

EURONEXT GROWTH MILAN



Research Team

Tel: +39 02 80886654

info@value-track.com

www.value-track.com

Playing the European Energy Sovereignty theme

About Value Track

Value Track is an independent capital markets and corporate finance firm, based in Milan and focused on mid-small companies. It offers a wide range of services: Equity Research, Corporate Finance advisory, Portfolio Advisory to money managers, Investor Relations support and Corporate broking. Our research is available on several platforms: Borsa Italiana web site, Bloomberg, FactSet, Thomson Reuters, S&P Capital IQ.

European Energy Sovereignty now a priority

After Russia's military attack on Ukraine, fossil fuels supply concerns have exacerbated sky-high energy prices, thus prompting Europe to drastically accelerate its transition to clean energy and improve its energy independence. In order to demonstrate its commitment in the achievement of the two above mentioned goals, the European Commission has:

- 1) Approved emergency measures to mitigate the shock of high energy prices and to increase gas storage;
- 2) Proposed an outline of a plan (named REPowerEU) to reduce oil & gas imports from Russia by two thirds within a year.

Italy in the need to accelerate its rollout efforts

According to industry sources, Italy could double its renewable energies installed capacity in the following three years if the Government grants the necessary authorizations to pending plants installation requests worth 60 GW. This would allow Italy to cut 20% of the gas imports from abroad with savings of ca. €27bn per year.

We believe that the current international crisis may act as a catalyst for the Italian Government to improve its energy policy and to accelerate the rollout of renewable energy sources.

EGM stocks likely be positively affected

In the Euronext Growth Milan stock market, there are several companies boasting a direct or indirect exposure towards themes such as energy efficiency and renewable energy.

We believe that the most interesting investment opportunities are to be chosen among those companies involved in the provisioning of Energy Efficiency services, in Energy facilities construction or in energy equipment manufacturing, and that do not carry an excessive financial leverage. Stock valuation is less important, in our view, than momentum.

Overall, our top picks would be (in alphabetical order): A.B.P. Nocivelli, Altea Green Power, Aton Green Storage, Comal, Esi, Innovatec, Renergetica, and Seri Industrial (this one listed on Euronext Milan).

Ticker	Company	Mkt Cap (€mn)
ABP IM	A.B.P. Nocivelli	102.6
AGA IM	Agatos	10.5
AGP IM	Altea Green Power	23.3
ATON IM	Aton Green Storage	43.1
CML IM	Comal	42.2
CVG IM	Convergenze	19.6
ECK IM	Ecosuntek	17.7
ENT IM	Enertronica S.	8.1
ESI IM	ESI	22.8
EVS IM	Eviso	56.7
FDE IM	Frendy Energy	17.8
IB IM	Iniziativa Bresciane	109.3
INC IM	Innovatec	194.2
REN IM	Renergetica	57.7
SERI IM	Seri Industrial (*)	381.4

Source: Stock Market Data

(*) Listed on Euronext Milan



European Energy Sovereignty now a priority

After Russia's unprecedented military attack on Ukraine, fossil fuels supply concerns have exacerbated sky-high energy prices, thus **prompting Europe to:**

1. **Drastically accelerate its transition to clean energy.** Indeed, the Executive Vice-President for the European Green Deal, Frans Timmermans said that: "renewables are a cheap, clean, and potentially endless source of energy and instead of funding the fossil fuel industry elsewhere, they create jobs in Europe and that Putin's war in Ukraine is a good assist to accelerate European clean energy transition";
2. **Improve its energy independence**, (so called Energy Sovereignty). As a matter of facts, as of now the EU imports 90% of its gas consumption, with Russia providing around 45% of those imports, in varying levels across the Member States. It has been set a short-term target to reduce EU demand for Russian gas by two thirds before the end of the year, by diversifying gas supplies, improving energy efficiency, speeding up the roll-out of renewable gases and replacing gas in heating and power generation.

In order to demonstrate its commitment in the achievement of the two above mentioned goals, the European Commission has moved on two sides:

- ◆ Approving emergency measures on energy prices and gas storage;
- ◆ Proposing an outline of a plan (named **REPowerEU**) to make Europe independent from Russian fossil fuels well before 2030, starting with gas.

Emergency measures on energy prices and gas storage

The Commission's "Energy Prices Toolbox" from last October has facilitated the Member States to mitigate the shock of high prices on vulnerable consumers and it remains an important framework for national measures.

More recently the Commission has presented the Member States with additional guidance, confirming the possibility to regulate prices in exceptional circumstances, and setting out how the Member States can redistribute revenue from high energy sector profits and emissions trading to consumers.

EU State Aid rules also offer the Member States options to provide short-term support to companies affected by high energy prices and help reduce their exposure to energy price volatility in the medium-long term.

EU urgent actions on energy prices

Keeping retail energy prices in check by confirming the possibility of price regulation to help protect consumers and our economy.

Guidance on temporary tax measures on windfall profits and use of emissions trading revenues, so governments can ease the pressure on household consumers.



State Aid measures: consultation with Member States on a potential Temporary Framework to grant aid to companies facing high energy costs.

Market actions assessing options to improve the electricity market design.

Source: European Commission

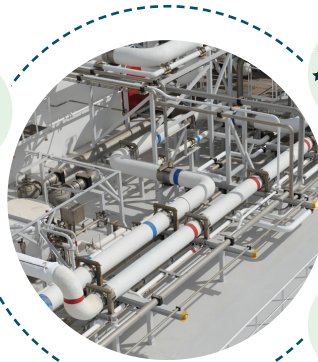
The Commission also aims to present by April a legislative proposal requiring underground gas storage across the EU to be filled up to at least 90% of its capacity by 1 October each year.

It will also assess options to optimise the electricity market design taking into account the final report of the EU Agency for the Cooperation of Energy Regulators (ACER) and other contributions on benefits and drawbacks of alternative pricing mechanisms to keep electricity affordable, without disrupting supply and further investment in the green transition.

EU proposal to refill gas storage for next winter

A legislative proposal by April on minimum gas storage so

Europe better controls its supply, establishing a 90% filling target by 1 October, designating gas storage as critical infrastructure, and allowing incentives for refilling.



Support to **coordinated gas refilling operations**, for example through joint procurement, collecting orders and matching supplies.



Continued **investigation into behaviour by operators**, notably by Gazprom.

Source: European Commission

REPowerEU – eliminating our dependence on Russian gas before 2030

Already before the Ukraine – Russia crisis, EU had a target to reduce by 2030 our annual fossil gas consumption by 30%, equivalent to 100 billion cubic metres (bcm), (so called “Fit for 55” proposal).

Prompted by the current war the European Commission is now targeting to remove our dependence on Russian fossil fuels well before 2030 by developing the already mentioned REPowerEU plan based on two pillars:

1. Diversification of gas supplies, via higher Liquefied Natural Gas (LNG) and pipeline imports from non-Russian suppliers, and larger volumes of biomethane and renewable hydrogen production and imports and;
2. Faster reduction of the use of fossil fuels in our homes, buildings, industry, and power system, by:
 - Boosting energy efficiency;
 - Increasing renewables and electrification;
 - Addressing infrastructure bottlenecks.

We note that the measures in the REPowerEU plan, could further remove at least 155 bcm of fossil gas use, which is equivalent to the volume imported from Russia in 2021.

Nearly two-thirds of that reduction can be achieved within a year, ending the EU's overdependence on a single supplier.

Italy in the need to accelerate its rollout efforts

As of 2021 year end, renewable plants installed in Italy amounted to 57 GW divided between 22 GW of photovoltaics, 19 GW of hydroelectric, 11 GW of wind, 5 GW of other renewable energies.

According to Mr. Re Rebaudengo, Chairman of Elettricità Futura (Confindustria), Italy could double its renewable energies installed capacity in the following three years if the Government grants the necessary authorizations to pending plants installation requests worth 60 GW. This would allow Italy to cut 20% of the gas imports from abroad with savings of ca. €27bn per year.

Indeed, approximately 90 TWh of electricity can be produced thanks to 60 GW of new renewable plants, and at current prices, producing 90 TWh of electricity with thermoelectric plants costs €33bn. On the other hand, 90 TWh of renewable electricity sold under the contracts in the long term would cost €6bn.

That said, we believe that the current international crisis may act as a catalyst for the Italian Government to improve its energy policy and to accelerate the rollout of renewable energy sources. Indeed, in the latest few days we witnessed some examples of a more pro-active attitude:

1. Launch of €1.5bn NRRP project to develop "agrisolar" power production

Italian agriculture is a candidate to become the vanguard of sustainable change. Indeed, thanks to the funds arriving in spring from the National Recovery and Resilience Plan (NRRP), the announcement for the "Parco agrisolare" will be activated, with an endowment of about €1.5bn, aiming to generate 0.43 GW starting from the installation of 4.3mn square meters of photovoltaic panels on agricultural buildings.

The Agricultural Policies Ministry wants in this way to support investments for the construction of electricity production plants in the agricultural sector, totally excluding land consumption and bringing Italy closer to achieving the climate neutrality target expected for 2050.

In particular, the effect that the project intends to generate within the Italian agricultural world is the recovery of a certain degree of "energy sovereignty", put in a difficult situation by Russia's attack against Ukraine as well as by the general bills increase which in January 2022 reached up to + 120% y/y.

In this regard, a decisive step will take place in the middle of the year when the European Commission will present its proposal on the subject.

2. Approval of six brand new wind farms

In the latest few days, the Council of Ministers has approved the realization of six wind farms between Puglia, Basilicata and Sardinia, ensuring a power of ca. 418 Megawatts. The Tricarico new challenging project obtained beforehand environmental approval in 2014, extended only in 2021 following a reduction variant signed for a plant of 15 blades of 2.2MW each.

Although the sizeable delay of 3 years, the activities beginning can be considered in any case as a new point of start: the Tricarico park could meet the annual energy needs of over 7,000 families.

Besides that, two other projects are already unlocked by 18th February, for a total power of 65.5 MW: the 34 MW wind farm in the municipality of Melfi, in Monte Cervaro, and the 31.5 MW "Serra Giannina" plant in the municipalities of Genzano di Lucania and Banzi.

By 2021, energy plants have been unblocked for 1.407 GW of power from renewable sources.

EGM stocks likely be positively affected

In the Euronext Growth Milan stock market, there are several companies boasting a direct or indirect exposure towards themes such as energy efficiency and renewable energy, and that could benefit from both European and domestic revamped effort in accelerating the transition to clean energy.

EGM Stock Market: Companies directly or indirectly affected by the renewable energy theme

Company	Mkt Cap	IPO	Free Float	IPO price	Current stock	1y Min-Max	Daily	Abs.Perf.(%)	
	(€mn)	date	(%)	(€)	price (€)	(€)	Turnover (€)	3m	1y
A.B.P. Nocivelli	102.6	30/03/21	27.4	3.20	3.37	3.10 - 4.53	14,985	-3.8	na
Agatos	10.5	27/02/17	66.3	1.25	0.87	0.72 - 1.07	21,910	-5.1	-4.8
Altea Green Power	23.3	01/02/22	25.7	1.20	1.44	1.27 - 1.92	115,521	na	na
Aton Green Storage	43.5	17/06/21	29.4	4.00	5.80	5.18 - 8.30	26,567	-22.8	na
Comal	42.2	16/12/20	27.8	2.00	3.66	2.45 - 4.09	240,188	52.5	30.9
Convergenze	19.6	30/12/20	21.5	1.75	2.75	2.25 - 3.76	10,376	-13.5	2.9
Ecosuntek	17.6	08/05/14	13.1	21.00	10.30	6.75 - 13.60	7,254	6.9	45.0
Enertronica S.	8.1	15/03/13	31.8	2.60	1.04	0.82 - 1.32	7,475	-2.1	-1.2
ESI	22.8	26/10/20	26.0	2.10	3.91	3.07 - 4.75	30,818	9.5	18.5
Eviso	56.7	30/12/20	29.1	1.75	2.30	2.00 - 3.09	31,197	-7.1	0.6
Frendy Energy	17.8	22/06/12	27.1	1.05	0.30	0.26 - 0.39	5,922	5.4	-4.3
Iniziativa Bresciane	109.3	15/07/14	18.5	21.00	21.00	17.00 - 22.00	16,229	10.5	27.5
Innovatec	194.2	20/12/13	54.7	3.50	2.04	0.58 - 2.53	3,251,599	6.7	180.2
Renergetica	57.7	09/08/18	18.4	1.50	7.14	3.81 - 8.30	12,581	1.7	80.0
Average	47.6						290,588	3.6	34.1
Median	23.9						21,910.4	3.6	18.5

Source: Market Consensus, Value Track Analysis

Here follow the business profiles of the mentioned companies.

Euronext Growth Milan stocks involved in energy efficiency and renewable energy themes (Part I)

A.B.P. Novicelli – Italy-based company active in the services and construction market through three business lines: services (including energy efficiency), constructions (electrical, hydraulic and special plants), oil (trade of oil products for transportation and heating purposes).

Agatos – Italy-based company engaging in the provision of energy efficiency solutions across three business lines: biomethane processes, energy efficiency (focus on Super bonus 110%), EPC photovoltaic projects.

Altea Green Power – Italian company providing energy production plants and acting as a "service integrator", addressing its capabilities during all construction phases and management for a wide range of plant types, as in the photovoltaic, wind, cogeneration, biomass and energy efficiency sectors.

Source: Various, Value Track Analysis

Euronext Growth Milan stocks involved in energy efficiency and renewable energy themes (Part II)

Aton Green Storage – Innovative Italian firm in the engineering and production of storage batteries for photovoltaic systems representing one of the first Italian companies to operate in this sector.

Comal – Italy-based EPC, leader in the installation of large solar photovoltaic plants under grid-parity, with over 30 plants installed with a cumulative power of ca. 600MW since 2009.

Convergenze – Multiutility company operating in two business units: TLC and Energy and Natural Gas. As regards Energy and Natural Gas, it provides customers with electricity from renewable sources only and natural gas. The Company is also developing a network of recharge stations for electric vehicles.

Ecosuntek – Manufacturer of photovoltaic plants, small wind turbines, solar and vacuum panels, as well as controllers, battery storage systems and solar inverters, among others. In addition, it provides various services, such as installation, maintenance, monitoring, electrical cleaning, the assistance of network connection and consulting, among others.

Enertronica S. – Involved in the photovoltaic industry segment, producing and designing turnkey solar power plants, systems for photovoltaic plants, and in the lighting industry segment making light-emitting diode lighting for industrial buildings.

ESI – Company active in the renewable energy market, operating as EPC provider and system integrator for the construction of photovoltaic systems and plants of large size and power.

Eviso – It offers energy and gas supply for private and business customers, electric mobility and savings solutions and an artificial intelligence (AI)-based platform, to collect, group and analyze big data for managing commodities and assets, among others.

Frendy Energy – Italy-based company involved in the generation of electric power from renewable sources, in particular from mini and small hydroelectric power plants, with an installed capacity of fewer than 500 kilowatts (KW).

Iniziative Bresciane – Italian firm involved in the generation of electric power from renewable sources, in particular from medium-small hydroelectric plants.

Innovatec – Italian pure play in the cleantech industry, active in both Energy Efficiency and Environmental Services & Circular Economy.

Renergetica – Italy-based company that provides full support in the development of renewable energy projects (site identification, plant, design, asset management) and in the design of hybrid power generation systems.

Seri Industrial – Circular economy-focused company (listed on Euronext Milan) active on the entire value chain of the energy accumulators / storage battery industry, operating through a plastic materials division and an electric accumulator division.

Source: Various, Value Track Analysis

In our view, in order to spot the most interesting investment opportunities, (or to avoid those less promising), these companies have to be screened according to the following criteria: 1) Business Model; 2) Economic and financial performance; 3) Valuation.

1 criterium - Business Model

The above-mentioned companies boast a variety of business models, ranging from the provision of energy related services to energy products, being thus positioned in different steps of the value chain.

In our view, according to the firms' business model, we can classify them into two different clusters:

- 1. Energy Facilities companies**, non directly involved in energy production or distribution but that carry out Origination & Development, Engineering, Procurement & Construction, Operation & Management of energy facilities, or energy equipment manufacturing (e.g. energy storage);
- 2. Energy Products companies**, in other words, all those companies involved in the Exploration, Production and Distribution of energy products.

Orthogonal to the two clusters, we see companies providing **energy efficiency services**, ranging from consultancy to measuring and to organizing works to improve the clients' energy profile (e.g. general contractors).

Cluster # 1: Companies more directly involved in the Energy Facilities (equipment, plants) business

Company	Origination & Development	Equipment	EPC	Operation & Management
A.B.P. Nocivelli			✓	✓
Agatos		✓	✓	✓
Altea Green Power	✓✓		✓	✓
Aton Green Storage		✓✓		✓
Comal			✓✓	✓
Enertronica		✓✓		
ESI			✓✓	✓
Innovatec			✓	
Renergetica	✓✓			✓
Seri Industrial (*)		✓✓		

Source: Value Track Analysis
(*) Listed on Euronext Milan

Note: Two check marks mean "high business exposure" while one check mark means "low business exposure"

Cluster # 2: Companies more directly involved in the Energy Products business

Company	Exploration	Production				Distribution
		Solar	Wind	Hydro	Biomethane	
A.B.P. Nocivelli						✓
Agatos				✓	✓✓	✓
Convergenze						✓✓
Ecosuntek		✓✓				✓✓
Eviso						✓✓
Frendy Energy				✓✓		
Iniziativa Bresciane				✓✓		

Source: Value Track Analysis

Note: Two check marks mean "high business exposure" while one check mark means "low business exposure"

Companies providing Energy Efficiency services

Company	Energy Efficiency services
A.B.P. Nocivelli	✓
Agatos	✓
Altea Green Power	✓
Eviso	✓
Innovatec	✓✓

Source: Value Track Analysis

Our view is that in this possible “gold rush” we’d prefer to sell pickaxes rather than mining for gold. Indeed, energy products businesses do have to face non manageable regulatory and / or meteorological issues that make their returns quite volatile. On the contrary, being in the provisioning of energy efficiency services and / or energy facilities should boast a better risk profile.

As a matter of fact, **we find cluster # 2 to be less interesting than the other two.**

2 criterium – Economic and financial performance

While pure energy producers have much higher operating margins, on the contrary resellers and traders of energy products have very low profitability ratios. “Pickaxes” companies stay in the middle. In our view, focusing on companies with a safe financial profile could be a much more rewarding filtering measure, especially if interest rates should climb. From this point of view, companies such as Enertronica, Ecosuntek, Iniziative Bresciane would not be among our top picks.

2021E-23E Net Financial Position and 3y CAGR 20A-23E

Company	Net Financial Position (€mn)			3y CAGR 20A-23E (%)		
	2021E	2022E	2023E	Sales	EBITDA	NP
A.B.P. Nocivelli	31.5	33.4	39.8	11.6	8.4	7.3
Agatos	-6.8	-6.7	-6.2	140.2	nm	nm
Altea Green Power	-1.4	3.1	5.5	72.4	56.1	nm
Aton Green Storage	3.1	4.3	5.8	53.0	311.7	nm
Comal	-4.6	-6.2	-4.1	24.6	33.3	45.4
Convergenze	-0.4	1.8	3.2	18.6	23.5	23.3
Ecosuntek	-13.0	-9.7	-5.8	18.2	28.3	81.1
Enertronica	-33.7	-28.5	-20.1	25.7	29.3	nm
ESI	4.0	5.8	7.9	13.1	23.3	19.2
Eviso	7.5	6.9	11.1	50.4	36.1	39.5
Frendy Energy	0.9	2.1	3.3	4.3	7.9	2.7
Iniziative Bresciane	-91.5	-95.7	-99.2	16.8	21.6	21.6
Innovatec	-3.5	-3.4	6.8	56.3	41.7	67.0
Renergetica	-8.7	-4.8	0.1	12.8	12.6	29.4
Average	-11.7	-11.7	-7.9	39.0	52.1	36.6
Median	-3.5	-4.8	0.8	24.6	28.8	29.4

Source: Market Consensus, Value Track Analysis

2021E-23E Revenues and EBITDA forecasts

Company	Revenues (€mn)			EBITDA (€mn)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	64.2	65.0	85.0	12.3	13.8	14.3
Agatos	12.3	35.9	44.4	0.0	3.2	4.3
Altea Green Power	6.1	13.7	18.2	1.9	4.4	5.9
Aton Green Storage	18.8	25.0	29.7	3.7	5.5	6.9
Comal	42.1	54.8	59.9	3.5	6.2	7.1
Convergenze	20.7	23.3	27.3	3.4	3.4	4.1
Ecosuntek	116.2	133.6	153.6	3.6	5.3	6.1
Enertronica	48.0	55.5	64.8	4.3	5.6	7.8
ESI	19.0	20.9	22.8	2.9	3.3	3.6
Eviso	75.7	139.1	162.5	3.3	4.7	5.9
Frendy Energy	2.5	2.6	2.7	1.2	1.3	1.4
Iniziativa Bresciane	24.2	30.7	31.8	18.0	24.2	25.2
Innovatec	222.4	274.6	325.2	30.4	41.2	45.8
Renergetica	12.0	14.0	16.5	4.8	5.7	6.7
Average	47.7	63.3	73.8	6.2	8.8	10.1
Median	20.7	30.7	31.8	3.5	5.3	6.1

Source: Market Consensus, Value Track Analysis

2021E-23E EBIT and Adj. Net Profit forecasts

Company	EBIT (€mn)			Adj. Net Profit (€mn)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	11.2	11.8	12.3	8.6	8.8	9.3
Agatos	-1.2	2.6	3.7	-0.8	1.7	2.8
Altea Green Power	1.7	3.9	5.3	0.9	2.7	3.7
Aton Green Storage	2.4	4.0	5.0	1.6	2.8	3.5
Comal	2.7	5.4	6.2	1.6	3.4	4.0
Convergenze	2.1	2.2	2.8	1.3	1.3	1.7
Ecosuntek	1.8	3.5	4.3	0.8	1.6	2.1
Enertronica	1.8	3.1	5.3	-0.3	0.7	2.8
ESI	2.6	3.0	3.3	1.3	2.0	2.2
Eviso	2.1	3.4	4.3	1.3	2.2	3.1
Frendy Energy	0.3	0.4	0.5	0.2	0.2	0.2
Iniziativa Bresciane	9.6	14.4	15.2	5.5	8.3	8.7
Innovatec	9.6	19.7	26.5	7.6	13.1	17.7
Renergetica	4.0	5.2	6.3	2.6	3.7	4.8
Average	3.0	5.4	6.8	1.8	3.4	4.4
Median	2.1	3.5	5.0	1.3	2.2	3.1

Source: Market Consensus, Value Track Analysis

2021E-23E EBITDA Margin and EBIT Margin forecasts

Company	EBITDA Margin (%)			EBIT Margin (%)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	19.1	21.2	16.8	17.4	18.2	14.5
Agatos	0.1	8.8	9.7	nm	7.1	8.4
Altea Green Power	30.6	32.2	32.4	28.1	28.9	29.0
Aton Green Storage	19.6	22.0	23.4	12.8	16.0	16.8
Comal	8.3	11.3	11.9	6.4	9.9	10.4
Convergenze	16.2	14.6	14.8	10.1	9.4	10.1
Ecosuntek	3.1	4.0	4.0	1.5	2.6	2.8
Enertronica	9.0	10.0	12.0	3.8	5.5	8.1
ESI	15.0	15.6	15.8	13.7	14.1	14.3
Eviso	4.4	3.4	3.6	2.8	2.4	2.7
Frendy Energy	50.0	52.0	54.0	13.4	16.9	20.2
Iniziativa Bresciane	74.6	78.8	79.0	39.5	46.9	47.6
Innovatec	13.7	15.0	14.1	4.3	7.2	8.1
Renergetica	40.0	40.4	40.6	32.9	36.8	38.2
Average	21.9	23.7	24.3	14.1	15.7	16.7
Median	15.0	15.0	14.8	11.5	9.9	10.4

Source: Market Consensus, Value Track Analysis

2021E-23E Capex / Sales and ROCE forecasts

Company	Capex / Sales (%)			ROCE (%)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	5.9	4.3	3.1	88.5	60.6	55.1
Agatos	8.1	4.7	1.8	nm	19.7	24.9
Altea Green Power	8.3	10.7	3.2	55.7	69.1	75.3
Aton Green Storage	11.7	10.8	10.4	22.0	32.2	34.6
Comal	4.8	4.7	1.7	15.3	23.7	25.1
Convergenze	14.5	3.0	7.0	30.4	36.4	43.7
Ecosuntek	1.2	0.7	0.7	8.7	18.8	25.7
Enertronica	3.1	2.7	2.2	6.1	11.9	26.4
ESI	na	1.4	1.3	113.5	123.4	130.5
Eviso	17.0	2.7	1.8	24.1	12.5	29.2
Frendy Energy	4.1	3.9	3.8	3.3	4.4	na
Iniziativa Bresciane	na	na	47.1	5.5	8.0	8.2
Innovatec	4.0	7.6	5.4	29.5	39.2	46.5
Renergetica	0.6	na	0.3	18.6	24.3	29.6
Average	7.0	12.6	6.7	27.7	32.6	41.6
Median	4.8	4.3	2.2	18.6	23.7	29.4

Source: Market Consensus, Value Track Analysis

3 criterium - Valuation

Looking at current stock multiples might prove misleading if the acceleration on European and Domestic clean energy transition takes place driving the economic and financial performances of the above-mentioned companies higher. However, here they are for the sake of clarity.

2021E-23E EV/Sales and EV/EBITDA multiples

Company	EV / Sales (x)			EV / EBITDA (x)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	1.1	1.1	0.7	5.9	5.1	4.5
Agatos	1.4	0.5	0.4	>30	5.4	3.8
Altea Green Power	4.9	1.8	1.2	16.0	5.7	3.9
Aton Green Storage	2.1	1.5	1.3	10.8	7.0	5.4
Comal	1.2	0.9	0.8	14.3	8.4	7.0
Convergenze	1.0	0.8	0.6	6.0	5.3	4.1
Ecosuntek	0.3	0.2	0.2	8.7	5.3	4.0
Enertronica	0.9	0.6	0.4	9.5	6.5	3.5
ESI	1.1	0.9	0.7	7.2	5.7	4.6
Eviso	0.7	0.5	0.4	16.5	15.2	9.6
Frendy Energy	7.1	6.4	5.7	14.3	12.3	10.6
Iniziativa Bresciane	8.3	6.7	6.5	11.1	8.5	8.3
Innovatec	1.0	0.9	0.7	7.6	5.7	5.0
Renergetica	5.5	4.4	3.4	13.6	10.9	8.5
Average	2.7	2.0	1.7	11.3	7.8	6.0
Median	1.2	0.9	0.7	11.0	6.5	5.0

Source: Market Consensus, Value Track Analysis

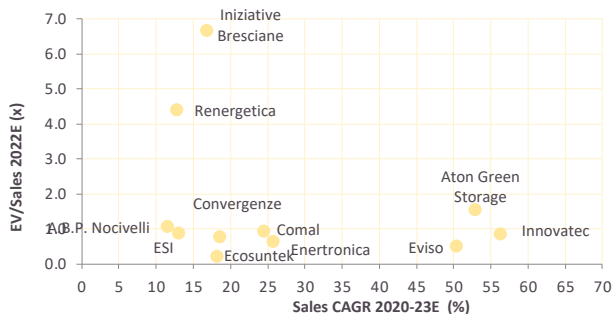
2021E-23E EV/EBIT and P/E multiples

Company	EV / EBIT (x)			P/E (x)		
	2021E	2022E	2023E	2021E	2022E	2023E
A.B.P. Nocivelli	6.4	5.9	5.2	12.0	11.8	11.2
Agatos	>50	6.7	4.5	>50	6.0	3.7
Altea Green Power	17.4	6.4	4.3	32.0	10.4	7.6
Aton Green Storage	16.7	9.7	7.5	26.9	15.6	12.3
Comal	18.6	9.6	8.0	28.5	13.4	11.4
Convergenze	9.6	8.2	6.1	15.3	15.3	12.0
Ecosuntek	17.9	8.1	5.6	22.0	11.7	9.0
Enertronica	22.6	11.8	5.2	>50	9.9	2.7
ESI	7.9	6.3	5.1	18.8	12.5	11.2
Eviso	25.9	21.1	13.2	43.3	25.8	18.3
Frendy Energy	>50	38.0	28.2	>50	>50	>50
Iniziativa Bresciane	21.0	14.2	13.8	19.7	13.1	12.5
Innovatec	24.1	12.0	8.6	23.4	13.7	10.1
Renergetica	16.6	12.0	9.0	21.7	15.3	12.0
Average	18.0	12.6	9.2	25.2	13.6	10.2
Median	17.9	9.7	7.5	22.7	13.3	11.3

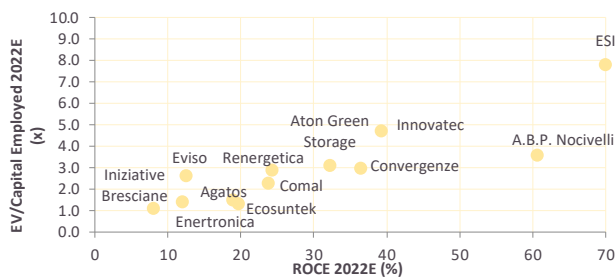
Source: Market Consensus, Value Track Analysis

EV/Sales and EV/Cap. Employed value maps

EV/Sales 2022E vs. Sales CAGR 2020A-23E

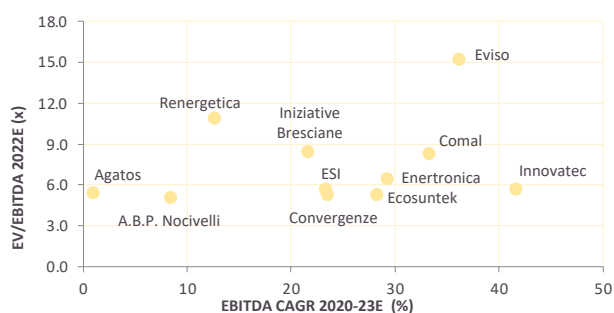


EV/C.E. 2022E vs. ROCE 2022E

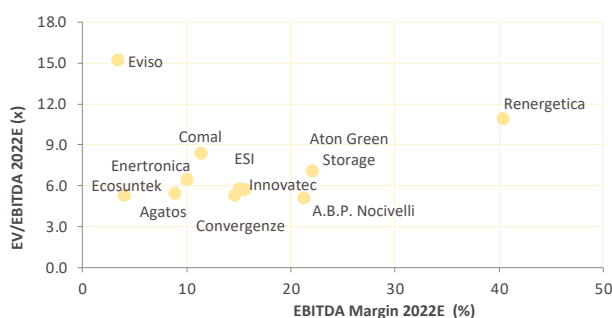


EV/EBITDA value maps

EV/EBITDA 2022E vs. EBITDA CAGR 2020A-23E

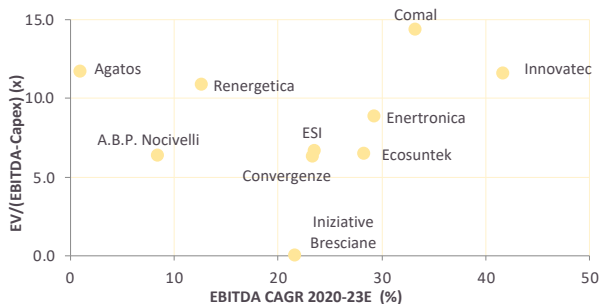


EV/EBITDA 2022E vs. EBITDA Margin 2022E

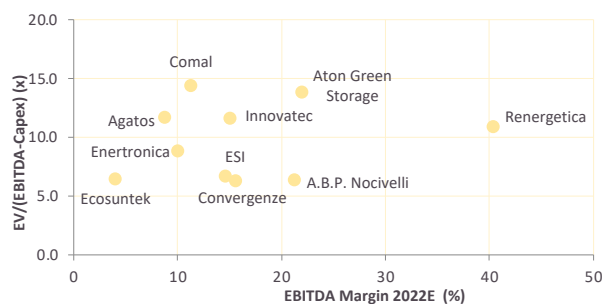


EV/(EBITDA-Capex) value maps

EV/(EBITDA-Capex) 2022E vs. EBITDA CAGR 2020A-23E

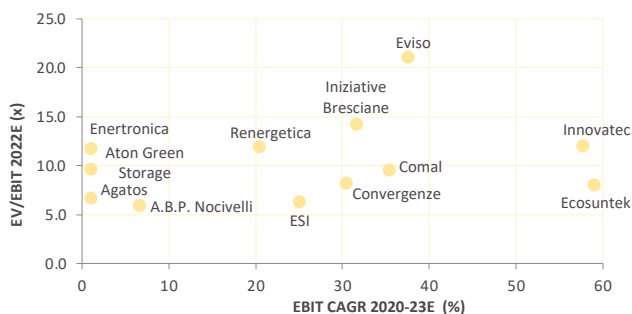


EV/(EBITDA-Capex) 2022E vs. EBITDA Margin 2022E

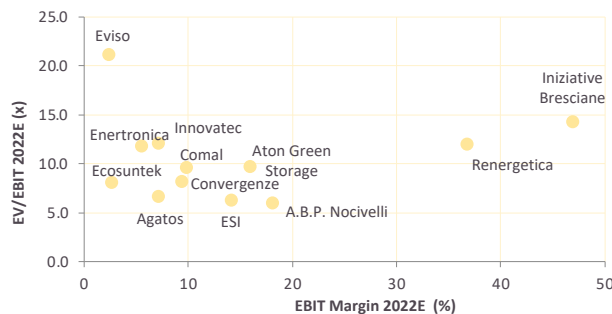


EV/EBIT value maps

EV/EBIT 2022E vs. EBIT CAGR 2020A-23E



EV/EBIT 2022E vs. EBIT Margin 2022E



Source: Market Consensus, Value Track Analysis

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE “**FINANCIAL PROMOTION ORDER**”), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-TER, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: – BALANCE SHEET TOTAL: 20,000,000 EURO, – NET REVENUES: 40,000,000 EURO, – OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF “QUALIFIED INVESTORS” AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION “2010 PD AMENDING DIRECTIVE” MEANS DIRECTIVE 2010/73/EU. THIS DOCUMENT HAS BEEN PRODUCED INDEPENDENTLY OF ANY LISTED COMPANY AND ITS SHAREHOLDERS, AND ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY AND MAY MAKE A MARKET OR ACT AS A PRINCIPAL IN ANY TRANSACTIONS IN SUCH SECURITIES.