

Company Note

MID CORPORATE

eVISO

Betting on a Strong Top-Line Growth

After a positive 2021 (sales up yoy 58% and EBITDA up 41%), eVISO is now in front of a new market scenario that, in our view, could generate attractive opportunities to rapidly gain market share, even if the current market conditions, coupled with the strong growth of resellers division, should put some pressure on margins. For 2022-23E, we raise our sales forecasts but reduce our EBITDA estimates.

2H21 results

Revenues grew strongly in 2H21 coming in at EUR 45.4M or 15% above our expectations, lifted by new clients and the sharp increase of the electricity prices in May and June. EBITDA grew by nearly 70% yoy, with a margin of 4.8% and, as expected, it was below 6.0% of 2H20, due to the different sales mix (resellers generate a lower gross profit compared to direct clients). Net profit in the full year reached EUR 1.3M (+14% vs. 2020) and eVISO announced a DPS of EUR 0.016/share.

Outlook and estimates

The electricity market is changing rapidly, with sky-rocketing energy prices and the end of the supply of energy at prices governed by "greater protection" expected in 2023. This new scenario is giving eVISO new opportunities to gain market share and therefore, the company is focusing on a fast growth of the top line, also at the expense of a reduction in margins. Our new estimates point to a faster top-line growth (a 35% CAGR up to 2024E) but with a lower EBITDA margin. Still, we forecast a net profit CAGR of 47% up to 2024E. Net financial position is expected to worsen in 2021/22E, due to the NWC absorption and higher security deposits but to rapidly recover in 2023E and 2024E.

Valuation

Following our estimates revision, **we reduce our target price to EUR 3.1/share (from EUR 3.3/share)**. Our target price is obtained as the average of a DCF valuation (WACC 6.7%, g 1%), an EVA valuation and a multiples valuation based on a sample of AI and energy companies. **We confirm our BUY rating.**

**Note:** Intesa Sanpaolo took over equity coverage of **eVISO** on 12/4/2021; the ISP-UBI Equity Ratings Reconciliation Table and the archive of ex-UBI's previously published research reports are available at the following link:  
<https://group.intesasanpaolo.com/it/research/equity---credit-research/equity>

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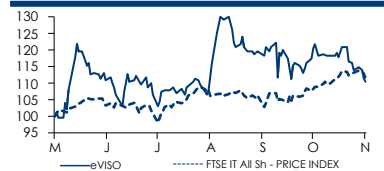
BUY

Target Price: EUR 3.1  
 (from EUR 3.3)

Italy/Energy  
 Update

EGM (ex-AIM)

Price Performance  
 (RIC: EVS.MI, BB: EVS IM)



eVISO - Key Data

Price date (market close)	19/11/2021
Target price (EUR)	3.1
Target upside (%)	22.05
Market price (EUR)	2.54
Market cap (EUR M)	62.41
52Wk range (EUR)	NA/NA

Price performance %	1M	3M	12M
Absolute	-8.3	2.4	NA
Rel. to FTSE IT All Sh	-11.3	-2.5	NA

Y/E Jun (EUR M)	20/21A	21/22E	22/23E
Revenues	75.71	139.1	162.5
EBITDA	3.32	4.68	5.93
EBIT	2.11	3.38	4.32
Net income	1.33	2.23	3.14
EPS (EUR)	0.05	0.09	0.13
Net debt/-cash	-3.04	13.61	-0.81
Adj P/E (x)	42.5	28.0	20.0
EV/EBITDA (x)	16.0	16.3	10.4
EV/EBIT (x)	25.2	22.6	14.3
Div ord yield (%)	0.7	0.9	1.3

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.

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## Investment Case

eVISO is an innovative company, which invented a new paradigm to collect, cluster and analyse Big Data. This new paradigm is based on an automated proprietary AI platform, which allows to analyse automatically billions of data in order to elaborate forecasts to be applied on both demand and supply sides, optimising volume and pricing through algorithmic trading. The platform has been applied since 2013 to the Electricity market with solid sales and profitability growth.

We believe there are several key factors that could drive the share price performance:

- **Disruptive AI technology with high entry barriers:** the AI platform created by eVISO not only has one of the highest accuracy rates in the market, according to management, but presents a substantial entry barrier as its algorithms (>100) have been trained for years, significantly reducing the timing to execute analysis and enhance the accuracy of forecasted data. This unique characteristic is difficult to replicate and gives eVISO a competitive advantage of around 36 months, according to management. The company also reiterated that currently there is not any player utilising an automated trading platform based on AI. This is confirmed by the number of the bids on the electricity markets: while eVISO is bidding every second (for a total of >1.2M trading bids executed in 2021), other players are bidding every few minutes (Sorgenia, the second player in terms of monthly offers in intraday electricity market, executed 24,397 bids per month). In our view, this is a significant competitive advantage, with a gap to other players which is progressively widening;
- **Control of the entire data value chain:** eVISO is one the few players in the Electricity market able to control the entire data value chain from the collection of billions of data to the elaboration of reliable forecasts, the orders execution and the pricing & billings. In our view, this is a significant advantage, which makes eVISO able to extract more value, as it has higher profitability compared to peers;
- **Solid fundamentals:** eVISO not only showed a solid revenues and profitability growth in the past three years (a 31% CAGR in 2019-21 of both the value of production and EBITDA) but has reported a positive bottom line in the past five years. The company was cash positive even before the EUR 8M cash injection stemming from the listing and presents a negative operating net working capital, which has led to a capital turnover of 4.5x in 2021. The cost structure is lean with a limited weighting of fixed costs (5.6% of value of production on average in the past three years) and, according to management, this rate will decrease in the coming years due to AI platform's and business' scalability;
- **New opportunities:** the AI paradigm developed by eVISO is applicable to all physical commodities that have significant volumes, stable markets but still with space for more efficiency (e.g. by reducing transaction costs in general and inherent transaction risks) and a high price-volatility. In other words, eVISO's proprietary AI platform has been conceived scalable since its inception and therefore the company is entering the gas sector (where it could also exploit cross-selling synergies) and apple markets, scaling-up the business. Other opportunities should be the extension to other food commodities (wheat, soybean), the launch of an AI platform dedicated to gold, silver and palladium, and the exploitation of eVISO's billings overcapacity, which could be used for incumbent players but also as a check of the electricity bills of end-users, which are supplied by other players;

**An innovative AI platform...**

**...applied to the electricity market to extract higher margins**

**Full control of the value chain**

**Lean cost structure and robust balance sheet**

**Diversification in other commodities**

- **Ready for a new energy market:** the electricity market is deeply changing, with a recent price hike (energy price, or PUN, has surpassed EUR 200 per MWh compared with an average of EUR 66.9 per MWh in 1H21), lower dispatching and tax costs announced by the government, and the end of the supply of energy at prices governed by "greater protection" expected in 2023, which should involve 16M users. In our view, this new scenario should offer attractive growth opportunities for eVISO, which could rapidly gain market share, thanks to the efficiency of its AI platform, its strong financial solidity compared to other players and its sale business model based on a variable price (PUN) plus a spread, while several competitors of eVISO are suffering, as they sell electricity at a fixed price (for example in October, Green Network, a distributor with >EUR 2Bn sales and 330k clients, has stopped the energy supplying). In other words, the increase of electricity prices coupled with the possible exit of several players from the market represent a unique opportunity for eVISO to grow rapidly and for this reason the company is focusing on gaining new clients, also at the expense of a reduction in margins in the short term.

**The new market scenario offers attractive growth opportunities**

In a nutshell, we believe eVISO is ready to face the evolution of the electricity market, relying on its innovative proprietary platform, while the upcoming new businesses should increase its size and profitability. The company is exposed to some risks; these are mostly related to the low visibility on the entrance into new commodity markets, the strong dependence from few key people and the company's limited commercial network.

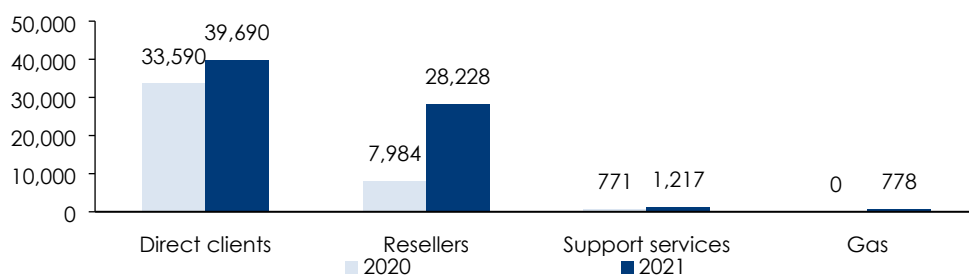
## 2H21 Results

Overall, 2H21 results were above our expectations as for sales but below our estimates as for EBIT and net result. In detail:

■ **Value of production up 110% yoy in 2H21.** As expected, revenues grew strongly in 2H21, coming in at EUR 45.4M or 15% above our expectations, due to the sharp increase of the electricity prices in May and June (PUN was at EUR 60/MWh in January and EUR 84/MWh in June). Direct clients' sales reached EUR 20.2M in 2H21, in line, or 45% of consolidated sales, with an increase of 45%, while Resellers topped EUR 20.1M in 2H21, 5 times the revenues of 2H20. Gas sector, still in a start-up phase, reached 542 clients. In the full year (we recall June20-June21), revenues reached EUR 75.7M, up 58% yoy, characterised by lower energy consumption, particularly from October 2020 and April 2021, with >95,000 PODs (+214%) and 416GWh of energy supplied (+53%);

**Strong sales growth**

### eVISO – Revenues breakdown (EUR k)



Source: Company data

### eVISO – Results for Direct clients and Resellers divisions

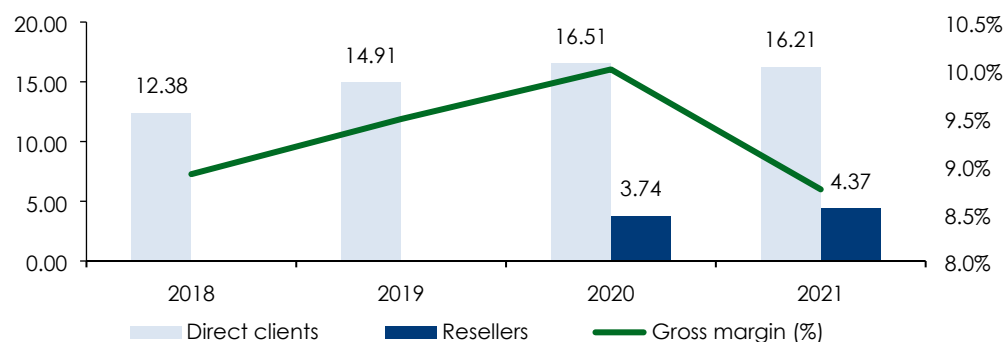
EUR M, MWh, %	1H20A	1H21A	% chg	2H20A	2H21A	% chg	2020A	2021A	% chg
<b>Sales direct clients</b>	<b>19.7</b>	<b>19.4</b>	<b>-1.2</b>	<b>13.9</b>	<b>20.3</b>	<b>45.5</b>	<b>33.6</b>	<b>39.7</b>	<b>18.2</b>
MWh	118,290	122,009	3.1	96,300	114,510	18.9	214,590	236,519	10.2
POD	11,248	14,093	25.3	13,536	16,552	22.3	13,536	16,552	22.3
MWh per POD	10.52	8.66	-17.7	7.11	6.92	-2.8	15.85	14.29	-9.9
Gross profit	1.79	1.86	3.6	1.75	1.98	12.9	3.54	3.83	8.2
% margin	9.1	9.6		12.6	9.8		10.5	9.7	
<b>Sales resellers</b>	<b>4.0</b>	<b>8.1</b>	<b>100.8</b>	<b>4.0</b>	<b>20.1</b>	<b>409.6</b>	<b>8.0</b>	<b>28.2</b>	<b>253.6</b>
MWh	25,936	57,362	121.2	31,274	122,855	292.8	57,210	180,217	215.0
POD	8,558	13,317	55.6	16,867	78,470	365.2	16,867	78,470	365.2
MWh per POD	3.03	4.31	42.1	1.85	1.57	-15.6	3.39	2.30	-32.3
Gross profit	0.09	0.23	144.6	0.12	0.56	359.8	0.21	0.79	267.3
% margin	2.3	2.8		3.1	2.8		2.7	2.8	

A: actual; Source: Company data and Intesa Sanpaolo Research elaboration on company data

■ Based on our calculations, the consolidated gross profit (not disclosed by eVISO) increased to EUR 6.7M (from EUR 4.9M), with some margin erosion (8.7% vs. 10.0% in FY20), caused by the increasing weight of resellers, which deserves a lower gross margin compared with direct clients. Still, we highlight that the company was able to increase the gross profit per MWh for the reseller division (from EUR 3.74 to EUR 4.37, or +16.8%), a clear indication of the efficiency improvement of its proprietary AI platform;

**Some gross margin erosion (expected) due to a different product mix**

### eVISO – Gross profit per MWh and consolidated gross margin



A: actual; Source: Company data and Intesa Sanpaolo Research elaboration

■ **EBITDA broadly in line:** EBITDA grew by nearly 70% yoy in 2H21, with a margin of 4.8%, compared with our estimate of 5.6% and, as expected, it was below 6% of 2H20, due to the different sales mix (resellers generate a lower gross profit compared to direct clients). In the full year, EBITDA reached EUR 3.3M with a 4.4% margin, corresponding to nearly 50% of gross profit (48.4% in 2020A);

**EBITDA margin at 4.8% in 2H21**

■ **Bottom line penalised by higher D&A and financial costs** After higher-than-expected D&A costs (EUR 0.7M vs. our EUR 0.5M), EBIT reached EUR 1.5M in 2H21 with a margin of 3.2%. eVISO also reported financial charges above expectations (EUR 0.3M), leading to a net profit of EUR 1.1M, 15% below our estimate;

**Net profit penalised by high D&A and financial charges**

■ **Balance sheet:** at June 2021, fixed assets were EUR 17.5M, divided into EUR 2.1M of tangible assets, EUR 10.6M of intangible assets, strongly up vs. June-20 (EUR 1.2M), due to revaluation of the eVISO brand (for EUR 8.0M which also increased net equity) and EUR 4.9M of financial assets (investments in associates and security deposits). We recall that according to the new regulation in place from Jan-21, the credit rating can still replace the guarantees to distributors, however, the incremental component of the previous 6 months (on a rolling basis) is now excluded from this rule and therefore eVISO is subject to security deposits that reached EUR 4.5M at June-21. The operating working capital was negative (55 days receivables and 60 days payables were reported in 2021 with no inventory), leading to an invested capital (EUR 17.0M in June-21) with a capital turnover of 4.5x and 14.0% ROI;

**A solid balance sheet**

■ **Net cash at EUR 3.0M**, compared with EUR 6.9M at Dec-20, thus implying a cash absorption of nearly EUR 4M in the past six months, which was mostly due to the increase of security deposit of >EUR 4M for institutional due to higher volumes and energy prices coupled with regulatory changes. Excluding security deposits, net cash would have reached EUR 7.5M vs. EUR 0.5M at June-20. Capex reached EUR 12.9M, of which EUR 8.0M represented by the revaluation of the brand (a non-cash item);

■ **DPS at EUR 0.016**, which implies a yield of 0.7% at the current market price with a pay-out ratio at 30%.

## eVISO – 2H21/2021 results

EUR M	2H20A	2H21A	2H21E	2H A/E %	2H yoy %	2020A	2021A	2021E	2021 A/E %	yoy %
Value of production	21.6	45.4	39.5	14.8	109.8	47.8	75.7	70.6	7.2	58.4
EBITDA	1.3	2.2	2.2	-2.1	69.6	2.4	3.3	3.4	-1.4	41.3
Margin (%)	6.0	4.8	5.6			4.9	4.4	4.8		
EBIT	1.2	1.5	1.7	-14.2	25.7	1.7	2.1	2.4	-10.2	27.2
Margin (%)	5.4	3.2	4.3			3.5	2.8	3.4		
Pre tax	1.1	1.4	1.7	-16.5	23.1	1.6	1.8	2.0	-13.4	12.7
Net Result	0.8	1.1	1.3	-15.3	29.4	1.2	1.3	1.5	-12.7	14.4
Net debt/-cash	0.0	-3.0	-4.9	-38.0	NM	0.0	-3.0	-4.9	-38.0	NM

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## eVISO – 2021 Key indicators



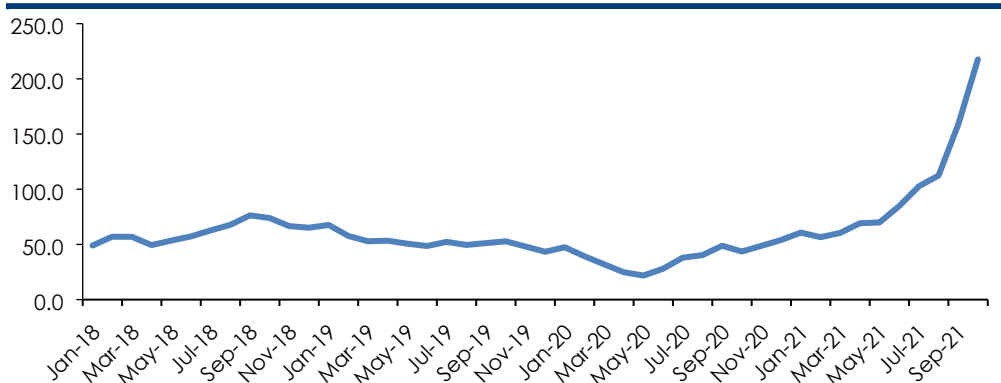
Source: Company data

## Earnings Outlook

eVISO did not supply any specific guidance for 2022 but highlighted that the strong increase of energy prices should not significantly impact profitability, as eVISO sells electricity based on a variable price (PUN) plus a spread. In other words, the increase of electricity prices should have a positive impact on revenues, leaving broadly unchanged EBITDA while several competitors of eVISO should suffer, as they sell electricity at a fixed price. In addition, the sharp increase of security deposits linked to the increase of electricity prices could squeeze part of eVISO competitors out of the market, giving eVISO an attractive opportunity to gain new clients.

**We believe the sharp increase of the energy price could be an opportunity for eVISO**

### eVISO – Historical PUN evolution (EUR/MWh)



Source: GME

As a result, we believe 2022 represents a unique opportunity to gain market share and eVISO's strategy points in this direction. This strategy could reduce the EBITDA margin in the short term, mostly due to the higher weighting of resellers and higher commercial and marketing costs. This said, we believe it is important to look at the gross profit per MWh, particularly for the resellers' division, which is the fastest growing activity.

We recall that eVISO has adopted Italian accounting standards but the gaps with IFRS are limited, according to management, being mostly related to rents. We also highlight that the financial year ends at 30 June.

2022 should be an unusual year, with high energy prices (we estimate an average PUN of EUR 116.4 per MWh vs. EUR 56.2 in 2021) but lower distribution and dispatching costs (-20% based on our estimates). We estimate a delivery of 590.8 GWh in 2022 with an increase of 41.8% vs. 2021E, leading to a value of production of EUR 141.5M vs. EUR 98.7M expected previously, with an increase of 85% compared with 2021. Even if gross profit per MWh is expected to increase for resellers (from EUR 4.37 to EUR 4.89) and remaining stable for direct clients (EUR 16.21), we believe that the different business mix and growing commercial cost should limit the EBITDA growth to around 41%, thus implying an EBITDA margin of 3.4% vs. 5.7% of our previous estimate.

**2022: an unusual year, with high electricity prices but lower dispatching and distribution costs**

While eVISO margins may seem relatively low (also because they incorporate the pass-through of some sort of fixed costs, like distribution/dispatching, etc.), there is a significant dispersion in the per-client margin. By focusing on those clusters that boast higher margins and by adding more and more services to the product offer, eVISO could improve its profitability more than what the usual "economies of scale" concept would imply.

**eVISO - Direct Clients division sales and gross margin forecasts**

EUR, EUR M, GWh, %	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2020-23 CAGR %
Clients (POD)		9,759	13,536	16,552	17,380	19,118	20,073	6.6
GWh per POD		20.778	15.853	14.289	14.432	15.154	15.912	
Total GWh delivered	A	202.77	214.59	236.52	250.83	289.71	319.40	10.5
% change		19.4	5.8	10.2	6.1	15.5	10.3	
Price per MWh	B	172.22	156.53	167.81	208.89	208.03	211.71	
<b>Revenues</b>	<b>AxB</b>	<b>34.92</b>	<b>33.59</b>	<b>39.69</b>	<b>52.39</b>	<b>60.27</b>	<b>67.62</b>	<b>19.4</b>
Gross profit per MWh	C	14.91	16.51	16.21	16.21	16.53	16.86	
<b>Gross profit</b>	<b>AxC</b>	<b>3.02</b>	<b>3.54</b>	<b>3.83</b>	<b>4.07</b>	<b>4.79</b>	<b>5.39</b>	<b>12.0</b>
Gross margin %		8.7	10.5	9.7	7.8	7.9	8.0	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

**eVISO - Resellers division sales and gross margin forecasts**

EUR, EUR M, GWh	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2020-23 CAGR %
Clients (POD)		5,638	16,867	78,470	141,667	170,255	187,281	116.1
MWh per POD		1.050	3.392	2.297	2.400	2.400	2.400	
Total GWh delivered	A	5.92	57.21	180.22	340.00	408.61	449.47	92.6
% change		-	866.4	215.0	88.7	20.2	10.0	
Price per MWh	B	179.0	139.6	156.6	197.6	196.8	200.5	
<b>Revenues</b>	<b>AxB</b>	<b>1.06</b>	<b>7.98</b>	<b>28.23</b>	<b>67.17</b>	<b>80.41</b>	<b>90.12</b>	<b>116.0</b>
Gross profit per MWh	C	4.23	3.74	4.36	4.89	5.29	5.66	
<b>Gross profit</b>	<b>AxC</b>	<b>0.03</b>	<b>0.21</b>	<b>0.79</b>	<b>1.66</b>	<b>2.16</b>	<b>2.54</b>	<b>116.1</b>
Gross margin %		2.4	2.7	2.8	2.5	2.7	2.8	

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

For the gas division, we assume that eVISO should continue to approach its existing direct clients in electricity. Considering that this new business has just started with 542 clients under contract at June-21, we believe it would take time to saturate this client portfolio. We estimate that 3,000 clients could sign a contract this year, 5,000 in 2023 and 8,000 in 2024. Taking into account that the average bill could be around EUR 900 per client, we estimate that the gas division could contribute to consolidated turnover for EUR 1.6M in 2022E, rapidly growing to EUR 6.4M in 2024E. The gross margin should be slightly above the margin of the electricity division but should rise along with the development of the AI platform reaching 12% in 2023E.

Below the EBITDA line, we expect EUR 1.3M of D&A, leading to an EBIT of EUR 3.4M in 2022E, which, after EUR 0.4M of financial charges and a tax rate of 25%, should result in a net profit of EUR 2.2M.

eVISO has structurally a negative operating working capital (-2.1% of value of production in the past three years), as the company has no inventory and collects the electricity billing generally within 30 days, while trade payables are around 40 days. However, 2022 should be different as the reduction of dispatching costs, which are generally paid in 60 days coupled with the increase of the pure energy costs, paid on a monthly basis, should change the scenario. Therefore, we expect a significant cash absorption in 2022 coming from the working capital. In addition, we expect a significant increase of the security deposits on the back of rising volumes and higher prices (we recall that regulation has changed since Jan-21). Altogether, we expect net financial position to move from a net cash of EUR 3.0M at June-21 to a net debt of EUR 13.6M at June-22E.

As for 2023 and 2024, we expect a gradual normalisation of the electricity market, with PUN going down to EUR 96.5 per MWh in 2023E, while distribution and dispatching costs should go back to the usual level (around EUR 96 per MWh). Top line should be driven by the penetration of new clients, particularly electricity resellers, and by the entrance into new commodity markets (apple, wheat), exploiting the AI capabilities, while profitability should increase thanks to eVISO operating leverage and new markets'

**New market conditions should change the working capital trend**

**Gradual normalisation of the electricity market in 2023-24 and new business opportunities**



higher profitability than energy. In particular, given the strong increase of eVISO's billing capacity from 200k bills per month to 36M bills per month, the company should offer its billing services to other energy players. In detail, billings overcapacity (eVISO is currently billing less than 60,000 bills per month) could be used for incumbent players but also as a check of the electricity bills of end-users, which are supplied by other players. Moreover, the company already signed a multi-year contract with a large industrial player for monitoring the energy consumption and the relative cost, improving in this way the cost control of the client. These new businesses have a different model from the energy trading and should be based on a fee. Therefore, we believe these new businesses could offer a higher profitability compared to the average of the group (an EBITDA margin at around 5%). Lastly, eVISO in June has signed an agreement with a main Italian player to develop an AI platform dedicated to gold, silver and palladium (called Smartgold). The target is to optimise the purchasing strategy for these materials. The potential revenues stemming from these new businesses are not reflected in our 2022-24E forecasts.

#### eVISO – 2022E-24E estimates revision

EUR M	2022E	2022E	2022E	2023E	2023E	2023E	2024E
	Old	New	New/Old %	Old	New	New/Old %	New
Sales	97.0	139.1	43.4	134.8	162.5	20.6	186.0
o/w Direct Clients	51.6	52.4	1.6	64.1	60.3	-5.9	67.6
o/w Resellers	31.2	67.2	115.6	47.7	80.4	68.5	90.1
o/w Other	14.3	19.6	37.1	23.1	21.9	-5.2	28.2
Value of production	98.7	141.5	43.4	137.1	165.3	20.6	189.2
Gross margin	9.3	9.3	0.8	12.6	11.6	-8.1	13.8
% margin	9.6	6.7		9.3	7.1		7.4
EBITDA	5.5	4.7	-15.3	7.9	5.9	-25.1	7.4
% margin	5.6	3.4		5.8	3.6		4.0
EBIT	4.2	3.4	-19.3	6.1	4.3	-28.9	5.6
% margin	4.2	2.4		4.4	2.7		3.0
Net result	3.1	2.2	-28.1	4.7	3.1	-33.7	4.2
Net Debt/-Cash	-5.9	13.6	-332.6	-8.3	-0.8	-90.3	-9.0

E: estimates; Source: Intesa Sanpaolo Research

## Valuation

Following our estimates revision, we set our **new target price of EUR 3.1/share** (from EUR 3.3/sh). Our target price is based on a DCF valuation, an EVA valuation and a relative valuation based on the average of the multiples of Italian AI players and a sample of mid-size energy players. We highlight that eVISO does not have any direct peer listed, as AI players are generally adopting a SaaS (software as a service) business model, while energy players normally produce electricity acting as Esco companies (Energy Service Company). In addition, eVISO closes the financial year at 30 June and this can make a multiples comparison misleading. Given the current upside above 20%, we confirm **our BUY rating**.

**BUY rating, with target price at EUR 3.1/sh**

### eVISO – Valuation summary

	(EUR/share)	% weighting
DCF Valuation	2.8	25
EVA Valuation	2.4	25
Relative Valuation AI	3.2	25
Relative Valuation Energy	4.1	25
<b>Target price</b>	<b>3.11</b>	
Current price	2.54	
Potential upside/-downside (%)	22.1	

Source: Intesa Sanpaolo Research estimates

### DCF valuation

Our DCF model gives a fair value of EUR 2.8/share; it incorporates the following assumptions:

- A risk-free rate of 1.0% and a market risk premium of 6.5%;
- An unleveraged beta of 0.88x, based on the average of software (systems and application), computer services and information services industry in Europe (source: Damodaran Jan-21). This beta has not been leveraged as eVISO presents a net cash position;
- A terminal growth rate of 1% and an operating margin of 3.0% at terminal value, which is slightly above the EBIT margin reported in 2021 (2.8%) but in line with our estimates for 2024E;
- A target debt/equity ratio of 0/100, as the company currently has a positive net financial position.

We calculate a WACC of 6.7%.

### eVISO – WACC calculation

Risk Free rate (10Y BTP bench.)	1.0
Debt spread (%)	2.0
Cost of debt [net] (%)	2.0
Market risk premium (%)	6.5
Beta (x)	0.88
Cost of equity (%)	6.7
Weight of Debt	0
Weight of Equity	100
<b>WACC</b>	<b>6.7</b>

Source: Intesa Sanpaolo Research estimates

Our DCF valuation implies an EV/EBITDA of 5.1x at terminal value.

**eVISO – DCF Valuation**

	EUR M	% weighting	EUR/share
Sum of PV 2021-29E FCF	17.3	26	0.70
Terminal value	48.6	74	1.98
<b>Total Enterprise value</b>	<b>65.9</b>	<b>100</b>	<b>2.68</b>
- Pension Provision	-0.2		-0.01
- Net debt (+ cash)	3.0		0.12
<b>Total Equity value</b>	<b>68.7</b>		<b>2.80</b>
Fully diluted number of shares (M)	24.6		
<b>Fair value per share (EUR)</b>	<b>2.80</b>		

E: estimates; Source: Intesa Sanpaolo Research

**EVA valuation**

For eVISO, where no exact comparables have been found, we believe an absolute valuation method could be useful, as the EVA method considers the capital efficiency of a company and the level of utilisation of its asset base.

Based on our estimates, the post-tax ROACE/WACC is 1.9x. This means that for every Euro employed in the company (being it equity or debt), EUR 1.9 is obtained in return. Therefore, by applying this ratio to the overall capital employed, a fair EV is obtained that returns a fair value of EUR 2.4/share, which is below the current market price. However, our EVA method is based on our three-year explicit forecasts and therefore does not capture the long-term potential of a company, which, in the case of eVISO, is facing a deep change of the scenario in its reference market.

**eVISO – EVA valuation (EUR M)**

Av. CE	26.4
Av. EBIT (post tax)	3.5
Av. ROACE 2022-24	13.1
WACC	6.7
ROACE/WACC	1.9
CE – Average	26.4
<b>A - Implied EV</b>	<b>51.2</b>
B - Net Debt/-cash adjusted by security deposits- avg. 22-24	-8.2
C - Pension liabilities	0.3
<b>Implied Equity value (A-B-C)</b>	<b>59.1</b>
Fully diluted number of shares (M)	24.7
<b>Fair value per share (EUR)</b>	<b>2.40</b>

Source: Intesa Sanpaolo Research estimates

**Relative valuation**

eVISO does not have any direct peer that is listed. Therefore, we decide to create a sample group of companies that are active in the AI and energy sectors. These are divided into:

- **AI companies:** these companies are all listed in Italy and generally operate through a SaaS business model. Some of them are specialised in IT services or cybersecurity serving multiple industrial segments. Their EBITDA margin averages about 24% in 2020, well above eVISO and their market capitalisation is generally low, ranging from EUR 73M to EUR 226M, with the only exception of Reply that capitalises EUR 6.5Bn. We highlight that this sample reported a positive share performance since the beginning of the year (+24.7%), broadly in line with eVISO (+23.9%);
- **Energy companies:** this group is composed of four companies operating in electricity production, energy efficiency, Esco, energy services. These companies reported an average 45% EBITDA margin in 2020, also in this case well above eVISO, and have a market capitalisation ranging from EUR 818M to EUR 4.4Bn. The

performance of this sample was positive with an average increase of 9.7% in the past three months and +6.6% since the beginning of the year.

Not only our sample presents different fundamentals compared with eVISO, but we have to consider that eVISO closes the financial year at the end of June. To offset this, we apply the average multiples of 2022 and 2023 of our sample to the average 2022-23 and 2023-24 metrics of eVISO.

#### eVISO – Peers comparison AI sample

(x)	Price	Mkt Cap	P/E			EV/EBITDA			EV/EBIT		
	EUR	EUR M	2021	2022	2023	2021	2022	2023	2021	2022	2023
CY4GATE	10.88	163.2	44.3	28.9	22.9	21.2	15.1	12.8	33.3	21.6	18.2
Cyberoo	7.38	72.9	-	21.3	8.5	44.1	8.8	3.9	-	12.5	4.6
Expert System	2.36	121.4	NM	NM	NM	NM	NM	18.9	NM	NM	NM
PITECO	11.2	226.1	36.5	23.8	19.7	25.2	14.8	12.7	34.6	21.5	17.7
Relatech	2.65	100.0	18.7	16.3	12.8	10.8	8.0	6.1	15.4	11.1	8.5
Reply	173.9	6505.8	43.4	38.5	34.3	24.6	21.5	19.0	30.4	26.2	22.9
TXT e-solutions	9.77	127.1	22.3	16.6	14.7	9.4	8.3	7.3	15.3	11.6	9.9
<b>Average</b>			<b>33.0</b>	<b>24.2</b>	<b>18.8</b>	<b>22.6</b>	<b>12.8</b>	<b>11.5</b>	<b>25.8</b>	<b>17.4</b>	<b>13.6</b>
<b>Median</b>			<b>36.5</b>	<b>22.5</b>	<b>17.2</b>	<b>22.9</b>	<b>11.8</b>	<b>12.7</b>	<b>30.4</b>	<b>17.0</b>	<b>13.8</b>

Price at market close on 19/11/2021; Source: FactSet

Based on the median of 2022-23 EV/EBITDA, EV/EBIT and P/E applied to the average 2022-23 and 2023-24 data, eVISO would be valued at EUR 3.16/share. Applying the multiples of the group of energy companies gave a valuation for eVISO of EUR 4.1/share.

#### eVISO - Relative valuation based on AI players

EUR/share, EUR M	2022E	2023E	2024E	Average
Net profit	2.1	3.1	4.2	
Average		2.7	3.7	
AI P/E multiple (x)		25.8	20.9	
<b>eVISO valuation</b>		<b>2.83</b>	<b>3.12</b>	<b>2.97</b>
EBITDA	4.5	5.9	7.4	
A - Average		5.3	6.6	
B - AI EV/EBITDA multiple (x)		12.7	11.4	
A x B		67.3	75.7	
Average net debt		-3.1	-14.4	
<b>eVISO valuation</b>		<b>2.86</b>	<b>3.67</b>	<b>3.27</b>
EBIT	3.2	4.3	5.6	
A -Average		3.8	4.9	
B - AI EV/EBIT multiple (x)		18.0	14.6	
A x B		69.3	72.1	
Average net debt		-3.1	-14.4	
<b>eVISO valuation</b>		<b>2.94</b>	<b>3.52</b>	<b>3.23</b>
<b>Average</b>				<b>3.16</b>

Source: Intesa Sanpaolo Research estimates

#### eVISO – Peers comparison Energy sample

(x)	Price	Mkt Cap	P/E			EV/EBITDA			EV/EBIT		
	EUR	EUR M	2021	2022	2023	2021	2022	2023	2021	2022	2023
Ascopiave	3.49	818	23.3	22.4	21.2	17.5	17.2	16.4	26.6	26.8	26.1
ERG	29.52	4437	28.1	35.9	35.8	11.4	12.8	12.7	24.8	29.6	29.1
Falk Renewables	8.69	2532	69.0	48.4	43.1	16.5	14.6	14.0	30.6	25.6	24.2
Albioma	34	1090	19.1	17.7	16.7	9.1	8.8	8.5	15.5	14.9	14.5
<b>Average</b>			<b>34.9</b>	<b>31.1</b>	<b>29.2</b>	<b>13.6</b>	<b>13.4</b>	<b>12.9</b>	<b>24.4</b>	<b>24.2</b>	<b>23.5</b>
<b>Median</b>			<b>25.7</b>	<b>29.2</b>	<b>28.5</b>	<b>14.0</b>	<b>13.7</b>	<b>13.3</b>	<b>25.7</b>	<b>26.2</b>	<b>25.1</b>

Price at market close on 19/11/2021; Source: FactSet

**eVISO - Relative valuation based on Energy players**

EUR/share, EUR M, x	2022E	2023E	2024E	Average
Net profit	2.1	3.1	4.2	
Average		2.7	3.7	
Energy P/E multiple (x)		29.2	28.5	
<b>eVISO valuation</b>		<b>3.19</b>	<b>4.25</b>	<b>3.72</b>
EBITDA	4.5	5.9	7.4	
A – Average		5.3	6.6	
B - Energy EV/EBITDA multiple (x)		13.7	13.3	
A x B		72.9	88.6	
Average net debt		-3.1	-14.4	
<b>eVISO valuation</b>		<b>3.09</b>	<b>4.19</b>	<b>3.64</b>
EBIT	3.2	4.3	5.6	
A – Average		3.8	4.9	
B - Energy EV/EBIT multiple (x)		26.2	25.1	
A x B		100.8	124.5	
Average net debt		-3.1	-14.4	
<b>eVISO valuation</b>		<b>4.23</b>	<b>5.65</b>	<b>4.94</b>
<b>Average</b>				<b>4.10</b>

Source: Intesa Sanpaolo Research estimates

At our EUR 3.1 target price, eVISO would trade at 24.4x 2023 P/E, which compares with the average multiple for the AI players (18.8x) and energy players (29.2x), and at 12.8x EV/EBITDA (vs. an average of 11.5x and 12.9x, respectively).

**eVISO – Implicit multiples in our EUR 3.1/sh target price**

(x)	2022E	2023E	2024E
P/E	34.2	24.4	18.2
EV/EBITDA	19.3	12.8	9.2
EV/EBIT	26.8	17.6	12.2
EV/Sales	0.64	0.46	0.36
P/BV	3.5	3.2	2.8
P/CF	-10.1	4.3	6.4
EV/ Capital employed	2.6	3.3	3.7

Source: Intesa Sanpaolo Research estimates

## eVISO – Key Data

Rating	Target price (EUR/sh)	Mkt price (EUR/sh)		Sector	
BUY	Ord 3.1	Ord 2.54		Energy	
<b>Values per share (EUR)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
No. ordinary shares (M)	20.00	24.57	24.66	24.66	24.66
Total no. of shares (M)	20.00	24.57	24.66	24.66	24.66
Market cap (EUR M)	NA	56.25	62.64	62.64	62.64
Adj. EPS	0.06	0.05	0.09	0.13	0.17
CFPS	0.03	0.10	-0.31	0.73	0.48
BVPS	0.15	0.80	0.88	0.98	1.1
Dividend ord	0.01	0.02	0.02	0.03	0.04
<b>Income statement (EUR M)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
Revenues	47.81	75.71	139.1	162.5	186.0
EBITDA	2.35	3.32	4.68	5.93	7.36
EBIT	1.66	2.11	3.38	4.32	5.58
Pre-tax income	1.56	1.76	2.98	4.18	5.60
Net income	1.16	1.33	2.23	3.14	4.20
Adj. net income	1.16	1.33	2.23	3.14	4.20
<b>Cash flow (EUR M)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
Net income before minorities	1.2	1.3	2.2	3.1	4.2
Depreciation and provisions	0.7	1.2	1.3	1.6	1.8
Others/Uses of funds	-0.7	-8.1	0.4	-0.1	-0.2
Change in working capital	-0.5	0.0	-11.5	13.3	6.1
Operating cash flow	0.7	-5.6	-7.6	18.0	11.9
Capital expenditure	-2.1	-12.9	-3.7	-3.0	-3.0
Financial investments	-0.6	-4.9	-5.0	0	0
Acquisitions and disposals	0.9	0	0	0	0
Free cash flow	-1.1	-23.4	-16.3	15.0	8.9
Dividends	-0.3	-0.3	-0.4	-0.6	-0.8
Equity changes & Other non-operating items	-0.8	26.7	0	0	0
Net cash flow	-2.2	3.0	-16.6	14.4	8.2
<b>Balance sheet (EUR M)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
Net capital employed	2.9	16.7	35.2	23.4	18.6
of which associates	0	0	0	0	0
Net debt/-cash	-0.0	-3.0	13.6	-0.8	-9.0
Minorities	0	0	0	0	0
Net equity	2.9	19.8	21.6	24.2	27.6
Minorities value	0	0	0	0	0
Enterprise value	NA	53.2	76.2	61.8	53.7
<b>Stock market ratios (x)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
Adj. P/E	NA	42.5	28.0	20.0	14.9
P/CFPS	NA	23.9	Neg.	3.5	5.2
P/BVPS	NA	2.8	2.9	2.6	2.3
Payout (%)	26	30	25	25	25
Dividend yield (% ord)	NA	0.7	0.9	1.3	1.7
FCF yield (%)	NA	-27.4	-26.0	23.9	14.3
EV/sales	NA	0.70	0.55	0.38	0.29
EV/EBITDA	NA	16.0	16.3	10.4	7.3
EV/EBIT	NA	25.2	22.6	14.3	9.6
EV/CE	NA	3.2	2.2	2.6	2.9
D/EBITDA	Neg.	Neg.	2.9	Neg.	Neg.
D/EBIT	Neg.	Neg.	4.0	Neg.	Neg.
<b>Profitability &amp; financial ratios (%)</b>	<b>2019/20A</b>	<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
EBITDA margin	4.9	4.4	3.4	3.6	4.0
EBIT margin	3.5	2.8	2.4	2.7	3.0
Tax rate	25.7	24.6	25.0	25.0	25.0
Net income margin	2.4	1.8	1.6	1.9	2.3
ROCE	57.3	12.6	9.6	18.5	30.0
ROE	45.6	11.7	10.8	13.7	16.2
Interest cover	16.6	6.0	8.5	32.5	-287.7
Debt/equity ratio	Neg.	Neg.	63.0	Neg.	Neg.
<b>Growth (%)</b>		<b>2020/21A</b>	<b>2021/22E</b>	<b>2022/23E</b>	<b>2023/24E</b>
Sales		58.4	83.8	16.8	14.4
EBITDA		41.3	41.0	26.6	24.1
EBIT		27.1	60.0	27.8	29.4
Pre-tax income		12.6	69.6	40.4	33.9
Net income		14.3	68.6	40.4	33.9
Adj. net income		14.3	68.6	40.4	33.9

MM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Company Snapshot

### Company Description

eVISO is an innovative company which invented a new paradigm to collect, cluster and analyse Big Data. This new paradigm is based on an automated proprietary AI platform which allows to analyse automatically billions of data in order to elaborate forecasts to be applied on both demand and supply sides of physical commodities' markets optimising volume and pricing through algorithmic trading.

### Key Risks

#### Company specific risks:

- Strong dependence from few key people;
- Low visibility on the entrance into new commodity markets;
- Limited commercial network;
- Limited size and geographical presence.

#### Sector generic risks:

- Regulatory risk;
- Possible cyber-attacks;
- Energy price fluctuations.

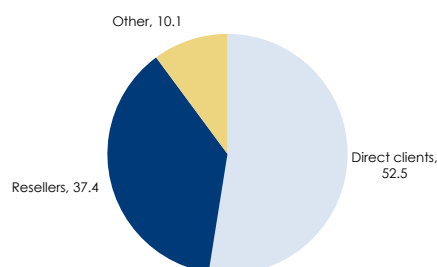
### Key data

Mkt price (EUR)	2.54	Free float (%)	21.2
No. of shares	24.57	Major shr	O Caminho
52Wk range (EUR)	NA/NA	(%)	52.7
Reuters	EVS.MI	Bloomberg	EVS IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	-8.3	-1M	-11.3
-3M	2.4	-3M	-2.5
-12M	NA	-12M	NA

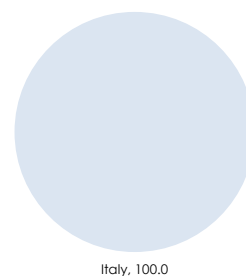
### Estimates vs. consensus

EUR M (Y/E Jun)	2021A	2022E	2022C	2023E	2023C	2024E	2024C
Sales	75.71	139.1	NM	162.5	NM	186.0	NM
EBITDA	3.32	4.68	NM	5.93	NM	7.36	NM
EBIT	2.11	3.38	NM	4.32	NM	5.58	NM
Pre-tax income	1.76	2.98	NM	4.18	NM	5.60	NM
Net income	1.33	2.23	NM	3.14	NM	4.20	NM
EPS	0.05	0.09	NM	0.13	NM	0.17	NM

### Sales breakdown by product (%)



### Sales breakdown by geography (%)



NM: not meaningful; Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 19/11/2021)

## Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation below EUR 1Bn.

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The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as sponsor or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site ([www.imi.intesasnpaolo.com](http://www.imi.intesasnpaolo.com)); all other research is available by contacting your sales representative.

### Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasnpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

### Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

### Equity rating key: (long-term horizon: 12M)

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

**Equity Rating Key (long-term horizon: 12M)**

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

**Historical recommendations and target price trends (long-term horizon: 12M)**

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
12-Apr-21	BUY	3.3	2.3

**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at October 2021)**

Number of companies considered: 126	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	42	37	21	0	0
of which Intesa Sanpaolo's Clients (%)**	79	70	62	0	0

\* Last rating refers to rating as at end of the previous quarter; \*\* Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

**Valuation methodology (short-term horizon: 3M)**

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

**Equity rating key (short-term horizon: 3M)**

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

**Company-specific disclosures**

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from eVISO in the next three months
- One or more of the companies of the Intesa Sanpaolo Banking Group have an equity stake of 1% or more in eVISO or in the Company that has a controlling interest in eVISO or in the major shareholder of eVISO
- One or more of the companies of the Intesa Sanpaolo Banking Group have a Long position larger than the 0.5% of the issued share capital of eVISO
- One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to eVISO and its parent and group companies
- Intesa Sanpaolo acts as Corporate Broker relative to securities issued by eVISO

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