



GISMONDI

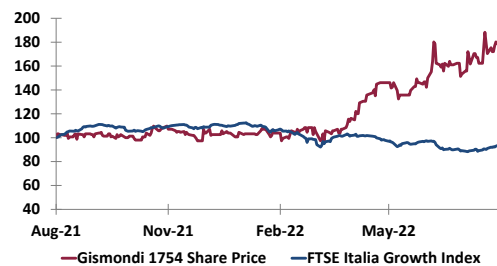
FLASH NOTE

OUTPERFORM

Current Share Price (€): 5.45

Target Price (€): 7.31

Gismondi 1754 - 1Y Performance



Source: S&P Capital IQ - Note: 02/08/2021=100

Company data

ISIN number	IT0005391138
Bloomberg code	GIS IM
Reuters code	GIS.MI
Industry	Jewelry
Stock market	Euronext Growth Milan
Share Price (€)	5.45
Date of Price	01/08/2022
Shares Outstanding (m)	4.1
Market Cap (€m)	22.2
Market Float (%)	33.4%
Daily Volume	4,400
Avg Daily Volume YTD	7,531
Target Price (€)	7.31
Upside (%)	34%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
Gismondi 1754 - Absolute (%)	15%	21%	77%
FTSE Italia Growth (%)	5%	-4%	-6%
1Y Range H/L (€)		5.80	3.00
YTD Change (€) / %		2.23	69%

Source: S&P Capital IQ

Analysts

Franco Gaudenti - Head of Research
fgaudenti@enventcapitalmarkets.co.uk
Luigi Tardella - Co-Head of Research
ltardella@enventcapitalmarkets.co.uk

EnVent Capital Markets Limited

42, Berkeley Square - London W1J 5AW (UK)
Phone +44 (0) 20 35198451

This Note is issued by arrangement with MIT SIM,
Issuer's Specialist

This document may not be distributed in the United States, Canada, Japan or Australia or to U.S. persons.

Sustained growth, spreading as global luxury brand

Trading update: outperformance

Since our last note (April 2022), Gismondi shares gained 20%, with a peak at €5.80 exceeding our target price of €5.61, and also outperforming the Italia Growth index.

Sales jump spreading into channels and geographies

Gismondi provided a pre-close interim update of top-line figures. The Company has delivered another good quarter, with sales in the first six months reaching €7.0m, ahead by 80% on €3.9m in H1 2021, driven especially by wholesale sales in Europe and the US. Quarterly sales of €3.5m, were 39% over Q2 2021 and in line with the previous quarter.

Looking at the channel mix, wholesale accounted for 43% of sales, special sales 28%, retail 20%, franchising 10%. The breakdown by geography sees Italy, the US and Switzerland accounting together for almost 75% of sales, equally split among them.

Getting ahead on the path of global brand

The wholesale boost comes from the ongoing openings in Neiman Marcus and Saks Fifth Avenue department stores in the US. In addition, "The Couture" show in Las Vegas, where Gismondi again won a design award, so becoming the one to beat, also contributed the brand with visibility and over €1m orders. Middle East is also gaining appreciation after "Doha Jewellery and Watch Exhibition" which brought over €0.6m sales.

Last May Gismondi opened a store at the Baglioni Hotel Regina in Rome, the second one as *house jeweler* following the agreement with the Baglioni hotel chain. This addition brings Gismondi direct stores to 6 (Genoa, Portofino, Milan, St. Moritz, Rome and Sardinia).

Target Price €7.31 per share (from €5.61), OUTPERFORM rating confirmed

H1 2022 sales quantum leap underpins top-line growth in our estimates. The updated valuation yields an upgrade in target price from €5.61 to €7.31 per share. This value implies a 2022E EV/Revenues of 2x, while Gismondi is currently trading at 1.5x. We confirm the OUTPERFORM rating and acknowledge a wide room for growth, as indicated by the comparison of Gismondi multiples with peers.

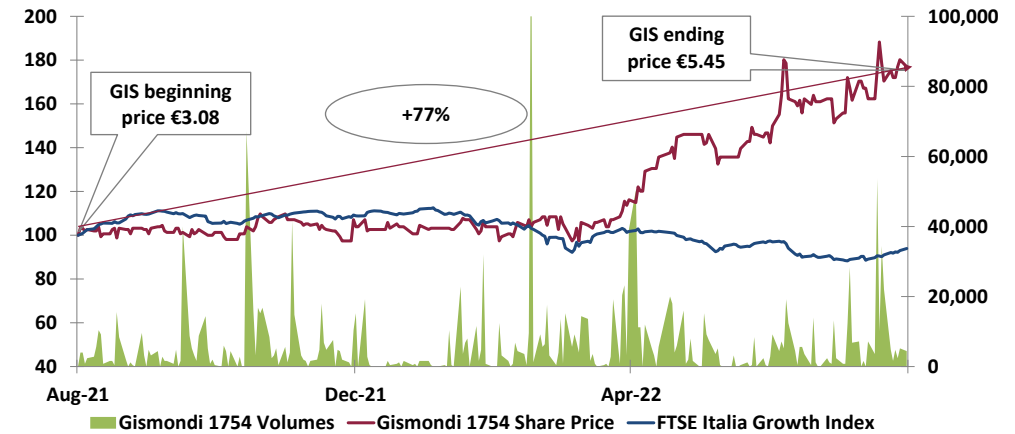
KEY FINANCIALS AND ESTIMATES

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Revenues	5.6	5.9	6.8	10.0	14.5	17.3	19.8
YoY %	19%	4%	16%	47%	45%	19%	15%
EBITDA	1.0	0.9	0.7	1.0	1.8	2.6	3.2
Margin	17%	14%	10%	10%	13%	15%	16%
Net Income	0.6	0.3	0.2	0.4	1.0	1.6	2.1
Net (Debt) Cash	(2.1)	3.4	0.4	0.3	(1.4)	(1.3)	(0.8)
Equity	1.9	7.4	8.9	9.2	10.2	11.8	13.8
KEY RATIOS							
TWC/Sales	68%	55%	94%	68%	65%	64%	65%
Cash flow from P&L operations/EBITDA	na	81%	86%	84%	79%	77%	76%
Basic Earnings per Share (€m)	0.14	0.08	0.05	0.09	0.25	0.38	0.50

Source: Company data 2018-21A, EnVent Research 2022-24E

Market update

Gismondi 1754 - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 02/08/2021=100

Investment case

18th century ancestry: a heritage brand handcrafted in Italy by Italian craftsmen

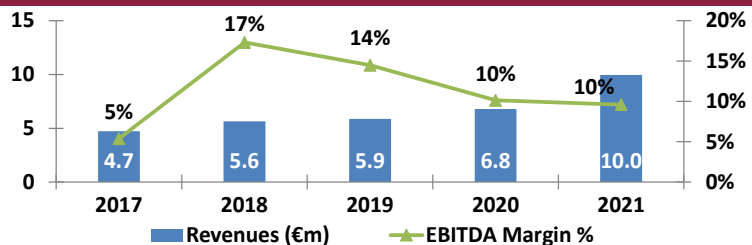
High-end luxury segment

Strategy

Gismondi 1754 is a heritage fine jewelry company whose roots date back to the 18th century, designing high-end exclusive jewelry collections and one-of-a-kind pieces, a blend of classic and contemporary styles. Contact with customers is direct through own boutiques in Italy and Switzerland and through prestige US department stores and luxury boutiques in selected international locations. The making is based in Valenza, Italian goldsmiths district, for high-end jewelry production with superior setting, design and specialty stones. Key locations: Milan, Genoa, Portofino, Rome, St. Moritz, Prague, St. Barth and USA. Export sales account for 75% of total.

Footprints in key markets: continuing expansion as a high-end luxury global brand, by creating partnerships with the most exclusive independent jewelry dealers, progressively reaching major international venues for luxury lovers and shoppers.

Historical revenues and EBITDA



Source: Company data

Industry and Company drivers

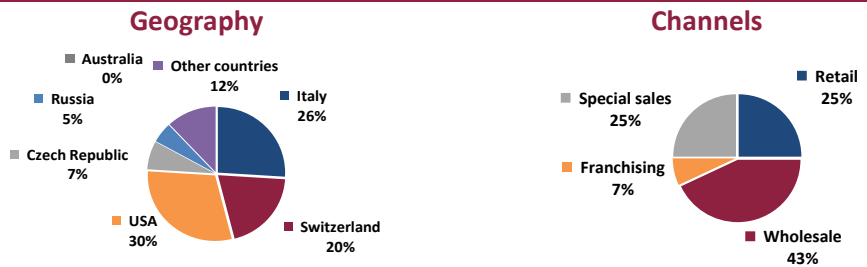
- Handcrafted in Italy, with global reputation of highest design and quality
- Rising number and wealth of HNWI clientele
- One-of-a-kind jewelry, old-world craftsmanship, stunning modern styling

- Lean value chain, sales promoted by passionate professionals
- High pricing power and products' enduring value not impaired by promotions

Challenges

- Economic downturns
- Presence in most important luxury goods markets
- High inventory requirements
- Limited critical mass

2021 Sales breakdown



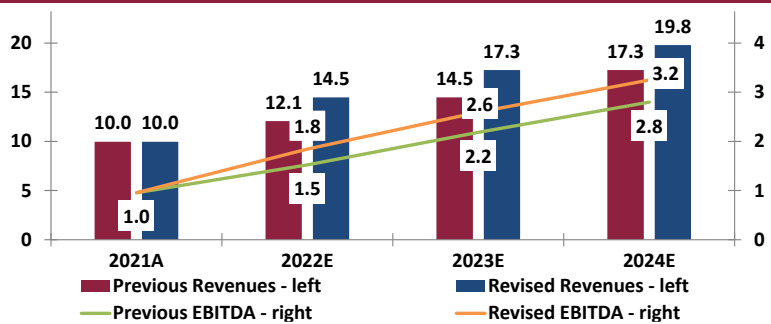
Source: Company data

Estimates revision

H1 2022 sales quantum leap and the historical concentration of sales in the second half of the year lead to lift our full year estimates. We anticipate by one year the previously envisaged growth path, keeping in mind that this could be even conservative, although the uncertain economic backdrop and volatile environment must be taken into account.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

€m	2021A	2022E	2023E	2024E	2021E	2022E	2023E	2024E	2021A	2022E	2023E	2024E
Revenues	10.0	14.5	17.3	19.8	10.0	12.1	14.5	17.3	0%	20%	19%	15%
EBITDA	1.0	1.8	2.6	3.2	1.0	1.5	2.2	2.8	0%	21%	19%	16%
<i>Margin</i>	10%	13%	15%	16%	10%	13%	15%	16%				
EBIT	0.6	1.5	2.2	2.9	0.6	1.1	1.8	2.4	0%	28%	23%	19%
<i>Margin</i>	6%	10%	13%	14%	6%	9%	12%	14%				
Net Income	0.4	1.0	1.6	2.1	0.4	0.8	1.3	1.7	0%	29%	24%	19%
Net (Debt) Cash	0.3	(1.4)	(1.3)	(0.8)	0.3	0.0	0.1	0.1				
<i>Net Debt / EBITDA</i>	<i>cash</i>	<i>0.8x</i>	<i>0.5x</i>	<i>0.2x</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>	<i>cash</i>				

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Sales	5.6	5.8	6.5	9.7	14.2	17.0	19.6
Other income	0.1	0.1	0.3	0.3	0.3	0.3	0.3
Revenues	5.6	5.9	6.8	10.0	14.5	17.3	19.8
<i>YoY %</i>	19.2%	4.0%	15.7%	46.7%	45.2%	19.2%	14.8%
Materials	(2.4)	(2.5)	(2.7)	(3.5)	(5.4)	(6.5)	(7.4)
Services	(1.3)	(1.5)	(2.4)	(4.2)	(5.7)	(6.6)	(7.5)
Personnel	(0.6)	(0.7)	(0.7)	(1.0)	(1.0)	(1.1)	(1.1)
Other	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)
Operating costs	(4.7)	(5.0)	(6.1)	(9.0)	(12.6)	(14.7)	(16.6)
EBITDA	1.0	0.9	0.7	1.0	1.8	2.6	3.2
<i>Margin</i>	17.3%	14.5%	10.1%	9.6%	12.7%	15.0%	16.4%
D&A	(0.1)	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
EBIT	0.9	0.6	0.4	0.6	1.5	2.2	2.9
<i>Margin</i>	16.1%	10.5%	6.0%	6.0%	10.1%	12.7%	14.5%
Interest	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
EBT	0.8	0.5	0.3	0.5	1.4	2.2	2.8
<i>Margin</i>	14.8%	7.9%	5.0%	5.2%	9.8%	12.5%	14.4%
Income taxes	(0.2)	(0.2)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)
Net Income	0.6	0.3	0.2	0.4	1.0	1.6	2.1
<i>Margin</i>	10.4%	5.3%	3.3%	3.5%	7.1%	9.0%	10.4%

Source: Company data 2018-21A, EnVent Research 2022-24E

Consolidated Balance Sheet

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Inventory	4.3	4.2	5.3	6.6	9.4	10.9	12.6
Trade receivables	1.1	1.6	2.8	2.7	3.8	4.5	5.2
Trade payables	(1.6)	(2.5)	(1.9)	(2.6)	(3.9)	(4.5)	(5.2)
Advances from customers	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0
Trade Working Capital	3.8	3.2	6.1	6.6	9.3	10.9	12.7
Other assets (liabilities)	0.1	0.1	0.6	0.7	1.0	1.0	1.0
Net Working Capital	3.8	3.3	6.7	7.3	10.3	12.0	13.7
Intangible assets	0.2	0.8	1.8	1.5	1.2	0.9	0.6
Fixed assets	0.0	0.0	0.1	0.2	0.3	0.4	0.5
Non-current assets	0.3	0.9	2.0	1.8	1.5	1.3	1.1
Provisions	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)
Net Invested Capital	4.0	4.1	8.5	8.9	11.7	13.1	14.6
Net Debt (Cash)	2.1	(3.4)	(0.4)	(0.3)	1.4	1.3	0.8
Equity	1.9	7.4	8.9	9.2	10.2	11.8	13.8
Sources	4.0	4.1	8.5	8.9	11.7	13.1	14.6

Source: Company data 2018-21A, EnVent Research 2022-24E

Consolidated Cash Flow

€m	2019A	2020A	2021A	2022E	2023E	2024E
EBIT	0.6	0.4	0.6	1.5	2.2	2.9
Current taxes	(0.2)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)
D&A	0.2	0.3	0.4	0.4	0.4	0.4
Cash flow from P&L operations	0.7	0.6	0.8	1.5	2.0	2.5
Trade Working Capital	0.6	(2.9)	(0.5)	(2.7)	(1.7)	(1.7)
Other assets and liabilities	0.0	(0.5)	(0.1)	(0.3)	0.0	0.0
Capex	0.0	(0.4)	(0.1)	(0.1)	(0.2)	(0.2)
Operating cash flow after WC and capex	1.3	(3.2)	0.0	(1.7)	0.2	0.5
Interest	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Capex - IPO cost	(0.9)	0.0	0.0	0.0	0.0	0.0
IPO proceeds	5.0	0.0	0.0	0.0	0.0	0.0
Changes in Equity	0.2	0.2	(0.0)	0.0	0.0	0.0
Net cash flow	5.5	(3.0)	(0.1)	(1.7)	0.1	0.5
Net (Debt) Cash - Beginning	(2.1)	3.4	0.4	0.3	(1.4)	(1.3)
Net (Debt) Cash - End	3.4	0.4	0.3	(1.4)	(1.3)	(0.8)
Change in Net (Debt) Cash	5.5	(3.0)	(0.1)	(1.7)	0.1	0.5

Source: Company data 2019-21A, EnVent Research 2022-24E

Ratio analysis

KPIs	2018A	2019A	2020A	2021A	2022E	2023E	2024E
ROE	31%	4%	3%	4%	10%	13%	15%
ROS (EBIT/Sales)	16%	11%	6%	6%	10%	13%	15%
ROIC (NOPAT/Invested Capital)	16%	11%	3%	5%	9%	12%	14%
DOI	283	266	297	247	240	235	235
DSO	60	83	128	82	80	80	80
DPO	116	173	103	96	100	100	100
TWC / Sales	68%	55%	94%	68%	65%	64%	65%
Net Debt / EBITDA	2.2x	cash	cash	cash	0.8x	0.5x	0.2x
Net Debt / Equity	1.1x	cash	cash	cash	0.1x	0.1x	0.1x
Net Debt / (Net Debt+Equity)	0.5x	cash	cash	cash	0.1x	0.1x	0.1x
Cash flow from P&L operations / EBITDA	na	81%	86%	84%	79%	77%	76%
FCF / EBITDA	na	152%	neg	3%	neg	6%	17%
Basic Earnings per Share (€m)	0.14	0.08	0.05	0.09	0.25	0.38	0.50

Source: Company data 2018-21A, EnVent Research 2022-24E

Valuation

We have updated both our DCF valuation and market multiples analysis.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 1.1% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, July 2022)
- Market return: 12.6% (3Y average. Source: Bloomberg, July 2022)
- Market risk premium: 11.5%
- Beta: 0.9 (from the analysis of selected peers vs Gismondi Beta at 0.45)
- Cost of equity: 11.5%
- Cost of debt: 2.5%
- Tax rate: 24% (IRES)
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 8.6%

- Perpetual growth rate after explicit projections: 2.5%
- Terminal Value assumes 20% EBITDA margin close to industry standards

DCF Valuation

€m	2018A	2019A	2020A	2021A	2022E	2023E	2024E	Perpetuity
Revenues	5.6	5.9	6.8	10.0	14.5	17.3	19.8	20.3
EBITDA	1.0	0.9	0.7	1.0	1.8	2.6	3.2	4.1
<i>Margin</i>	<i>17%</i>	<i>14%</i>	<i>10%</i>	<i>10%</i>	<i>13%</i>	<i>15%</i>	<i>16%</i>	<i>20%</i>
EBIT	0.9	0.6	0.4	0.6	1.5	2.2	2.9	3.9
<i>Margin</i>	<i>16%</i>	<i>11%</i>	<i>6%</i>	<i>6%</i>	<i>10%</i>	<i>13%</i>	<i>14%</i>	<i>19%</i>
Taxes	(0.3)	(0.2)	(0.1)	(0.2)	(0.4)	(0.6)	(0.8)	(1.1)
NOPAT	0.7	0.4	0.3	0.4	1.1	1.6	2.1	2.8
D&A		0.2	0.3	0.4	0.4	0.4	0.4	0.2
Cash flow from P&L operations		0.7	0.6	0.8	1.5	2.0	2.5	3.0
Trade Working Capital		0.6	(2.9)	(0.5)	(2.7)	(1.7)	(1.7)	(0.4)
Other assets and liabilities		0.0	(0.5)	(0.1)	(0.3)	0.0	0.0	0.0
Capex		(0.8)	(0.4)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Yearly unlevered free cash flow		0.4	(3.2)	0.0	(1.7)	0.1	0.5	2.4
Free cash flow to be discounted					(1.7)	0.1	0.5	2.4
WACC					8.6%			
Long-term growth (G)					2.5%			
Discounted Cash Flows						(1.6)	0.1	0.4
Sum of Discounted Cash Flows								(1.0)
Terminal Value								39.0
Discounted TV								30.4
Enterprise Value								29.4
Net cash as of 31/12/2021								0.3
Equity Value								29.7
Equity Value per share (€)								7.31

DCF - Implied multiples	2018A	2019A	2020A	2021A	2022E	2023E	2024E
EV/Revenues	5.2x	5.0x	4.3x	3.0x	2.0x	1.7x	1.5x
EV/EBITDA	30.1x	34.6x	42.7x	30.8x	16.0x	11.3x	9.1x
EV/EBIT	32.4x	47.7x	71.9x	49.4x	20.0x	13.4x	10.3x
P/E	50.5x	94.7x	133.1x	84.6x	29.0x	19.1x	14.5x
<i>Discount of current valuation vs DCF</i>	26%						
Current market price - Implied multiples	2018A	2019A	2020A	2021A	2022E	2023E	2024E
EV/Revenues	3.9x	3.7x	3.2x	2.2x	1.5x	1.3x	1.1x
EV/EBITDA	22.4x	25.7x	31.7x	22.8x	11.9x	8.4x	6.7x
EV/EBIT	24.0x	35.4x	53.4x	36.7x	14.9x	10.0x	7.6x
P/E	37.1x	69.6x	97.9x	62.2x	21.3x	14.1x	10.7x

Source: EnVent Research

Market multiples

We have applied to our 2022-23 estimates the combined median EV/Revenues and EV/EBITDA of the peer groups, using data from 2Y analyst consensus.

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E
Hard Luxury												
Richemont	5.8x	3.5x	3.1x	34.9x	12.5x	11.7x	51.0x	17.3x	16.1x	58.0x	23.9x	20.9x
Swatch	1.6x	1.3x	1.3x	8.2x	6.5x	6.1x	11.4x	9.0x	8.3x	18.5x	14.8x	13.5x
Mean	3.7x	2.4x	2.2x	21.6x	9.5x	8.9x	31.2x	13.2x	12.2x	38.3x	19.3x	17.2x
Median	3.7x	2.4x	2.2x	21.6x	9.5x	8.9x	31.2x	13.2x	12.2x	38.3x	19.3x	17.2x
Diversified Groups/Holdings												
LVMH	6.1x	4.8x	4.5x	19.7x	13.9x	12.8x	22.9x	17.5x	16.0x	30.4x	24.0x	21.7x
Kering	5.2x	3.7x	3.4x	16.5x	10.0x	9.2x	18.4x	12.7x	11.6x	27.5x	17.2x	15.6x
Mean	5.7x	4.2x	3.9x	18.1x	12.0x	11.0x	20.7x	15.1x	13.8x	29.0x	20.6x	18.7x
Median	5.7x	4.2x	3.9x	18.1x	12.0x	11.0x	20.7x	15.1x	13.8x	29.0x	20.6x	18.7x
Soft Luxury												
Hermès	17.4x	12.4x	11.3x	39.9x	28.1x	25.6x	43.3x	32.2x	29.1x	65.7x	48.0x	43.5x
Prada	4.8x	4.2x	3.8x	22.8x	12.0x	10.5x	30.4x	22.9x	20.0x	48.9x	33.4x	27.9x
Christian Dior	2.9x	2.7x	na	9.7x	na	na	10.9x	na	na	26.6x	na	na
Brunello Cucinelli	6.6x	5.3x	4.8x	40.2x	18.9x	17.2x	57.4x	40.0x	35.0x	77.4x	57.7x	49.7x
Mean	7.9x	6.1x	6.6x	28.2x	19.7x	17.8x	35.5x	31.7x	28.0x	54.7x	46.4x	40.4x
Median	5.7x	4.7x	4.8x	31.3x	18.9x	17.2x	36.9x	32.2x	29.1x	57.3x	48.0x	43.5x
EGM Fashion & Luxury												
FOPE	1.5x	3.0x	2.7x	6.9x	13.7x	13.2x	8.8x	17.2x	16.6x	12.4x	23.9x	23.8x
Monnalisa	0.6x	0.5x	0.5x	neg	8.2x	6.3x	neg	neg	19.1x	neg	neg	20.8x
Culti Milano	1.6x	1.7x	1.5x	7.7x	7.2x	6.3x	9.1x	8.2x	7.0x	16.0x	12.3x	10.0x
COVER 50	0.7x	na	na	5.0x	na	na	5.4x	na	na	14.2x	na	na
Pattern	1.4x	1.0x	0.8x	12.9x	9.2x	6.6x	18.0x	14.3x	9.7x	31.9x	26.1x	17.5x
Mean	1.1x	1.5x	1.4x	8.2x	9.6x	8.1x	10.3x	13.2x	13.1x	18.6x	20.7x	18.1x
Median	1.4x	1.3x	1.1x	7.3x	8.7x	6.5x	8.9x	14.3x	13.1x	15.1x	23.9x	19.2x
Combined Mean	4.3x	3.7x	3.4x	18.7x	12.7x	11.4x	23.9x	19.1x	17.1x	35.6x	28.1x	24.1x
Combined Median	2.9x	3.3x	3.1x	14.7x	12.0x	10.5x	18.2x	17.3x	16.1x	29.0x	23.9x	20.9x
Gismondi 1754	1.3x	1.5x	1.3x	16.5x	12.1x	8.6x	21.5x	15.2x	10.2x	37.3x	22.0x	14.5x

Source: EnVent Research on S&P Capital IQ, 29/07/2022

Multiples application

Gismondi Valuation - Multiples		Multiple	EV	Net Cash	Equity Value	Equity Value per share (€)
2022E Sales	14.2	3.3x	46.3	0.3	46.6	11.47
2023E Sales	17.0	3.1x	52.6	0.3	52.9	13.02
Mean					49.8	12.25
2022E EBITDA	1.8	12.0x	22.1	0.3	22.4	5.52
2023E EBITDA	2.6	10.5x	27.3	0.3	27.6	6.79
Mean					25.0	6.16

Source: EnVent Research

Target Price

Given Gismondi profitability not yet aligned to industry-like levels and also considering that Gismondi is investing in its international image favoring volumes over profitability, we rely on the outcome of the DCF financial model as an adequate proxy of value assessment. Our updated valuation yields an upgrade in target price to €7.31 per share, from €5.61 of our prior note, implying a 34% upside potential on Gismondi 1754 current stock price. We note that the application of multiples could lead to a price up to €8.57, a 57% upside on current share price, implying a 2022E EV/Revenues of 2.4x, towards the average of peers at 3.0x. We confirm the OUTPERFORM rating on the stock.

Please refer to important disclosures
at the end of this report.

Gismondi 1754 Price per Share	€
Target Price	7.31
Current Share Price (01/08/2022)	5.45
Premium (Discount)	34%

Source: EnVent Research

DISCLAIMER (for more details go to www.enventcapitalmarkets.co.uk under “Disclaimer”)

This publication has been prepared by Franco Gaudenti, Head of Research Division, and Luigi Tardella, Co-Head of Research Division, on behalf of the Research & Analysis Division of EnVent Capital Markets Limited (“EnVentCM”). EnVent Capital Markets Limited is authorised and regulated by the Financial Conduct Authority (Reference no. 651385).

According to article 35, paragraph 2b of Euronext Growth Milan Rules for Companies (Regolamento Emittenti Euronext Growth Milan), EnVentCM has been commissioned to produce Equity Research, and particularly this publication, for the Company by arrangement with MIT SIM, the Specialist engaged by the Company.

This publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments. This publication is not, under any circumstances, intended for distribution to the general public. Accordingly, this document is only for persons who are Eligible Counterparties or Professional Clients only, i.e. persons having professional experience in investments who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 and COBS 4.12 of the FCA’s New Conduct of Business Sourcebook. For residents in Italy, this document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation n. 16190 of the 29th October 2007, as subsequently amended and supplemented.

This publication, nor any copy of it, can not be brought, transmitted or distributed in the United States of America, Canada, Japan or Australia. Any failure to comply with these restrictions may constitute a violation of the securities laws provided by the United States of America, Canada, Japan or Australia.

EnVentCM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. The price of the investments and the income derived from them can go down as well as up, and investors may not get back the amount originally invested. Therefore, EnVentCM and/or the author(s) of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The information and each possible estimate and/or opinion and/or recommendation contained in this publication is based on sources believed to be reliable. Although EnVentCM makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information and sources. Past performance is not a guarantee of future results.

Most important sources of information used for the preparation of this publication are the documentation published by the Company (annual and interim financial statements, press releases, company presentations, IPO prospectus), the information provided by business and credit information providers (as Bloomberg, S&P Capital IQ, AIDA) and industry reports.

EnVentCM has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the case that any matter, opinion, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if the research on the subject company is withdrawn. The estimates, opinions, and recommendations expressed in this publication may be subject to change without notice, on the basis of new and/or further available information.

EnVentCM intends to provide continuous coverage of the Company and the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the Company’s periodical financial reporting and of any exceptional event occurring in its sphere of activity.

A draft copy of this publication may be sent to the subject Company for its information and review (without valuation, target price and recommendation), for the purpose of correcting any inadvertent material inaccuracies. EnVentCM did not disclose the rating to the issuer before publication and dissemination of this document.

ANALYST DISCLOSURES

For each company mentioned in this publication, all of the views expressed in this publication accurately reflect the financial analysts’ personal views about any or all of the subject company (companies) or securities.

Neither the analysts nor any member of the analysts’ households have a financial interest in the securities of the subject Company. Neither the analysts nor any member of the analysts’ households serve as an officer, director or advisory board member of the subject company. Analysts’ remuneration was not, is not or will be not related, either directly or indirectly, to specific proprietary investment transactions or to market operations in which EnVentCM has played a role (as Euronext Growth Advisor, for example) or to the specific recommendation or view in this publication. EnVentCM has adopted internal procedures and an internal code of conduct aimed to ensure the independence of its financial analysts. EnVentCM research analysts and other staff involved in issuing and disseminating research reports operate independently of EnVentCM Capital Market business. EnVentCM, within the Research & Analysis Division, may collaborate with external professionals. It may, directly or indirectly, have a potential conflict of interest with the Company and, for that reason, EnVentCM adopts organizational and procedural measures for the prevention and management

of conflicts of interest (for details www.enventcapitalmarkets.co.uk under “Disclaimer”, “Procedures for prevention of conflicts of interest”).

MIFID II DISCLOSURES

Gismondi 1754 S.p.A. (the “Issuer or the “Company”) is a corporate client of EnVent Capital Markets. This document, being paid for by a corporate Issuer, is a Minor Non-monetary Benefit as set out in Article 12 (3) of the Commission Delegated Act (C2016) 2031. This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

CONFLICTS OF INTEREST

In order to disclose its possible conflicts of interest, EnVentCM states that it acts or has acted in the past 12 months as Euronext Growth Advisor and Corporate Broker to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details www.enventcapitalmarkets.co.uk under “Disclaimer”, “Potential conflicts of interest”).

CONFIDENTIALITY

Neither this publication nor any portions thereof (including, without limitation, any conclusion as to values or any individual associated with this publication or the professional associations or organizations with which they are affiliated) shall be reproduced to third parties by any means without the prior written consent and approval from EnVentCM.

VALUATION METHODOLOGIES

EnVentCM Research & Analysis Division calculates range of values and fair values for the companies under coverage using professional valuation methodologies, such as the discounted cash flows method (DCF), dividend discount model (DDM) and multiple-based models (e.g. EV/Revenues, EV/EBITDA, EV/EBIT, P/E, P/BV). Alternative valuation methodologies may be used, according to circumstances or judgement of non-adequacy of most used methods. The target price could be also influenced by market conditions or events and corporate or share peculiarities.

STOCK RATINGS

The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 01/08/2022 h. 6.55pm

Date and time of Distribution: 01/08/2022 h. 6.58pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
13/01/2020	OUTPERFORM	4.45	3.30
13/05/2020	NEUTRAL	2.71	2.36
16/10/2020	OUTPERFORM	2.39	1.80
26/04/2021	OUTPERFORM	3.97	2.86
22/07/2021	OUTPERFORM	3.97	3.10
20/10/2021	OUTPERFORM	4.41	3.36
25/04/2022	OUTPERFORM	5.61	4.46
01/08/2022	OUTPERFORM	7.31	5.45

ENVENTCM RECOMMENDATION DISTRIBUTION (August 1st, 2022)

Number of companies covered:	21	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		95%	0%	0%	5%	0%	0%
of which EnVentCM clients % *		100%	0%	0%	100%	0%	0%

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

This disclaimer is constantly updated on the website at www.enventcapitalmarkets.co.uk under “Disclaimer”.

Additional information available upon request.

© Copyright 2022 by EnVent Capital Markets Limited - All rights reserved.