		233%	13%	-20%	150%	18%	121%	117%	29%
EBITDA		-241%	-5%	-44%	9%	10%	14%	150%	121%
EBIT		-221%	-9%	-31%	-5%	19%	18%	102%	2169%
Net Profit		-181%	-45%	-25%	-6%	18%	20%	101%	2043%

Source: Consolidated Group data for FY 2017-2020, IR TOP Research estimates for FY 2021-2023

**ENERGICA MOTOR COMPANY**

Energica Motor Company is an innovative SME and market leader in the production and commercialization of Made in Italy high-performance electric motorcycles. EMC was officially founded in 2014 as a spin-off of CRP Group (an Italian group with over 50 years of experience in the world of F1 and more than 20 years of experience in Additive Manufacturing and computer numerical control machining), which started the project in 2010 with the aim of creating the first high-powered electric motorcycles. Today 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 and high-performing motorcycles:

- **EGO+**: the first Italian high-performing electric sport bike, with a power of 107 kW, maximum speed of up to 240 km/h, torque of 215 Nm, fast charge on board and reaching 0-100 km/h in 2.6 seconds (in its RS version)
- **EVA Ribelle**: the streetfighter model, with a power of 107 kW, maximum speed of up to 200 km/h, torque of 215 Nm and fast charge capabilities, reaching 0-100 km/h in 2.6 seconds (in its RS version)
- **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 of up to 200 km/h, torque of 200 Nm, fast charge and reaching 0-100 km/h in 2.8 seconds (in its RS version)

All models are equipped with Fast Charge facilities (0-80% in 40 min), eABS systems 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 the US. In December 2019, the Company introduced new MY2020 models, which have significantly driven FY20 revenues and led to a positive impact on EMC's order book. Renewed models for MY2021, including the "RS" and "Kit Corsa Clienti" versions, have been announced at the Moto.it Festival in November 2020.

The Company has been very active in searching partnerships to develop innovative technological projects and this led to new agreements with:

- **Dell'Orto**: the two companies are developing E-Power, an innovative power unit for urban electric mobility capable to cover power ranges from 2.5 to a peak of 15 kW, with performances that equal a range from 50 to 125cc of traditional engines
- **Cellularline-Alascom**: collaboration for an innovative AI project aimed at developing a communication protocol between the Energica riders and Cellularline-Interphone products through the Alascom app
- **Total Lubrificants**: international partnership, according to which Total becomes industrial partner and official sponsor of Energica, providing lubricants and related products for all of Energica's motorcycles. In May 2021, the two companies inaugurated eleven 22kW charging stations (the first to be installed by Total in Italy), at the Energica headquarter, further affirming their commitment toward the transition to electric-powered vehicles

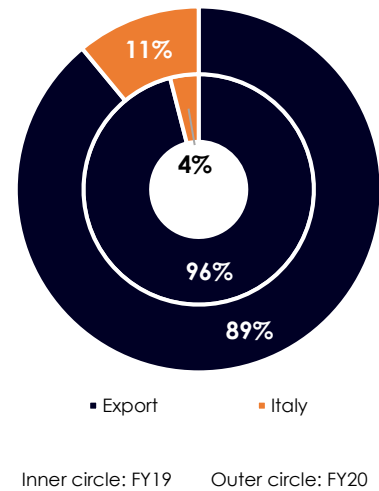
Finally, during 2020 Energica strengthened its production line by developing a new area for the in-house assembly of batteries. This project, sponsored by Sonic Equipment, makes EMC one of the very few companies which covers the entire battery design and production process.

EMC is headquartered in the Italian "Motor Valley", near Modena and operates in a 32,000 square foot factory. At the end of FY20, EMC counted 58 employees, a sales network of 72 dealers distributed across the globe, two service centres and a new showroom in Munich, Germany.

**LISTING ON AIM ITALIA AND CAPITAL RAISED**

EMC listed on the AIM Italia market in January 2016 by raising Euro 5.3 m aimed at starting production lines. Since the Company has successfully collected an additional Euro 36.9 m through the placement of convertible bonds, conversion of shareholders' loans and capital increases. The most recent concluded in Q121, for a total amount of Euro 14.9 m raised through the issuance of no. 8,374,325 new shares at a price of Euro 1.78 p.s. Of the total capital increase, Euro 10.9 m was the result of the signing of an investment agreement with Ideanomics, a company listed on Nasdaq and specialized in facilitating the adoption of commercial electric vehicles and development of next generation Fintech products, which obtained a 20% stake of the Company's shares. In our view, on the one hand this confirms the attractiveness for international investors of the Company's technologies and products, and on the other should allow the Company to benefit from Ideanomics' global network of companies focused on emerging sustainable tech to further boast growth. The remaining part of the capital was provided through the conversion of reserves by the founding shareholders for Euro 1.5 m and for Euro 2.5 by other investors.

**Sales breakdown by geography**



**GROWTH STRATEGIES**

EMC's Management has outlined a clear strategy to unlock the next phase of growth:

<p style="text-align: center; background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"><b>SALES NETWORK</b></p> <ul style="list-style-type: none"> <li>Selective extension of sales network</li> <li>Financial schemes to support dealers and distributors</li> <li>E-commerce</li> </ul>	<p style="text-align: center; background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"><b>OPERATIONS</b></p> <ul style="list-style-type: none"> <li>Automation of production lines to support sales and drive cost efficiency for battery assembly, also to be sold to third parties</li> <li>IT and tooling investments for logistics and supply chain to reduce BOM and grow margin</li> <li>New warehouse</li> <li>Investment plan for a total of Euro 2.2 m (of which Euro 1.9 m in R&amp;D) to optimise production, technology and performance of vehicles</li> </ul>
<p style="text-align: center; background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"><b>R&amp;D</b></p> <ul style="list-style-type: none"> <li>Competitive advantage through R&amp;D on core technology to keep leading the way across various market</li> <li>MotoE as driver for product innovation</li> <li>Continuous improvement of manufacturing technology to decrease bill of materials cost and grow margins</li> </ul>	<p style="text-align: center; background-color: #e67e22; color: white; padding: 5px; margin-bottom: 10px;"><b>ECOSYSTEM</b></p> <ul style="list-style-type: none"> <li>CRM, customers engagement, social media</li> <li>Strategic partnerships with companies engaged in the development of smart and green technology for electric vehicles</li> </ul>

**ESG – SUSTAINABLE CORE BUSINESS**

The Company presented its first sustainability report in March 2019. The report highlights the Company's sustainable mission aiming at innovation. Report snapshots:

Innovation, technology, R&D	
Number of patents	3
Quality and safety	
Incidents of non-compliance concerning impacts on the safety of products and services	None
Cases of non-compliance regarding marketing communications	None
Supply chain and relationships with local territory	
Made in Italy components – incidence on total components used	80%
Italian suppliers situated at less than 100 km from Energica's headquarter	42%
Environment	
Energy consumption (GJ)	2,057
Special waste (Kg) – 98% of which regenerative	1,239
Human Capital	
Number of employees	46
Number of female employees	17
Number of employees with age below 30	17
Major on-the-job accidents	None

**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. Energica registered a patent for this technology, which has recently been approved also in China
- 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.

**OPPORTUNITIES** **MAIN RISKS**

- Exclusive manufacturer for MotoE World Cup to create brand awareness and visibility
  - Leading position in growing market
  - High entry barriers due to high R&D requirements
  - Strong Know How and Innovation
  - Sustainable core business to benefit from greater attention to climate change
- Competitiveness risk: if EMC does not fully exploit its competitive advantage, the Company may incur in the risk of market entry by big players of the motorbikes industry, with new products that could take advantage of a stronger commercial network, quickly diluting EMC's market share
  - Execution risk of the industrial plan and further delays in the development of infrastructure of charging points

**BOARD OF DIRECTORS**

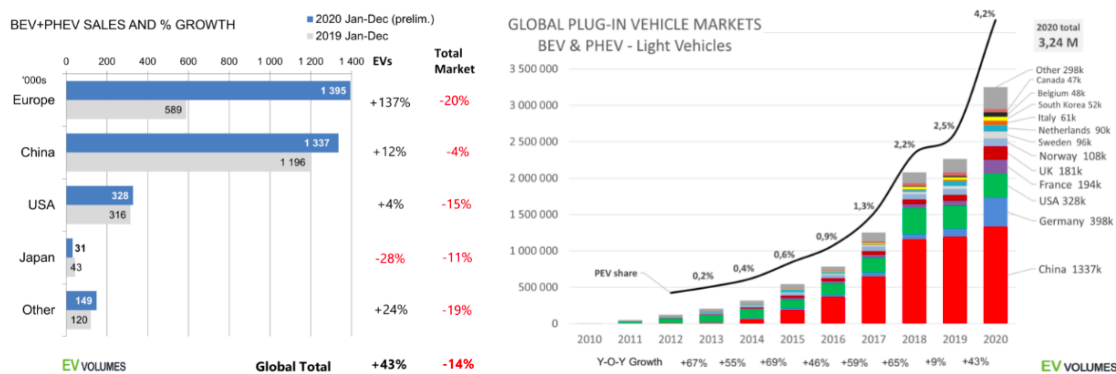
- **Franco Cevolini** - Chairman
- **Livia Cevolini** - CEO
- **Andrea Vezzani** - CFO
- **Giampiero Testoni** – CTO
- **Gian Carlo Minardi** – Independent Director

**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**.

Despite being characterized by an unprecedented economic downturn during the first COVID-19 wave, 2020 has been a turnaround year for the Electric Vehicles (EV) market. New attractive models, incentive boosts by green recovery funds, regulations promoting the shift towards a more sustainable mobility model and an intense promotional activity of EVs led to an impressive boost in sales across the globe. According to EV-volumes.com, global combined sales for Battery Electric Vehicles (BEVs) and Plug-In Hybrid Electric Vehicles (PHEVs) should reach 3.24 m units, compared to 2.26 m units in 2019.

**Global BEV & PHEV Market Overview**



Source: EV-volumes.com

Europe showed the highest level of growth, with nearly 1.4 m BEVs and PHEVs registered during 2020, 137% more than in 2019 despite a vehicle market that was down by 20% yoy. This also led to an increase in terms of EVs market share for Europe, which went up from 3.3% in 2019 to 10.2% in 2020 (including EFTA countries and UK).

Growth outside Europe was slower, but still significant, with sales going up by 12% in the Chinese market, by 4% in the US and varying widely in the rest of the world. The only significant slowdown has been registered in Japan (-28% yoy), with minor declines in Canada and Australia as well.

Expectations about Energica's reference market segment are quite positive: according to Technavio (*High-performance Electric Motorcycle Market by Type and Geography - Forecast and Analysis 2021-2025*), the High-Performance Electric Motorcycle Market has the potential to grow by 23,600 units in the 2021-2025 period, boosting a CAGR of +28% during the period with a 43% contribution attributable to Europe. In 2021 alone, this segment is estimated to grow by +15%.

**Sales breakdown – Euro m**

	1H21	%	1H20	%	1H19	%
Italy	1.6	76%	0.76	74%	0.76	58%
Export	0.5	24%	0.27	26%	0.54	42%
<b>Total sales</b>	<b>2.1</b>	<b>100%</b>	<b>1.03</b>	<b>100%</b>	<b>1.30</b>	<b>100%</b>

Source: IR Top elaboration on Group data

**Key Financials – Euro m**

Income Statement	1H21	1H20	1H19	Balance Sheet	1H21	1H20	1H19
Sales	3.4	2.2	1.8	Net Working Capital	(1.1)	(1.7)	(2.3)
<b>Revenues</b>	<b>6.1</b>	<b>2.6</b>	<b>2.8</b>	Fixed Net Assets	4.5	3.0	3.8
<b>EBITDA</b>	<b>(3.4)</b>	<b>(2.7)</b>	<b>(3.2)</b>	Funds	(0.4)	(0.3)	(0.2)
EBIT	(4.0)	(4.0)	(4.4)	<b>Net Capital Employed</b>	<b>3.1</b>	<b>1.0</b>	<b>1.4</b>
Pre-tax Profit	(4.0)	(4.0)	(4.5)	Net Debt (Cash)	(6.8)	0.6	(2.8)
<b>Net Profit</b>	<b>(4.0)</b>	<b>(4.0)</b>	<b>(4.5)</b>	Equity	9.9	0.4	4.2
				<b>Sources</b>	<b>3.1</b>	<b>1.0</b>	<b>1.4</b>

Source: Consolidated Group Data

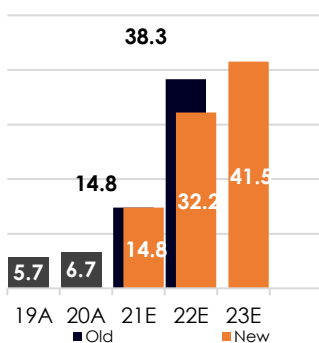
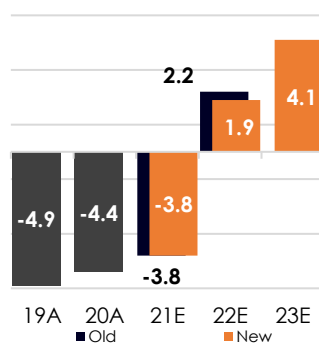
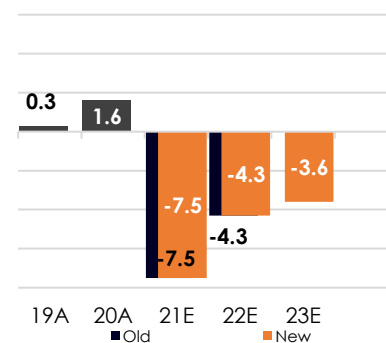
**Estimates Revision – Euro m**

We adjusted our FY21 revenue growth target to factor in a Covid-19 related delay in the general economic recovery, now assuming Euro 14.8 m. We also adjusted financials to include the new capital structure. In line with Management guidance, we expect break-even in FY22. We also added FY23 to our explicit time horizon. Other assumptions to our estimates:

- FY20-23 revenue CAGR of +75%,
- Break even in FY22 with an EBITDA margin of c. 6%, and approx. 1,200 units sold. Progressive increase in profitability in FY23 as the Company can leverage on higher sales volumes.
- NWC improvement as the Company will be able to shift from a negative value for Euro 1.9 m in FY20 to a value of Euro 0.5 m in FY23

Income Statement	20A	21E Old	21E New	Δ %	22E Old	22E New	Δ %	23E New
<b>Sales</b>	<b>6.0</b>	<b>12.0</b>	<b>12.0</b>	-%	<b>28.4</b>	<b>24.0</b>	-15%	<b>32.4</b>
yoy	+91%	+98%	+98%	-	+137%	+101%	-	+35%
<b>Revenues</b>	<b>6.7</b>	<b>14.8</b>	<b>14.8</b>	-%	<b>38.3</b>	<b>32.2</b>	-16%	<b>41.5</b>
yoy	+18%	+121%	+121%	-	+158%	+117%	-	+29%
<b>EBITDA</b>	<b>(4.4)</b>	<b>(3.8)</b>	<b>(3.8)</b>	%	<b>2.2</b>	<b>1.9</b>	-14%	<b>4.1</b>
margin	n.m.	n.m.	n.m.	-	6%	6%	-	10%
<b>EBIT</b>	<b>(6.2)</b>	<b>(5.0)</b>	<b>(5.0)</b>	-%	<b>0.4</b>	<b>0.1</b>	-75%	<b>2.0</b>
margin	n.m.	n.m.	n.m.	-	1%	0.3%	-	5%
<b>Pre-tax Profit</b>	<b>(6.3)</b>	<b>(5.1)</b>	<b>(5.1)</b>	-%	<b>0.4</b>	<b>0.1</b>	-75%	<b>2.0</b>
<b>Net Profit</b>	<b>(6.3)</b>	<b>(5.1)</b>	<b>(5.1)</b>	-%	<b>0.4</b>	<b>0.1</b>	-75%	<b>1.5</b>

Balance Sheet	20A	21E Old	21E New	Δ %	22E Old	22E New	Δ %	23E New
Net Working Capital (NWC)	(1.9)	(3.0)	(3.0)	n.m.	(1.0)	(1.3)	+30%	0.5
Fixed net assets	3.4	4.9	4.9	n.m.	6.5	6.5	n.m.	6.9
Funds	(0.3)	(0.4)	(0.4)	n.m.	(0.5)	(0.5)	n.m.	(0.5)
<b>Net Capital Employed</b>	<b>1.2</b>	<b>1.5</b>	<b>1.5</b>	n.m.	<b>5.0</b>	<b>4.7</b>	-6%	<b>6.9</b>
Net Debt (Cash)	1.6	(7.5)	(7.5)	n.m.	(4.3)	(4.3)	n.m.	(3.6)
Equity	(0.5)	8.9	8.9	n.m.	9.3	9.0	-3%	10.5
<b>Sources</b>	<b>1.2</b>	<b>1.5</b>	<b>1.5</b>	n.m.	<b>5.0</b>	<b>4.7</b>	-6%	<b>6.9</b>

**Revenues Revision – Euro m**

**EBITDA Revision – Euro m**

**Net Debt Revision – Euro m**


Source: Consolidated Group data for FY 2020, IR TOP Research estimates for FY 2021-2023

**INDUSTRY COMPARISON**

**Electric Vehicles Manufacturers:** average data for six companies involved in the development and production of Electric Vehicles: Tesla (TSLA-US), Polaris (PII-US), Li Auto (LI-US), Nikola (NKLA-US), BYD (1211-HK), Askoll EVA (EVA-IT).

**Motorcycle Manufacturers:** average data for six companies involved in the production of motorcycles: Piaggio, Harley, Honda, Suzuki, Yamaha, Pieper Mobility.

	EMC	Electric Vehicles Manufacturers	Motorcycle Manufacturers
<b>Sales</b>	<b>14.0</b>	<b>13,724</b>	<b>27,529</b>
Yoy growth	+91%	+47%	+2%
<b>EBITDA</b>	<b>(4)</b>	<b>2,045</b>	<b>2,580</b>
EBITDA %	n.m.	7%	14%
<b>EBIT</b>	<b>(5)</b>	<b>922</b>	<b>1,642</b>
EBIT %	n.m.	5%	6%
<b>Earnings</b>	<b>(5)</b>	<b>983</b>	<b>1,327</b>
Earnings %	n.m.	7%	5%
<b>Net Debt/EBITDA</b>	<b>n.m.</b>	<b>x</b>	<b>x</b>
Market Cap	97.13	142,275	12,730
EV/Sales 22E	3.0x	7.4x	0.9x
EV/EBITDA 22E	40.8x	62.8x	6.4x
P/E 22E	318.0x	187.5x	10.8x
Stock performance 1M	-1%	+7.1%	0%
3M	+7%	+5.9%	+2%
6M	+19%	+18.3%	+2%
YTD	+37%	+97.3%	+34.4%
1Y	+103%	+34.4%	+44%

Source: Company filings for FY20. IR TOP Research est. for EMC's FY22 fundamentals. Factset for Market/Industry data as of October 17<sup>th</sup>, 2021



**ENERGICA MOTOR COMPANY ON AIM**
**IPO**

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

**SHARES (as of October 14<sup>th</sup>, 2021)**

Listing Market: AIM Italia  
 Code: EMC  
 Bloomberg: EMC IM  
 Reuters: EMCC.MI  
 ISIN: IT0005143547  
 Ordinary Shares: 30,640,982  
 Price: Euro 3.17  
 Performance from IPO: -1%  
 Capitalisation: Euro 97.13 m  
 Free Float: 36.25%  
 Nomad e Specialist: Banca Finnat Euramerica SpA

**BOND (as of October 14<sup>th</sup>, 2021)**

Name	Max Size (Euro m)	Subscribed (Euro m)	Convert (Euro m)	Outstanding (Euro m)	Expiry	Rate
<b>BOND 2020 Conv. cum warrant</b>	7.0					
First Tranche		0.5	0.5	-	12 months	-
Second Tranche		0.5	0.5	-	12 months	-
Third Tranche		0.5	0.5	-	12 months	-
Fourth Tranche		0.5	0.5	-	12 months	-
Fifth Tranche		0.5	0.5	-	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 October 14<sup>th</sup>, 2021)**

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

Period	from	to	Strike Price (Euro)	Converted (n. of Warrant)
First	10/03/2016	10/17/2016	3.52	-
Second	10/02/2017	10/16/2017	3.87	-
Third	07/02/2018	07/16/2018	3.15	88,750
Fourth	10/01/2018	10/15/2018	3.50	2,100
Fifth	06/17/2019	07/01/2019	4.20	-
Sixth	10/01/2019	10/15/2019	4.60	-
Seventh	06/15/2020	06/30/2020	6.00	-
Eighth	10/01/2020	10/15/2020	6.60	-
Ninth	06/15/2021	06/30/2021	8.00	-
Tenth	10/01/2021	10/15/2021	9.00	-

As of October 17<sup>th</sup>, 2021 outstanding warrant: n. 1,037,400



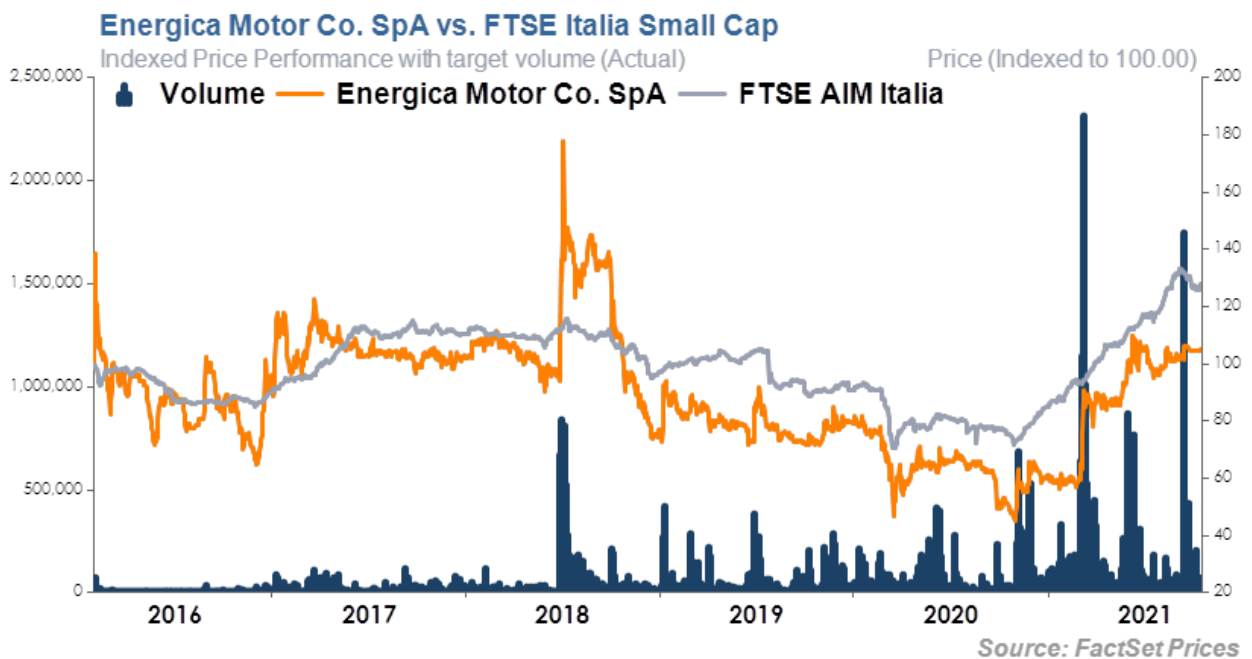
**Ownership**

The main shareholder of EMC is CRP Meccanica which holds overall 33.40% of outstanding shares. The share capital subscribed and paid up is Euro 306,409.82 made up by n. 30,640,982 ordinary shares. Free float is 36.25%.

Shareholder	n. of shares	%
CRP Meccanica	10.232.834	33,40%
Market	11.107.505	36,25%
Ideanomics Inc	6.128.703	20,00%
Maison Sa	880.000	2,87%
CRP Technology	2.091.940	6,83%
Testoni Giampiero	100.000	0,33%
Vezzani Andrea	100.000	0,33%
<b>Total</b>	<b>30,640,982</b>	<b>100%</b>

Source: Group data

**Stock Performance**



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During the last 12 months, the following indications have been disseminated:

	Target Price	Market Price	Validity Time
October 17 <sup>th</sup> , 2021	U.R.	3.17	12 months
May 13 <sup>th</sup> , 2021	U.R.	2.60	12 months
October 19 <sup>th</sup> , 2020	U.R.	1.55	12 months
September 2 <sup>nd</sup> , 2020	U.R.	1.93	12 months
January 28 <sup>th</sup> , 2020	U.R.	2.30	12 months

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Edoardo Fumagalli (Analyst)

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