ZEST

BUY

Sector: Venture Capital

Price: Eu0.16 - **Target: Eu0.32**

A Rough Diamond in Italian Venture Capital

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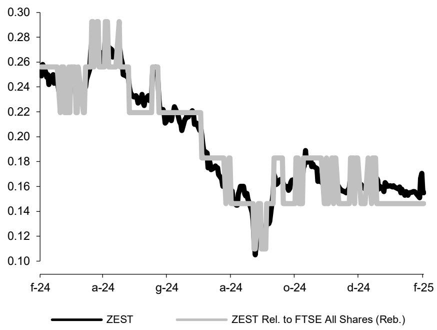
Stock Rating	
Rating:	BUY (New Coverage)
Target Price (Eu):	0.32 (New Coverage)

Next Event
FY24 Results Out March 25th 2025

ZEST - 12M Performance



Stock Data			
Reuters code:			ZEST.MI
Bloomberg code:			ZEST IM
Performance	**1M**	**3M**	**12M**
Absolute	-3.1%	-1.9%	-39.5%
Relative	-9.5%	-16.8%	-58.7%
12M (H/L)			0.28/0.11
3M Average Volume (th):			170.62

Shareholder Data	
No. of Ord shares (mn):	161
Total no. of shares (mn):	161
Mkt Cap Ord (Eu mn):	25
Total Mkt Cap (Eu mn):	25
Mkt Float - Ord (Eu mn):	14
Mkt Float (in %):	56.7%
Main Shareholder:	
StarTIP S.r.l. (TIP Group)	13.7%

Balance Sheet Data	
Book Value (Eu mn):	59
BVPS (Eu):	0.37
P/BV:	0.4
Net Financial Position (Eu mn):	-6
Enterprise Value (Eu mn):	31

Zest, founded in April 2024 from the merger of Digital Magics into LVenture Group, is Italy's top player of European scale for investments in early-stage venture capital, startup acceleration, scale-up, and open innovation and corporate venturing programmes. Thanks to more than 20 years' experience in the sector, it can count on solid know-how and a network of long-term relationships with a multitude of actors on the corporate side and among investors and partners. We believe that Zest represents a unique opportunity to invest in Italian venture capital, as it focuses on a portfolio of over 250 startups active in a range of digital sectors and benefits from a market valuation at a discount of more than 60% to fair value. We start coverage of the stock with a BUY rating and target price of Eu0.32, equating to potential upside of about 100%.

- **The Italian leader in startup investment:** the merger of DM and LVG has created Zest, the leading Italian player of international importance in startup investments, open innovation and corporate venturing, capable of attracting top entrepreneurial talent and offering a tangible contribution to the entire innovation ecosystem in Italy thanks to over 20 years' experience in the sector, during which time it has invested in more than 500 high-potential startups. The two main shareholders, TIP Group (13.7%) and LUISS (11.7%), and the largest co-investor, CDP Venture Capital, represent further seals of approval.
- **Strong development expected for the VC market in Italy:** the market, although still less than 3% of the European VC market, is thriving, with investments expected to reach Eu5.5bn in 2028 from Eu1.5bn in 2024. Significant business opportunities may arise in the coming years from the national Transition 5.0 plan, financed with Eu6.3bn of NRRP funds, and from the Eu8bn investment plan for 2024-2028 from CDP Venture Capital.
- **Investment portfolio comprising over 250 startups:** the Zest investment portfolio consists of over 250 investments in startups, of which about 40 acquired in 2024 alone; the 3Q24 fair value was Eu57.6mn, about 2.2x book values, with an implicit IRR of ca. 22%. Three Exits were achieved in 2024, all successful (Futura, Cardo AI and Fitprime), with a total value of Eu6.2mn, compared to Eu2.0mn of Exits achieved by DM and LVG in 2023. The common thread running through the portfolio is digitalization and technological innovation, with a presence in the lifestyle & culture (23%), data & digitization (19%), smart city & factory (19%), fintech & insurtech (18%), cleantech (9%), food & agriculture (6%) and health & life science (6%) sectors. Consultancy, leasing of workspace, and event organisation are expected to generate ca. Eu11mn in revenues in 2025 with EBITDA close to break-even and expected to improve in the years to come.
- **Fair value discount of over 60%, BUY:** our SoP shows a fair value of about Eu65mn, of which ca. Eu61mn comes from the expected value of the portfolio as at end-2025. BUY rating with TP of Eu0.32, which includes a 20% liquidity discount.

Key Figures & Ratios	2023A	2024E	2025E	2026E	2027E
Sales (Eu mn)	7	9	11	12	13
EBITDA Adj (Eu mn)	-1	11	0	0	1
Net Profit Adj (Eu mn)	-3	10	-2	-1	0
EPS New Adj (Eu)	-0.028	0.073	-0.011	-0.006	0.000
EPS Old Adj (Eu)					
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	nm	3.7	nm	nm	nm
EV/EBIT Adj	nm	4.2	nm	nm	nm
P/E Adj	nm	2.1	nm	nm	nm
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-1.1	0.6	-14.0	-658.8	5.0

ZEST – Key Figures						
Profit & Loss (Eu mn)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
Sales	4	7	9	11	12	13
EBITDA	0	-1	11	-0	-0	1
EBIT	-1	-3	10	-2	-1	0
Financial Income (charges)	-1	0	-0	-0	-0	-0
Associates & Others	-1	0	0	0	0	0
Pre-tax Profit	-1	-3	10	-2	-1	-0
Taxes	-0	-0	0	0	0	0
Tax rate	-2.7%	-1.1%	0.0%	0.0%	0.0%	0.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	-1	-3	10	-2	-1	-0
EBITDA Adj	0	-1	11	-0	-0	1
EBIT Adj	-1	-3	10	-2	-1	0
Net Profit Adj	-1	-3	10	-2	-1	-0
Per Share Data (Eu)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
Total Shares Outstanding (mn) - Average	100	101	161	161	161	161
Total Shares Outstanding (mn) - Year End	100	101	161	161	161	161
EPS f.d	-0.012	-0.028	0.073	-0.011	-0.006	0.000
EPS Adj f.d	-0.012	-0.028	0.073	-0.011	-0.006	0.000
BVPS f.d	0.385	0.335	0.397	0.368	0.424	0.493
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
Gross Cash Flow	0	2	-3	-0	-0	1
Change in NWC	-1	0	2	-0	-0	-0
Capital Expenditure	-0	-0	-0	-0	-0	-0
Other Cash Items	-0	0	0	0	0	0
Free Cash Flow (FCF)	-2	2	-1	-1	-1	0
Acquisitions, Divestments & Other Items	-1	-2	1	2	2	2
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	2	0	0	0	0	0
Change in Net Financial Position	-1	1	-0	1	1	2
Balance Sheet (Eu mn)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
Total Fixed Assets	37	33	58	65	73	82
Net Working Capital	2	2	1	1	1	1
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	38	34	59	65	73	82
Net Cash (Debt)	1	-1	-7	-6	-5	-3
Group Equity	38	33	52	59	68	79
Minorities	-0	-0	-0	-0	-0	-0
Net Equity	39	34	52	59	68	79
Enterprise Value (Eu mn)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
Average Mkt Cap	36	33	34	25	25	25
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	1	-1	-7	-6	-5	-3
Enterprise Value	35	34	41	31	30	28
Ratios (%)	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**	**2027E**
EBITDA Adj Margin	3.6%	nm	124.4%	nm	nm	5.1%
EBIT Adj Margin	nm	nm	108.8%	nm	nm	0.5%
Gearing - Debt/Equity	-1.5%	2.6%	13.6%	10.9%	7.8%	4.2%
Interest Cover on EBIT	nm	20.9	34.0	nm	nm	0.7
Net Debt/EBITDA Adj	-3.5	-1.1	0.6	-14.0	-658.8	5.0
ROACE*	-10.5%	-67.1%	482.1%	-58.5%	-32.8%	2.6%
ROE*	-3.0%	-7.7%	20.2%	-2.9%	-1.4%	0.0%
EV/CE	7.3	7.8	20.4	11.8	12.2	11.7
EV/Sales	8.0	4.8	4.6	2.8	2.5	2.2
EV/EBITDA Adj	nm	nm	3.7	nm	nm	nm
EV/EBIT Adj	nm	nm	4.2	nm	nm	nm
Free Cash Flow Yield	-6.2%	9.5%	-4.9%	-5.1%	-2.8%	0.3%

Source: Intermonte SIM estimates

websim CORPORATE

Company in Brief

Company Profile

Zest, founded in April 2024 from the merger of Digital Magics into LVenture Group, is an Italian company specialising in early-stage venture capital investments and startup acceleration, as well as open innovation and corporate venturing. The company focuses on innovative technology sectors, including AI, cleantech, fintech, insurtech, IoT, proptech, traveltech, and digital. With over 20 years of industry experience, Zest has invested in more than 500 high-potential startups.

Management

Executive Chairman: Marco Gay
CEO: Luigi Capello
CFO: Alessandro Malacart

Shareholders

StarTIP Srl (TIP Group)	13.7%
LUISS	11.7%
LV.EN H. Srl (L.Capello)	8.6%
Alberto Fioravanti	4.4%
WebW. Srl (M.G.Gay)	3.3%
Market float	58.3%

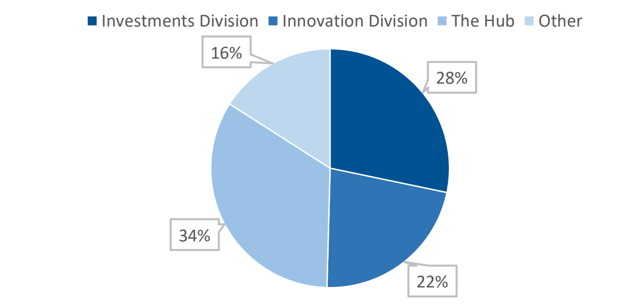
Strengths / Opportunities

- The leading Italian player of European scale for early-stage investments, startup acceleration, scale-up, and open innovation and corporate venturing programmes
- Solid know-how and long-term relationships with venture capital firms and business angels thanks to over twenty years' experience in the sector
- Strategic and business support from shareholders TIP and LUISS
- Significant business opportunities arising from the national Transition 5.0, plan, financed with Eu6.3bn of NRRP funds, and from the Eu8bn investment plan for 2024-2028 from CDP Venture Capital
- Cost optimisation opportunities following the merger

Weaknesses / Threats

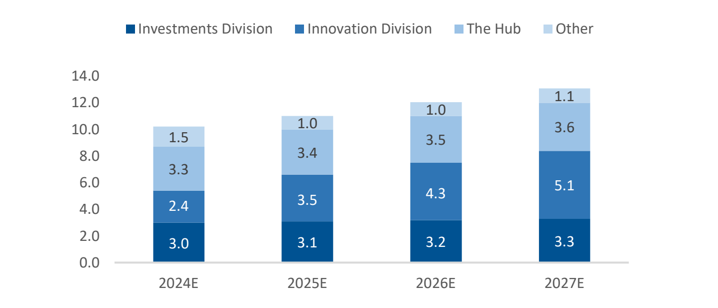
- 94% of companies in the portfolio are Italian
- Low market capitalisation
- Limited financial resources
- Marginal size of the Italian venture capital market in Europe

Zest – 1H2024 Sales Breakdown



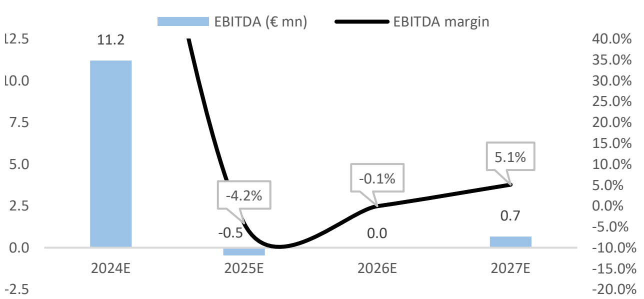
Source: Company Data

Zest – 2024E-2027E Net Turnover Breakdown by Division (Eu mn)



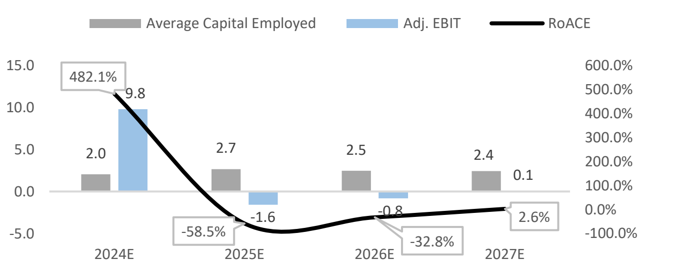
Source: Company Data & Websim Corporate estimates

Zest – 2024E-2027E EBITDA (Eu mn) and EBITDA Margin (%)



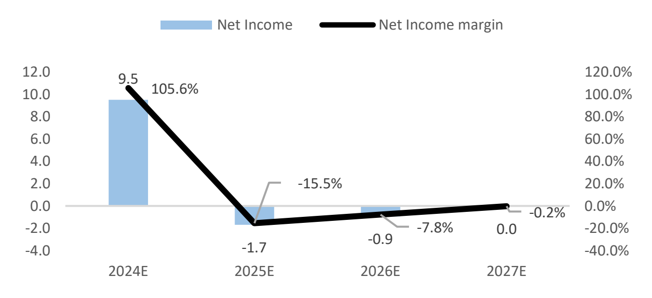
Source: Company Data & Websim Corporate estimates

Zest – 2024E-2027E RoACE Evolution (%)



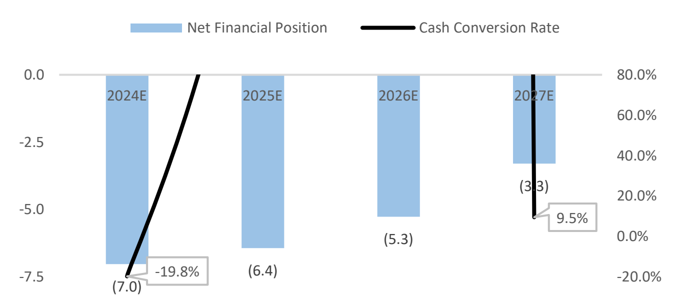
Source: Company Data & Websim Corporate estimates

Zest – 2024E-2027E Net Income (Eu mn) & Net Income Margin (%)



Source: Company Data & Websim Corporate estimates

Zest - 2024-2027E NFP (Eu mn) and Cash Conversion Rate (%)



Source: Company Data & Websim Corporate estimates

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Company overview

Zest S.p.A., listed on the Euronext Milan market, **came into being through the merger of Digital Magics S.p.A. (DM) into LVenture Group S.p.A. (LVG).** The aim was to create the first Italian player of European scale in early-stage & seed investments, in acceleration of startups & scale-ups, and in open innovation & corporate venturing, capable of playing a pivotal role for the entire Italian innovation ecosystem. The company's three offices are in Rome, Milan and Turin.

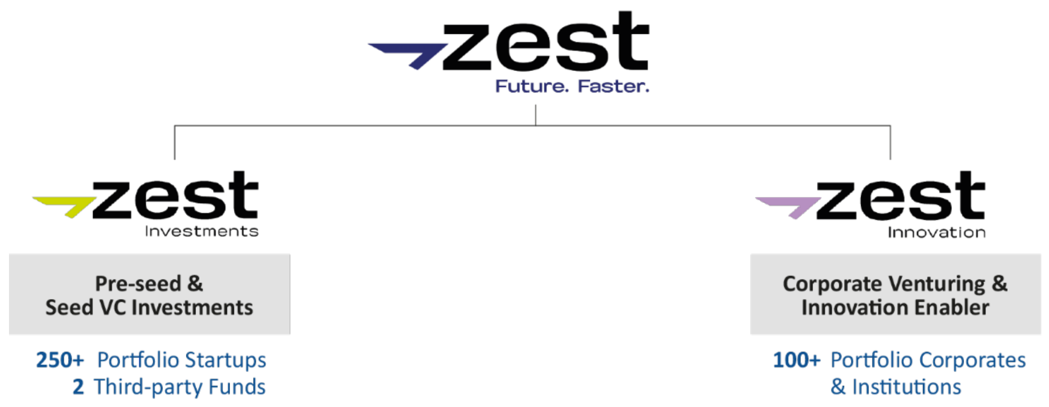
Digital Magics, founded in 2003, and LVenture Group, in 2013, were **the two main certified accelerators and incubators for innovative startups in Italy**. Their business models were similar, and involved:

- direct investment in digital and innovative start-ups through subscription for or acquisition of equity investments or equity financial instruments at the pre-seed or seed phase**;**
- providing expert hands-on managerial input to support investee companies at the go-to-market stage and on the growth roadmap to create value for investee shareholders from capital gains to be realised over the medium-long term at the exit stage.

The integration of the two firms formally commenced on 10 March 2023 on signing of a first term-sheet (not yet binding); go-ahead from the respective boards came on 28 June 2023 and the process was completed on **1 April 2024, the effective date of the merger**. DM shareholders were allocated 46 new shares in Zest (the name for LVG post-merger) for each 5 DM shares held. Hence, as at the merger date, former DM shareholders held 63% of Zest equity, and ex-LVG shareholders the remaining 37%. The main shareholders in the two firms also signed a joint-shareholder pact (JSP) regulating their voting rights at shareholder meetings on certain extraordinary matters and appointing **Marco Gabriele Gay** (former Executive Chairman of DM) as **Executive Chairman of Zest**, and **Luigi Capello** (former CEO of LVG) as **CEO**.

Following the merger, Zest reorganised the business into **two operating vehicles**: Zest Investments S.r.l. and Zest Innovation S.r.l. The business unit handling management of the portfolio of start-ups and led by **CEO Gabriele Ronchini** was transferred to **Zest Investments** while the corporate consultancy business unit headed by **CEO Antonella Zullo** was transferred to **Zest Innovation**. As at end-September 2024, Zest Investments held over 250 investments in startups, with a fair value of Eu57.55mn, equating to Eu0.36 per share, and Zest Innovation had over 100 counterparties among companies and institutions.

Zest – Group Structure (pag. 13)



Source: Websim Corporate on Company Presentation

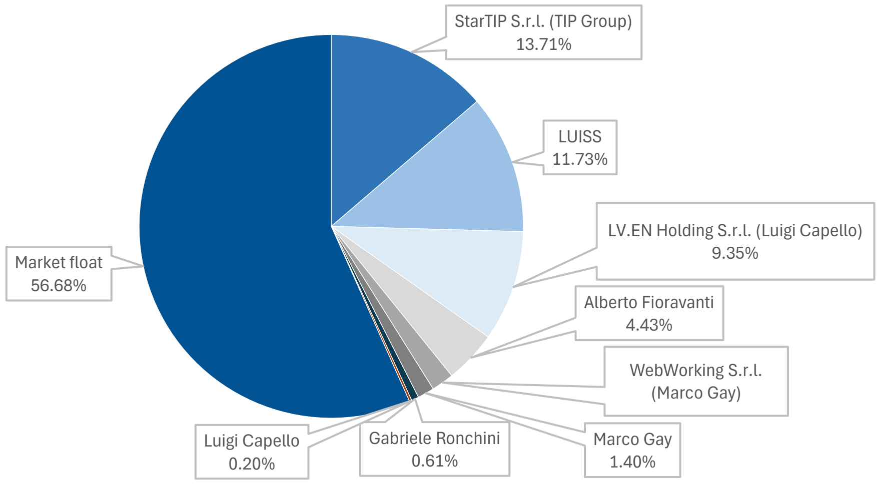
Shareholding

Zest **share capital** comprises **160,706,075 shares**, **40.1% of which** are subject to a **joint-shareholder pact**. The pact was entered into on 28 June 2023 and became effective for 3 years because of the merger. It establishes corporate governance rules and the rights and obligations of the shareholders adhering to the pact. The **free float** amounts to **56.7% of capital**. Shareholders adhering to the JSP are as follows.

- **StarTIP S.r.l. (13.7%):** a company of the Tamburi Investment Partners Group
- **LUISS Libera Università Internazionale degli Sudi Sociali Guido Carli (11.7%)**
- **LV.EN. Holding S.r.l. (9.3%):** a company controlled by Luigi Capello (the shares subject to the JSP amount to 6.2% of capital)
- **Alberto Fioravanti (4.4%):** co-founding partner of DM and Chief Technology Officer of Zest
- **WebWorking S.r.l. (1.9%):** a company controlled by Marco Gay
- **Marco Gay (1.4%):** former Executive Chairman of DM, now Executive Chairman of Zest
- **Gabriele Ronchini (0.6%):** co-founding partner of DM and CEO of Zest Investments

- **Luigi Capello (0.2%):** co-founding partner of LVG, where he was CEO, now CEO of Zest (the shares subject to the JSP amount to 0.1% of capital)

Zest – Shareholding Structure



Source: Company data

Senior management

Marco Gay (Executive Chairman)

Born in Turin in 1976, he has over 20 years' entrepreneurial experience in the digital and innovation sector. His business roots have influenced his ethical and strategic vision. He is currently president of the Industrial Union of Turin and a present and former holder of important positions in several organizations: former president of Confindustria Piemonte, Anitec-Assinform and Young Entrepreneurs (both regional and national); directorships at Online SIM, Talent Garden (since 2016), Politecnico di Torino, and previously at Sole24Ore and the LUISS Guido Carli University; since 2021, he has been a mentor on the Bocconi University's CEO Connect programme. He has been the CEO of companies in the digital health, advertising and healthtech sectors. He is chairman of the advisory board of Blooming Group S.p.A. and the Research & Entrepreneurship Foundation.

Luigi Capello (Chief Executive Officer)

Born in Rome in 1960, he graduated in economics from LUISS in Rome, attended the Executive Program for Growing Companies at Stanford University and has taught entrepreneurship and venture capital at LUISS. His career development path until 2008 took him to investment banks and private equity funds. An entrepreneur and business angel, he has launched numerous entrepreneurial initiatives and carried out important exits. He founded and led LVG and promoted the first Italian integrated venture capital ecosystem and the startup accelerator LUISS Enlabs, set up in 2013 as a joint venture with LUISS University. He is the co-founder of the first Italian business angel group, Italian Angels for Growth (IAG), through which he has invested in numerous startups.

Alessandro Malacart (CFO)

Born in Milan in 1961, an information sciences graduate of the University of Milan, his career has featured strong skills in financial management, extraordinary transactions, and accompanying companies towards growth and listing processes on the stock exchange. Since 2014 he has been CFO of DM, managing all ordinary and extraordinary activities. He was previously also CEO, Corporate & Finance at the same Group, contributing significantly to its development. In the past he has held directorships at investment firm Brainspark PLC, and technology companies such as Inferentia (now Beewize) and AISoftw@re (now Exprivia), where he led IPO processes and managed strategic and organizational operations.

Gabriele Ronchini (CEO of Zest Investments)

Born in Brianza in 1964, he graduated from the University of Milan in information sciences with a specialization in cybernetics and neural networks, and pursued a career that took him into leading roles at companies including IBM Consulting and Grey Interactive. In 2003, he co-founded DM, where he was the CEO from 2015 until the merger with LVG. He has contributed to the development of over a hundred startups and has also held important roles on initiatives related to online advertising.

Antonella Zullo (CEO of Zest Innovation)

Born in Campobasso in 1967, she graduated in finance from the LUISS Business School. A feature of her career has been a strong commitment to accompanying companies in the innovation and digital transformation process, supporting the growth of innovative startups and SMEs through corporate venturing and open innovation strategies. She held senior positions at LVG, including as head of open innovation.

Core market

Zest Group is an integrated system that targets the most talented digital entrepreneurs, provides venture capital for chosen startups and supports them along their growth path up to a successful exit. The Group also acts as a strategic partner for Italian companies with projects and services for innovation and digital transformation, benefiting from complementary commercial relationships and partnerships to strengthen the development capacity of the investment portfolio. The **core market** is **venture capital**.

Venture Capital Market Overview

Venture capital (VC) is a form of financing for startups and innovative companies that offer high growth potential but also significant risk. VC investments are divided into **funding rounds**, each featuring a specific objective and level of business maturity.

Main types of investors

- **Business Angels:** individuals who invest in the early stages.
- **Fondi di VC:** manage capital for investments in high-potential startups.
- **Corporate VC:** investment divisions of large companies.
- **Private Equity e Hedge Funds:** invest in the most mature stages.

Sub-division of funding rounds

VC rounds are classified according to the maturity level and capital needs of the company. They are generally split into three macro-categories: **Early Stage, Growth Stage and Late Stage**.

- **Early Stage:** these rounds fund startups at the early stages, when the idea is still under development or has just been validated.
  1. **Pre-seed:** from Eu10k to Eu500k, involving family & friends, business angels and pre-seed funds with the aim of validating the idea and developing a prototype.
  2. **Seed:** from Eu500k to Eu2mn, involving angel investors, seed-stage funds and crowdfunding with the aim of building the product and demonstrating the problem-solution fit.
  3. **Series A round:** from Eu2mn to Eu15mn, in which VC funds intervene with the aim of scaling the business model and demonstrating the product-market fit.

- **Growth Stage:** by this point, the company has a validated product and significant revenues, and is aiming for rapid growth.
  4. **Series B round**: from Eu10mn to Eu50mn; growth stage and corporate VC funds intervene with the aim of expanding the business and gaining greater market share.
  5. **Series C round**: from Eu50mn to Eu200mn; private equity, hedge funds and corporate VCs take part with the aim of scaling globally, taking over competitors, and diversifying the offering.

- **Late Stage:** these rounds prepare the company for the exit phase, such as an IPO or acquisition.
  6. **Series D (and subsequent) round(s)**: for over Eu200mn, in which private equity and institutional investors intervene, with the aim of consolidating the position and preparing an exit.
  7. **Pre-IPO round**: for over Eu500mn, involving hedge funds and pre-IPO funds with the aim of preparing the startup to list on the stock exchange.

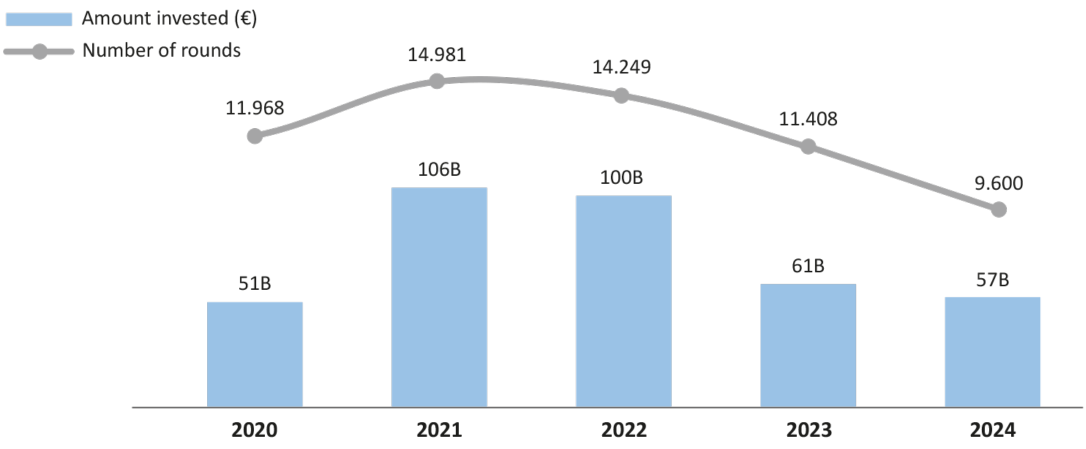
These stages in funding enable startups to access the capital needed at each stage of development, addressing specific challenges and increasing value for investors and founders. **Zest typically intervenes at the pre-seed, seed and follow-on stages in startups with the greatest potential.**

Venture Capital Trends in Europe

The **European Venture Capital market plunged in 2023** with investments down 39% on the previous year (Eu61bn from Eu100bn), the number of transactions falling 20% to 11,408 from 14,249, and average transaction value down 18% (to Eu7.5mn from Eu9.2mn). The 2023 market downsizing is mainly attributable to the rise in interest rates (the ECB rate reached 4.5% in September 2023 from 2% at the beginning of the year); however, it should be noted that **2021 and 2022 were two exceptional years** for European Venture Capital and that compared to 2020 (Eu51bn), investments in 2023 were 20% higher, despite a 5% decrease in the number of transactions. **2024 saw the market tending to stabilise**, with the decrease in investments limited to 7% YoY (Eu57bn) and the number of transactions down 16% YoY (9,600).

Venture Capital in Europe: 2020-2024

As expected, with €57B raised in 9,600 rounds[a], the European VC market is comparable to 2023 (-16% in dealmaking and -8% in amount invested)[1]



	2020	2021	2022	2023	2024
Mean[b]	€5.3M	€9.0M	€9.2M	€7.5M	€9.8M
Median[b]	€1.0M	€1.3M	€1.7M	€1.7M	€2.2M

Sources:
a. PitchBook 2024 Annual European Venture Report;
b. Growth Capital elaboration based on PitchBook data
Notes: **1.** PitchBook data may slightly change in the future, due to delays in data update and constant backward correction

Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

The **main deals** in Europe **in 2024** concerned **software** (Wayve, Nebius, Mistral AI) and **fintech** (Abound, Monzo).

Venture Capital in Europe: top 5 deals in 2024

TOP 5 DEALS[a]	SECTOR	STAGE	SIZE	INVESTORS
WAYVE	Software	Series C	€ 980M	Nvidia, Eclipse Ventures, Softbank Group, Microsoft, Uber
abound	Fintech	Series B	€ 933M[1]	GSR Ventures, K3 Ventures, Salica Investments, West Coast Capital, Tom Hunter
NEBIUS	Software	Growth VC	€ 667M	Accel, Nvidia, Orbis Investment Management
MISTRAL AI_	Software	Series B	€ 600M[1]	Andreessen Horowitz, Belfius Investment Partners, Bertelsmann Investments, BNP Paribas
monzo	Fintech	Growth VC	€ 580M	GV, CapitalG, Tencent, Ribbit Capital, HongShan, Hedosophia, Top Tier Capital, Passion Capital

Source: **a.** Growth Capital elaboration based on Pitchbook data Notes: **1.** Value including debt and equity

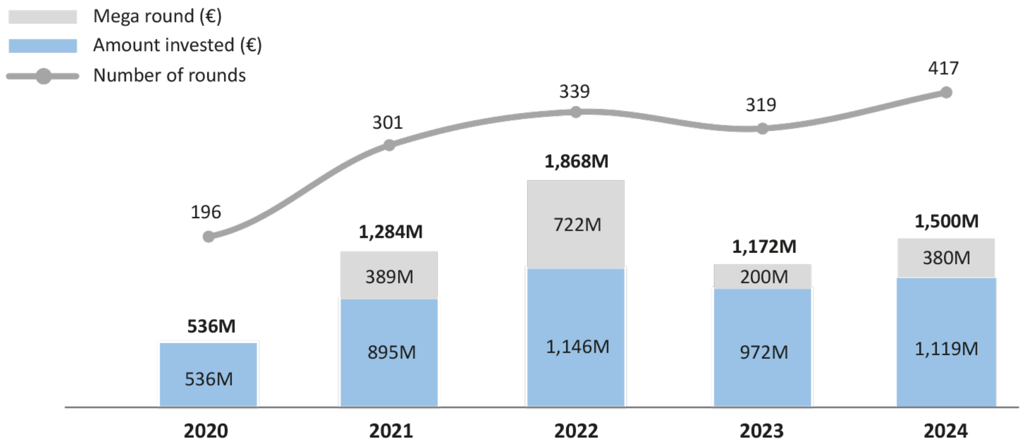
Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

Venture Capital Trends in Italy

Akin to Europe, **venture capital in Italy also suffered a sharp contraction in 2023**, which closed with investments down 37% YoY to Eu1.17bn from Eu1.87bn (-34% in the UK, -36% in France, -45% in Spain); however, the number of transactions fell by just 6% YoY to 319 from 339 (-22% in the UK, -22% in France, -43% in Spain), while the average transaction value decreased by 33% YoY to Eu3.7mn from Eu5.5mn (-16% to Eu7.3mn in the UK, -18% to Eu7.8mn in France, -5% to Eu4.4mn in Spain). Excluding mega rounds (transactions of Eu100mn and above) the Italian market contracted by only 2023 YoY in 15% to Eu0.97bn from Eu1.15bn. Italian venture capital therefore showed greater resilience compared to other European markets during 2023, and in 2024 recorded a significant recovery, reaching Eu1.50bn (+28% YoY), of which about 1/4 (Eu0.38bn) from 3 mega rounds (Bending Spoons, NewCleo and MMI).

Venture Capital in Italy: 2020-2024

With €1,500M raised in 417 rounds, 2024 is the best year by # of rounds (+31% vs 2023), and the 2nd-best year after 2022 in terms of amount, both with and without mega rounds[1,2]



	2020	2021	2022	2023	2024
Mean	€2.7M	€4.3M	€5.5M	€3.7M	€3.6M
Adj. Mean[3]	€2.5M	€2.9M	€3.0M	€2.9M	€2.8M
Median	€0.7M	€1.0M	€1.2M	€1.0M	€0.8M

Notes:
1. For the purposes of the report, mega rounds are defined as transactions where the equity component is e qual to or exceeds €100M;
2. BendingSpoons, MMI, NewCleo. As the two tranches of NewCleo's round are €87M in Q2 and €48M in Q3, this Report considers the fundraising as a single round of €135M. D-Orbit is not considered as mega round In 2024, despite the second tranche announced in Q3-24, because they had already been considered in 2023 when the firstt ranche was announced;
3. Mean without outliers. For the purpose of the report, outliers are defined as rounds that are very far from the average amount for the quarter

Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

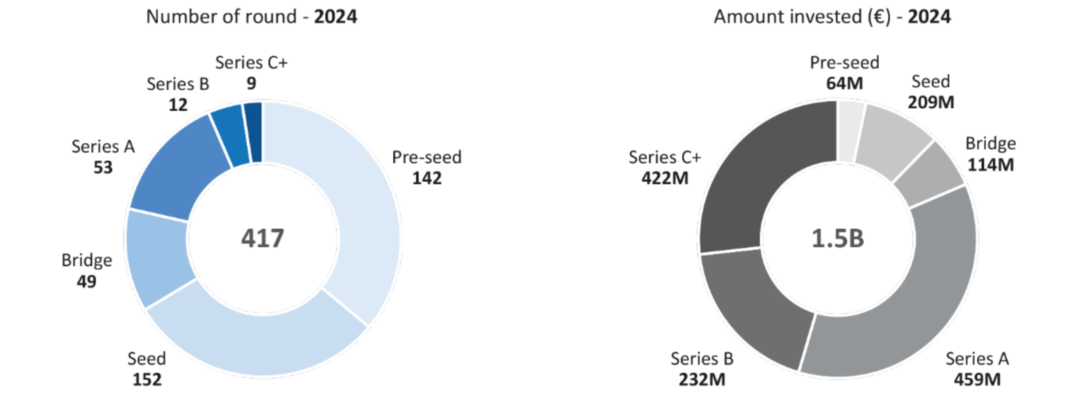
The **Italian venture capital market**, despite being marginal in the European market (under 3%), **saw strong trends in the 2013-2023 period**, marking it as a catalyst for the country's innovation ecosystem. Based on data from the "State of Italian VC" report by P101 Ventures, between 2013 and 2023, Italian venture capital invested Eu8bn in startups, recording a CAGR of 23% (compared to the European average of 19%), and contributed to the growth of over 13,000 startups and 2,000 SMEs. In 2023 alone, these companies generated total turnover of over Eu9.3bn, and employed around 62,000 people. The Enterprise Value of the Italian startup ecosystem, equating to c.Eu67bn, increased 25-fold in the 2013-2023 period, more than twice the European average, with a step-up in growth in 2023 to 27% YoY vs the European average of 7%. These numbers confirm the scalability of the business models of Italian startups and the emergence of entities with further development potential, especially in the technology sector.

Despite a significant time lag in the development of the startup ecosystem in Italy compared to Spain, France and Germany, the surge in the number of companies supported by venture capital in Italy (from 726 in 2013 to 2,983 in 2023, +311%) paves the way for swifter progress. **The average valuation of Italian startups in 2023 topped Eu22mn, a 10-year CAGR of 19%,** the highest in Europe. Average valuations of startups in countries like Germany and France are still almost double those in Italy; this gap is expected to shrink rapidly in the coming years.

In the 2019-2023 period, European venture capital funds raised approximately Eu109bn, although 2023 saw a 32% YoY decrease, while in the same year Eu3.6bn in new funds were raised in Italy, up 88% YoY. Moreover, in 2023, the average size of Italian funds increased by 71% YoY. The substantial increase in the number of new venture capital funds (to 11 in 2023 from 3 in 2019) and the increase in average size point unequivocally to an **expanding and diversified market, reflecting growing investor confidence and a wider range of investment opportunities in Italy**.

In particular, at the **Early Stage rounds** (pre-seed, seed, bridge, and series A**), Eu3.7bn was invested in Italy in the 2013-2023 period**, rising from Eu102mn in 2013 to Eu516mn in 2023, a **CAGR of 18%,** despite the 28% YoY decline in 2023; Early Stage rounds amounted to 94% of the total number of funding rounds in the year (European average 88%). In **2024, in the Early Stage rounds, Eu846mn** (56% of the total) was raised in 396 rounds (95% of the total); in particular, at the pre-seed and seed rounds (18% of the total), Eu273mn was raised in 294 rounds (71% of the total). **At the Growth Stage rounds in the 2013-2023 period, around Eu2.2bn was invested**, a 10-year **CAGR of 23%** despite the 26% decrease in 2023, a year in which they accounted for less than 6% of total rounds. **In 2024, Eu654mn was raised in the Growth Stage rounds** (44% of the total). **Late Stage rounds are still uncommon in Italy**: the amount invested rose from zero in 2013 to Eu205mn in 2023. Only 12 transactions were completed at this stage during the decade, concentrated **in 2019-2023**, in which the **total investment reached c.Eu2.0bn.**

Venture Capital in Italy: analysis by round type in 2024

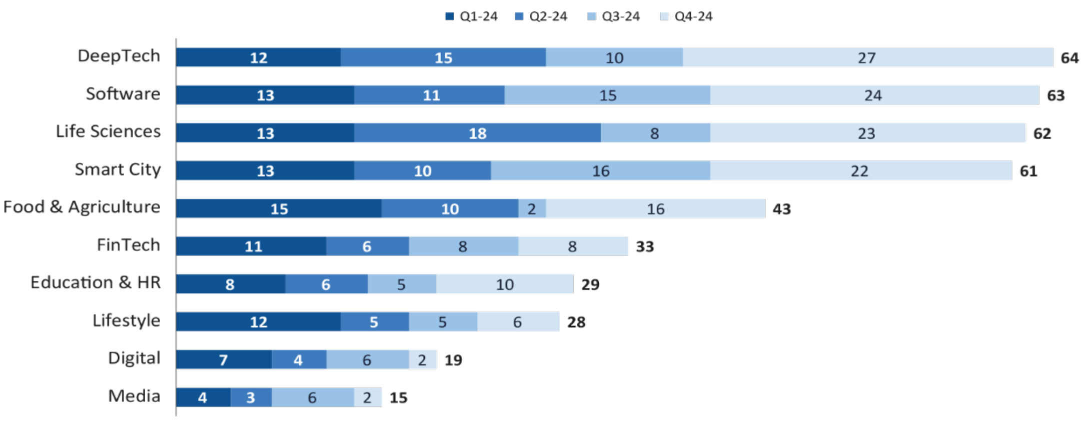


Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

In 2023, investments in Italy shifted from sectors that saw very strong growth during the pandemic, such as Fintech (Eu128mn invested in 2023 from Eu733mn in 2022) and HealthTech (Eu123mn invested in 2023 from Eu324mn in 2022), **towards emerging and sustainable technologies such as Space** (Eu128mn invested in 2023) **and Energy** (Eu147mn invested in 2023). The B2B Software sector, a perennial favourite of investors, raised Eu218mn in 2023 to top the ranking. Investments in startups linked to sustainable development goals reached Eu120mn, up 60% on 2019, although still below the peak in 2022**. In 2023, investments in B2B startups were 45% higher than in 2021, amounting to 82% of the total** (54% in 2021), boosted by the **ongoing corporate digitisation trend**. Sectorial concentration of investments remains high: the top 5 sectors attract more than 50% of the total and the top 10 over 80%.

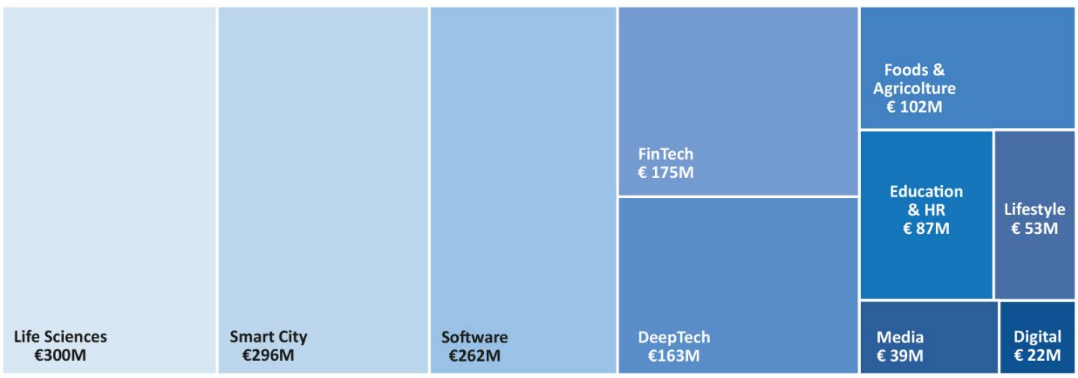
In 2024, the **DeepTech** sector, driven by the jump in investments in Artificial Intelligence, led the ranking in terms of the number of rounds (64), followed by the Software (63), Life Science (62), Smart City (61), and Food & Agriculture (43) sectors. By amount invested, the 2024 ranking is headed by the **Life Sciences** sector (Eu300mn), followed by Smart City (Eu296mn), Software (Eu262mn), FinTech (Eu175mn) and DeepTech (Eu163mn).

Venture Capital in Italy: analysis by sector in 2024 (number of rounds)



Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

Venture Capital in Italy: analysis by sector in 2024 (amount invested)



Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

Venture Capital in Italy: top 5 deals in 2024

TOP 5 DEALS	SECTOR	STAGE	SIZE	INVESTORS[1]
BENDING SPOONS	Software	Growth VC	€ 144M	DurableCapitalPartnersLP, BaillieGifford, COXEnterprises, NB Reneissance, NUO Capital, StarTIP
newcleo	Smart City	Series A	€ 135M[2]	Inarcassa, Ingérop, Walter Tosto, Other undisclosed investors
MMI	Life Sciences	Series C	€ 101M	Fidelity Management & Research Company, PanakèsPartners, Andera Partners, BioStarVentures, btov, Deerfield, FountainHealthcarePartners, RACapitalManagement, Sambatech, WellingtonPartners
satispay	FinTech	Growth VC	€ 60M	Addition, Greyhound Capital, Lightrock
D-ORBIT	DeepTech	Series C	€ 50M[3]	Avantgarde, CDP Venture Capital, United Ventures, EIB, EIF, European Innovation Council Fund, Iberis Capital, IndacoVenture Parners, NEVA SGR, Phaistos Investment Fund, Primo Ventures, Seraphim Space

Notes: **1.** Shaded investors are Italian and investors written in white are international, based on HQ location;
2. Sum of two tranches: €87M announced in Q2-24 and €48M announced in Q3-24;
3. Second tranche of a €150M round, with the first €100M invested by Marubeni Corporation in Q4-23

Source: Websim Corporate on Growth Capital, Venture Capital Report, Italy Q4-24 & FY-24

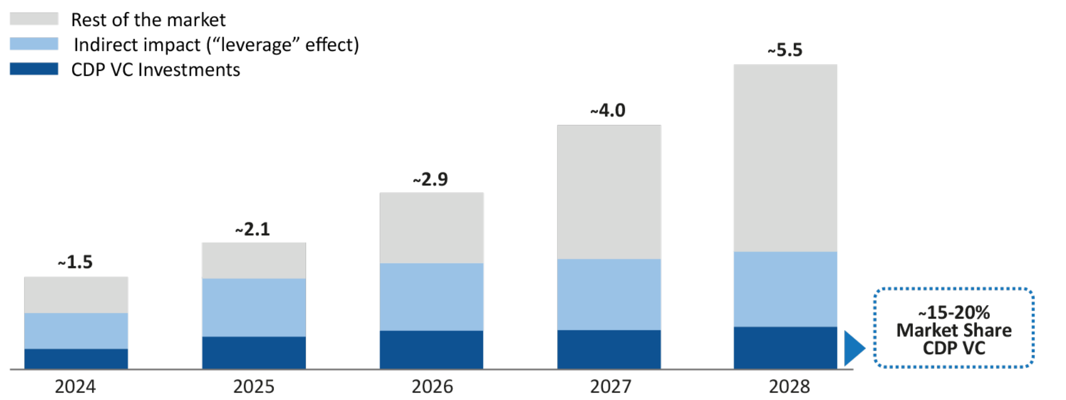
Divestments (exits) increased significantly over the 2013-2023 10-year period, especially through M&A, with a 16-fold increase in acquisitions and a historical high of 234 transactions in 2023 (+47% YoY). IPOs, on the other hand, were modest and variable, contrasting with a more dynamic European landscape.

Italian investors continue to dominate domestic VC: in 2023, they accounted for 69% of the total. However, European and North American investors increased their presence to 19% and 8% respectively in 2023, vs 10% and 5% in 2020. Involvement of investors from Asia and elsewhere was minimal and variable. Positive correlation is confirmed between the size of financing operations and involvement of foreign investors; this is partly attributable to the relatively modest average size of Italian VC funds and the limited number of Italian funds focused on the advanced phase.

Overall, **the innovation ecosystem in Italy is experiencing vigorous development**. European programmes such as Horizon 2020 and Horizon Europe have been important sources of funding for Italian universities, helping grow the ecosystem. In the 2014-2023 period, about 7,500 Italian university projects received a total of Eu2.83bn; this trend is expected to continue, contributing significantly to Italy's economic growth and technological progress. **Milan**, **Turin**, **Bologna** and **Rome** are becoming innovation hubs thanks to collaboration between universities, incubators and accelerators.

A major boost to the Italian VC market will arrive in the coming years from **CDP Venture Capital**, which in April 2024 presented the **2024-2028 Business Plan**, "Shaping Future", outlining a strategy aimed at strengthening the Italian VC ecosystem and promoting innovation in the country. The plan aims to reach **AuM of Eu8bn by 2028**, of which Eu1bn raised from third-party investors. Investments will focus on seven macro-areas considered strategic for the national economy: **artificial intelligence & cybersecurity, agrifoodtech, spacetech, healthcare & lifescience, cleantech, industrytech, infratech & mobility**. Based on estimates from CDP Venture Capital, **investments in the Italian VC market** are expected to hit **Eu5.5bn in 2028**, equating to a **CAGR of 36% in the 2024-2028 five-year period**.

Venture Capital in Italy: 2024-2028 projections (Eu bn)



Source: Websim Corporate on CDP Venture Capital SGR "Shaping Future – Industrial Plan 2024-2028"

Business model and strategy

The Zest Group has **three offices (Rome, Milan** and **Turin)** and **three main business lines**.

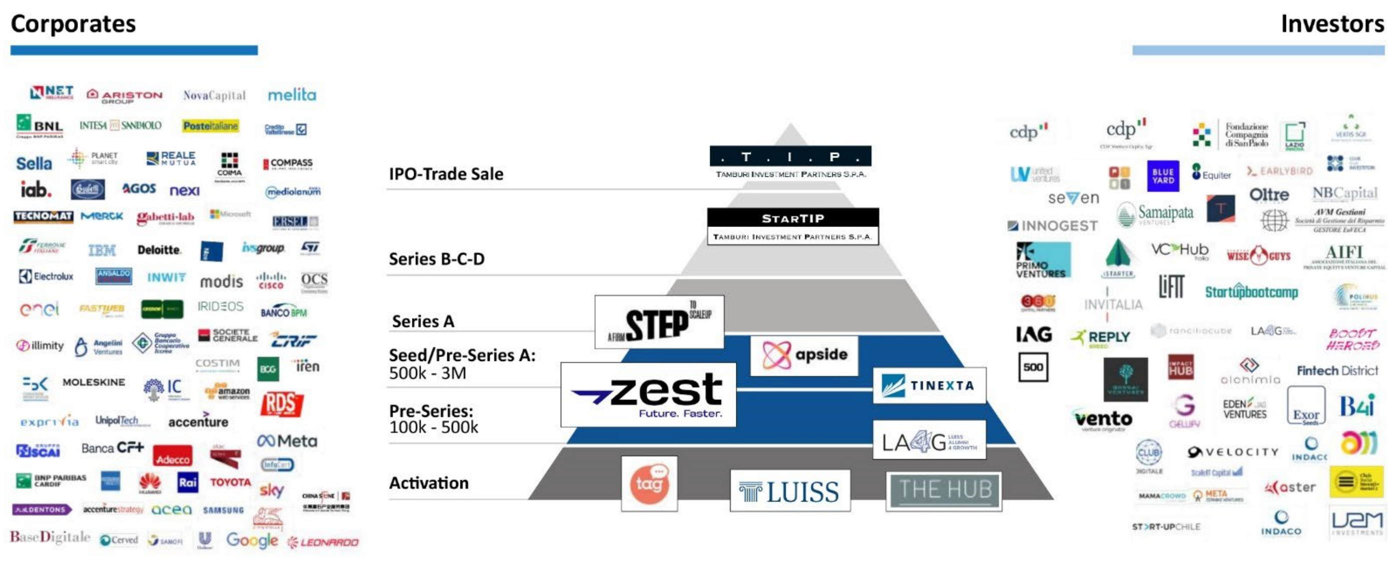
- **Investments Division:** overseen by subsidiary Zest Investments S.r.l., it focuses on investments in innovative startups and SMEs with a technological and digital vocation.
- **Innovation Division:** overseen by subsidiary Zest Innovation S.r.l., it provides consultancy and training services on innovation for national and international companies, and incubation and acceleration services for innovative projects, startups, and university and business spin-offs.
- **The Hub:** managed directly by the parent company, it provides co-working and event organisation services at the Zest Hub in Rome's main Termini Station.

Zest also operates through its subsidiaries **Livextention S.r.l.** (88%), active in **digital communication**, and **Humaverse S.r.l.** (85%), active in **digital solutions for the recruitment of personnel**.

- **Livextention** is an all-round digital agency, offering design, planning and management of clients' presence on the most advanced media. Through bespoke solutions, it supports national and international projects. The company boasts in-depth knowledge of media planning strategies, ensuring its clients have maximum control over the objectives to be achieved and the resources to be invested.
- **Humaverse** searches for and selects digital talent for the Group's own needs and for external clients. It leverages algorithms, data and artificial intelligence to optimise the selection process, while ensuring that humans remain at the heart of every decision. Founded in May 2023, the company has already developed a portfolio of projects with a high-profile clientele.

All activities of Zest Group are closely interconnected and have **digital innovation** as their common denominator, whether for venture capital investments or for consultancy and value-added services for startups and corporations. The graph below shows the **digital innovation ecosystem** within which Zest operates, which includes a multitude of actors, both on the corporate side, and on the investor and partner side.

Zest – The Digital Innovation Ecosystem



Source: Websim Corporate on Company Presentation

Investments Division

Zest Investments S.r.l. is the Group's operating company which, supported by its team of experts, **accompanies talented individuals and aspiring entrepreneurs** throughout the journey **to transform their ideas into successful businesses**. This process includes adopting innovative formats, exploring business models, and integrating disruptive technologies.

The company offers **incubation, acceleration and development services** aimed at supporting digital startups that, by their nature, do not have the financial resources to fully cover the costs of consultancy and services provided. The mechanism for this involves Zest Investments **taking a risk stake at the Pre-Seed stage**, be that directly or through vehicles involving other investors; these are the so-called "**Acceleration Programmes**", featuring cycles that run for 12 months on average. Zest Investments finances its stakes from its own resources, the proceeds of divestments, and, less frequently, medium/long-term bank debt.

Zest Investments' presence in the share capital of startups that it supports has been a component of its business model since its inception. This presence ends on the sale of the stake (**Exit**) when startups mature to the point that they no longer need direct support from Zest Investments. To support the development of startups that have reached significant milestones, Zest can continue with **follow-on investments at the seed stage**. Such investments may also include startups that have not taken part in the Acceleration Programme, if they are at a similar stage of development and have achieved results that are at least comparable.

Accelerator Programmes

Below we briefly describe the **6 Zest Investments accelerator programmes**, each with a separate vertical focus, involving **10 co-investors** and **39 corporate partners**.

- **Fin+Tech:** programme implemented through vehicle company **Fintech & Insurtech Accelerator Srl** (Zest stake: 18.61%). The vehicle was founded in 2021 with the aim of creating a European innovation hub in Italy for the **fintech and insurtech sectors**, among the main areas of the VC market. It accelerates 16 startups per year. It was launched in collaboration with **CDP Venture Capital, Fintech District, Startupbootcamp, Credem and Nexi**, which co-invest in the participating startups. The programme also receives support from several corporate partners, including **BNL, Cardiff, Mediolanum, Reale, Compass, Net Insurance, Intesa Sanpaolo, Intesa Sanpaolo Vita, Sella and Banca Ifis**. Up to **2Q24**, the programme had accelerated **40 startups**, of which **38** received **pre-seed** investments, while **9** benefited from an additional **follow-on** investment. At **2Q24** the **fair value** of the vehicle was **Eu1.43mn** (equal to Eu7.7mn for 100%) vs. an **initial investment of Eu0.41mn**, implying an **IRR** of about **52%**; it represented **2.6% of the Portfolio**.
- **Magic Spectrum:** implemented through the vehicle company **Magic Spectrum S.r.l.,** which focuses on startups in the **connectivity sector (IoT / 5G)**, with technological solutions designed to optimise companies' connectivity. Launched with the aim of creating 20 new high-potential startups in the 2022-2024 period, the programme aims to promote innovation and growth in this strategic sector. It was launched in collaboration with **CDP Venture Capital** and **Fondazione Compagnia di San Paolo**, which co-invest in the participating startups. The programme is also supported by major industrial partners, including **Cisco, Inwit, Melita, Reale Group, UnipolTech, ViaNova, Iren and Irideos**. At the end of June 2024, the programme had accelerated **20 startups**, **4** of which obtained an additional **follow-on** investment.
- **HabiSmart:** managed through the **Habitech Accelerator S.r.l.** vehicle, the programme is focused on the **proptech and sustainable construction sectors**. The initiative is supported by Zest and **CDP Venture Capital**, which co-invest along with partners such as **Coima, Nova Capital and Ariston**. For international startup scouting, the programme partners with **MassChallenge Switzerland**, backed up by the participation of **Reale Group** and **Planet Smart City** as Corporate Partners. HabiSmart's goal is to invest in 25-30 high-potential startups in the 2022-2025 period. At the end of June 2024, the programme had successfully completed the first two acceleration cycles, leading to **17 investments** and **3 follow-ons**. By 2024, further investments were planned for both the third acceleration cycle and the follow-ons already identified.
- **Magic Mind:** implemented through vehicle company **Magic Mind Accelerator S.r.l.** focused on startups engaged in the development of **solutions based on artificial intelligence**. Launched with the aim of making around **25 pre-seed investments** in the 2022-2025 period, the programme aims to promote innovation in a sector that is key for future technological developments. The accelerator is co-funded by **Compagnia di San Paolo** and supported by several corporate partners, including **Tecnomat, Gruppo Scai, Exprivia, AWS, Reale Mutua, Infocamere and Credem**. In addition, **Fondazione Bruno Kessler** is a technical partner. By the end of June 2024, the programme had accelerated **16 startups**, of which **14** received **pre-seed** investments, while **2** benefited from an additional **follow-on** investment.
- **Zero:** managed through the vehicle company **Clean-Tech Accelerator S.r.l.,** the programme is dedicated to startups that develop technologies to accelerate the **ecological transition** and companies' **decarbonisation** efforts. Launched with the aim of creating **30 new high-potential startups** in the 2020-2023 period, Zero is a mainstay of sustainable innovation. The accelerator was started in collaboration with **CDP Venture Capital** and **Elis**, which co-invest in startups; the main partner is **ENI** and it is also supported by other corporate partners in **ACEA, Maire Tecnimont, Microsoft and Vodafone**. Since 2020, the programme has accelerated **29 startups**, **27** of which have received a **pre-seed** investment, while **4** have benefited from an additional **follow-on** investment.
- **Argo:** implemented through the vehicle company **Traveltech Accelerator S.r.l.**, the programme started with the aim of bringing to light 30 innovative startups between 2022 and 2025 for the promotion of **digitalisation** in the **tourism, travel and culture sectors**. The project involves **CDP Venture Capital**, which co-invests in startups, with the support of **Intesa Sanpaolo** and its **Innovation Center** as main partner, corporate partner **Human Company** and technical partners **VeniSIA, Ca' Foscari University and the Italian School of Hospitality**.

Zest Investments – Vertical Acceleration Programmes

Batch	Vertical	Programme	10 CO-INVESTORS	39 PARTNERS
4th BATCH OPENING	FINTECH & INSURTECH 16 STARTUPS / YEAR Fin+Tech	Leading EU Accellerator	Credem, cdp CDP Venture Capital Sgr, Fintech District, nexi, Startupbootcamp	Sella, Reale Group, Intesa Sanpaolo, Banca Mediolanum, TeamSystem, Intesa Sanpaolo Vita, BNP Paribas Cardif, BNL Gruppo BNP Paribas, Compass Gruppo Mediobanca
4th BATCH RUNNING	IoT/5G 8 STARTUPS / YEAR Magic Spectrum	First Mover in EU	cdp CDP Venture Capital Sgr, Fondazione Compagnia di San Paolo	Iren, UnipolTech, Cisco, Solveit, melita, INWIT, Reale Group, Irideos, ST, I3P, vianova
3rd BATCH RUNNING	PROPTECH 8 STARTUPS / YEAR HabiSmart	First Mover in Italy	cdp CDP Venture Capital Sgr, COIMA, NovaCapital, Ariston Group	Planet smart city, Reale Group
3rd BATCH RUNNING	ARTIFICIAL INTELLIGENCE 8 STARTUPS / YEAR Magic Mind	First Mover in Italy	Fondazione Compagnia di San Paolo	Reale Group, IBM, Dentons, AIxIA, Gruppo Iscai, InfoCamere, Exprivia, Tecnomat, aws, Fondazione Bruno Kessler
4th BATCH RUNNING	CLEANTECH 10 STARTUPS / YEAR Zero	First Mover in Italy	cdp CDP Venture Capital Sgr, Elis	eni, esa, Φ-lab, Microsoft, Consiglio Nazionale delle Ricerche, SACE, acea, vodafone
3rd BATCH OPENING	TRAVELTECH 8 STARTUPS / YEAR Argo	First Mover in EU	cdp CDP Venture Capital Sgr	Ministero del Turismo Repubblica Italiana, VeniSIA, Università Ca'Foscari Venezia, Intesa Sanpaolo Innovation Center, human company, Intesa Sanpaolo

Source: Websim Corporate on Company Presentation

Joint Ventures

In addition to accelerator programmes, investments are also made through **Joint Ventures**, in which Zest is joined by a **corporate partner** that provides financial resources. This partner is often an established company with a strategic interest in the sector in question. The resources provided by the partner are channelled into a **Special Purpose Vehicle (SPV)**, a separate legal entity created specifically to invest in certain projects or companies. The SPV acts as an investment vehicle for the Portfolio of startups or companies in which Zest has already invested, allowing the partner to enter in the subsequent stages of these companies' development. The SPV, which operates as a dedicated fund, **invests in the late-stage phases** of companies already in the Zest portfolio, focusing on those that are about to scale up or expand significantly. The aim of these investments is to **support the growth** of startups and facilitate their transition to the next level, whether that be international expansion, preparation for a possible IPO or another strategic move.

This model offers advantages for both parties, as the corporate partner gains access to new technologies and innovative growth opportunities that could align with its business strategy, and Zest and the startups receive additional capital and strategic support, thanks to an influx of resources to accelerate the growth of portfolio companies.

Zest currently participates in two Joint Ventures: **Apside** and **OpenT**.

- **Apside:** 50/50 JV launched with **Intesa Sanpaolo** in 2023, equipped with **Eu15mn** of financial resources to support promising startups. Investment units are from Eu250k for the launch of startup activities and from Eu1mn in subsequent phases to support the most promising companies' growth and development. **Seven investments** have already been signed, supporting startups in key sectors that promote innovation and technological development.
- **OpenT:** 50/50 JV launched with digital and tech services company **Tinexta** in 2024. It has **Eu5mn** funding to support strategic projects in the early and growth stages. Investment units are from Eu250k for initial support and from Eu1mn in subsequent phases to support high-potential startups. **Two investments** are in the approval process, with prospects for consolidation in 2025.

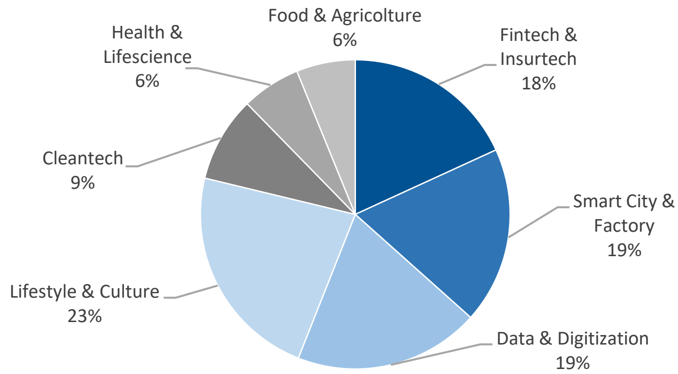
The Portfolio

The Zest Investments Portfolio consists of about **250** equity stakes or other instruments in **startups**, of which about **40** were acquired in **2024** alone, with a **fair value** that at 3Q24 amounted to **Eu57.6mn** from Eu54.3mn at 2Q24. Around sixty of these startups create products that deploy Artificial Intelligence.

Digitalisation and technological innovation are the common threads running through the Portfolio, which consists of startups operating in the following sectors (portfolio weight in parentheses):

- **Lifestyle & Culture (22.8%):** includes the Traveltech, Sport & Wellness, Hospitality and Fashion sub-sectors. Driven by the luxury market, this sector has an estimated CAGR of around 3% until 2027.
- **Data & Digitization (19.4%):** includes the Data Analytics, Cybersecurity & Data Protection and Martech sub-sectors. This sector will benefit from NRRP investments and is expected to grow at a CAGR of around 4% to 2027.
- **Smart City & Factory (18.5%):** includes the Proptech, Mobility, Logistics, IoT & Connectivity sub-sectors. Double-digit CAGR expected to 2027.
- **Fintech & Insurtech (18.2%):** includes the Fintech, Insurtech and Regtech sub-sectors. Now undergoing consolidation, with trends showing that it has become a mature market.
- **Cleantech (8.9%):** includes the Circular Economy, Waste Management and Decarbonisation Tech sub-sectors. The CAGR is expected at around 10% to 2027.
- **Food & Agricolture (6.2%):** includes Foodtech and Agritech. More limited growth prospects than other sectors.
- **Health & Lifescience (6.2%):** includes the E-Health, Medtech and Lifescience sub-sectors. This sector is undergoing a period of rapid development, featuring technological innovation, changing market trends and new employment prospects.

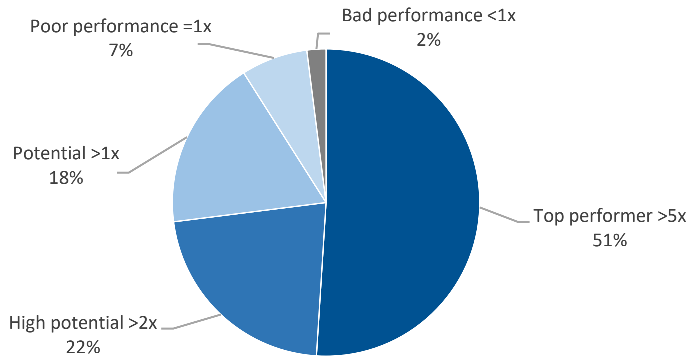
Zest Investments – Portfolio Breakdown by Sector



Source: Company data

An analysis of the composition of the current Zest Investments Portfolio based on the **performance of investments in relation to carry values highlights its quality**. Indeed, only 2% of the Portfolio has a fair value that is below the investment made, with 7% in line and the remaining 91% having increased in value. Even more impressively, 22% of the Portfolio has more than doubled the initial value, and 51% has increased it five-fold. The overall value of the Portfolio is 2.2x the carry value of the investments. **Average investment maturity** is estimated at **about 4 years**, with a **Portfolio IRR** of **about 22%**, which we believe is more than adequate in relation to its risk profile. In addition, 39% features startups that have achieved notable maturity, and consequently present relatively low risk profiles.

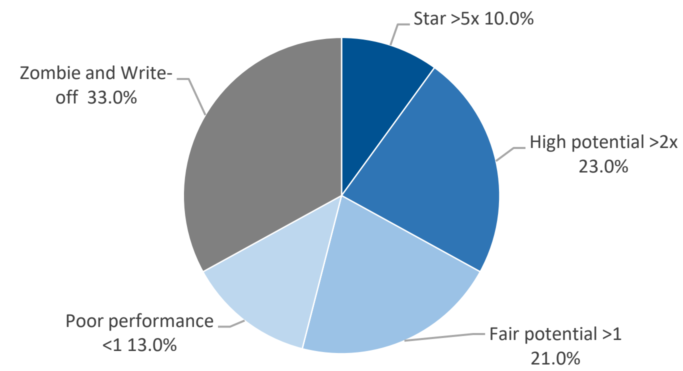
Zest Investments – Portfolio Breakdown by Performance



Source: Company Presentation

The graph below shows the composition of the Portfolio based on **upside potential to current fair values**, according to Zest's expectations. Positive performances are expected from just over half of the Portfolio (54%), with around 10% offering a fair value multiplier of over 5x and about 23% a multiplier greater than 2x, while about 46% of the Portfolio is expected to suffer partial (13%) or total (33%) devaluation. This type of structure is relatively typical of a VC portfolio, with vast discrepancies between different investments: a small number of investments generate exceptional returns, while the majority generate modest returns or even losses. This is symptomatic of the nature of VC, which focuses on young and innovative companies with high growth potential but considerable inherent risk.

Zest Investments – Portfolio Breakdown by Potential



Source: Company Presentation

In this section we provide some information on the **main investments** in the company's portfolio (the stake in each investee is shown in parentheses). The combination of these investments accounts for over 50% of the fair value.

- **Talent Garden S.p.a. (6.98%) - Sector: Lifestyle & Culture, sub-sector: EdTech.** A co-working and training platform founded in Brescia in 2011 by Davide Dattoli, Talent Garden is dedicated to digital professionals, offering workspace, events and courses to stimulate innovation and collaboration between start-ups and established companies. **DM** invested in Talent Garden in March 2015, signing a strategic agreement that also involved Tamburi Investment Partners for the construction of an innovation hub to support Italian digital talent, from conception to IPO. Over the years, Talent Garden has expanded its presence to 13 countries, offering shared workspaces and training programmes through its **Innovation School**, as well as organising events to connect technology professionals. Talent Garden now hosts a community of over 45,000 innovators on its campuses, serving startups, agencies, corporate labs, freelancers, investors, media companies, and students. At **2Q24** the **fair value** of the investment was **Eu9.12mn** (equal to Eu130.7mn for 100%, with total equity funding of Eu67.0mn) vs. an **initial investment of Eu0.52mn**, an **IRR** of about **36%**; it represented **16.8% of the Portfolio**.
- **Whoosnap S.r.l. (8.81%) - Sector: Fintech & Insurtech, sub-sector: Insurtech.** The company was founded in Rome in 2015 by Enrico Scianaro and Vito Arconzo. From July of the same year, it participated in the LUISS EnLabs accelerator programme "The Startup Factory" ("La Fabbrica delle Startup"), born out of a JV between LVG and LUISS University. At the same time, it executed a funding round involving Angel Partner Group business angels and the Turin Investors Club, alongside **LVG**. The company created the **Insoore platform**, designed to allow insurance and fleet management companies to optimise claims management and obtain real-time video/photographic inspections on demand. Between **2017** and **2023 turnover** grew at **57% CAGR**, reaching **Eu3.9mn**. At **2Q24** the **fair value** of the investment was **Eu2.60mn** (equal to Eu29.5mn for 100%, with total equity funding of Eu9.4mn) vs. an **initial investment of Eu0.32mn**, an **IRR** of about **26%**; it represented **4.8% of the Portfolio**.
- **Wellhub Inc. (estimated stake 0.09%) - Sector: Lifestyle & Culture, sub-sector: Sport & Wellness.** Formerly known as **Gympass**, the company was founded in New York in 2012 by César Carvalho, who created a global corporate wellness platform. Initially focused on access to gyms and fitness centres, the company expanded its offering to include both a physical and virtual network of over 50,000 gyms, fitness studios, personal trainer classes, and wellness apps, such **as Fitness First, Barry's, Strava, and Headspace**. This reflects Wellhub's commitment to supporting employees' holistic wellbeing, covering areas like fitness, mindfulness, nutrition and sleep. In December 2024, the company announced its rebranding from Gympass to Wellhub, underlining the transition from a focus on fitness to a broader approach to employee wellbeing. The new name and logo, called the "Wellbeing Flywheel", symbolise the mission of keeping the wheels of wellbeing turning, enabling health and happiness. In December 2024, Wellhub acquired **Fitprime**, an Italian corporate welfare platform, a leading light in the Italian market with over 200 corporate and SME clients and more than 400,000 employees served; **Zest had 8.69%**. Founded in 2016, Fitprime was launched by LVG in February of the same year thanks to the

LUISS EnLabs accelerator programme. Zest therefore invested in Wellhub through the sale of its stake in Fitprime, with 50% being cashed in for Eu2mn, corresponding to 8.5x the initial investment, and the remaining 50% being converted into Wellhub shares. Wellhub currently serves more than two million employees globally, working with more than 15,000 companies to promote the wellbeing of their staff. The platform offers access to a wide range of resources for physical and mental wellbeing, helping to improve employee productivity and satisfaction and reduce healthcare costs. Between **2021** and **2023 turnover** grew at a **37% CAGR**, reaching **Eu28.0mn**. The **Eu2mn fair value** of the Wellhub stake, when compared with the **Eu0.24mn investment** for 50% of Fitprime, corresponds to an estimated **IRR** of around **40%**.

- **Together Price Ltd. (11.51%) - Sector: Fintech & Insurtech, sub-sector: Fintech.** The company was founded in Rome in 2015 by Marco Taddei, Sabrina Taddei and Luca Ugolini, and was part of the LUISS EnLabs / **LVG** accelerator programme in 2016, with the joint involvement of Madrid investment fund Samaipata Ventures. The company has created a platform that allows the cost of multi-account digital subscriptions, such as Netflix Premium, Spotify Family and Disney Plus, to be shared across a community. Users can participate as an Admin, sharing unused accounts from their subscription, or by joining a group that has slots available. The platform offers a digital wallet to collect payments and a group chat for real-time communication. Together Price is available as both a web and mobile app, with dedicated apps for Android and iOS. In 2020, the platform launched a crowdfunding campaign on Crowdcube, involving nearly 2,000 Together Price users as investors. Together Price is now recognised as one of the leading platforms for sharing digital subscriptions. Between **2017** and **2023 turnover** grew at **86% CAGR**, reaching **Eu1.3mn**. At **2Q24** the **fair value** of the investment was **Eu1.56mn** (equal to Eu13.5mn for 100%, with total equity funding of Eu2.4mn) vs. an **initial investment of Eu0.36mn**, an **IRR** of about **20%**; it represented **2.9% of the Portfolio**. In 1H24 the fair value of the investment was written-down by 32% (Eu0.73mn) on the basis of the 2023 economic and financial results, when the company closed with revenues up 16% to Eu1.26mn and an EBITDA margin of 10.3% (Eu0.13mn) from -18.3% in 2022 (Eu-0.20mn), which led to a more conservative valuation than had emerged from the last capital injection in March 2021.

- **KPI6.com S.r.l. (15.23%) - Sector: Data & Digitalisation, sub-sector: Data Analytics.** Founded in Reggio Emilia province in 2015 by Alberto Nasciuti, Luca Castagnetti and Marco Pederzini, it entered the LUISS EnLabs / **LVG** accelerator programme in December that year. It specialises in social data intelligence solutions, with the aim of helping organisations understand and monitor consumers in real time. KPI6s platform uses advanced AI technology to turn digital conversations into strategic insights, enabling businesses to anticipate consumer needs and make informed decisions. Over the years, KPI6 has developed several **innovative solutions**, including: **Behaviour**, designed to transform consumer behavioural signals into strategic insights, helping companies understand and anticipate the real needs of their customers; **Odience**, a platform that enables real-time analysis and comprehension of user behaviour, using digital twins to simulate customer interaction scenarios and predict reactions. KPI6 has partnered with numerous leading companies, offering solutions for online reputation management, market expansion, and the creation of personalised customer experience. KPI6 continues to innovate in market research, combining advanced social media monitoring with digital twins powered by artificial intelligence. Between **2017** and **2023 turnover** grew at a **28% CAGR**, reaching **Eu3.2mn**. At **2Q24** the **fair value** of the investment was **Eu1.51mn** (equal to Eu9.9mn for 100%, with total equity funding of Eu1.5mn) vs. an **initial investment of Eu0.34mn**, an **IRR** of about **19%**; it represented **2.8% of the Portfolio**.

- **2hire S.r.l. (6.81%), - Sector: Smart City & Factory, sub-sector: Mobility.** The company was founded in Rome in 2015 by Filippo Agostino, Matteo Filippi, Andrea Verdelocco and Elisabetta Mari. It started by offering a scooter sharing service for students of Rome's LUISS University. Since December 2016, it has participated in the LUISS EnLabs / **LVG** business accelerator programme, focusing on connecting vehicles to facilitate digitalisation in the mobility sector. 2hire develops technologies that allow different types of vehicles to be connected, enabling them to be monitored through mobile applications. In 2017, it received a first round of funding from LVG, Invitalia Ventures, Boost Heroes and MobilityUp, for a total of Eu0.72mn. It now connects over 15,000 vehicles in 15 countries and more than 60 cities around the world, supporting companies in launching, managing and scaling new digital mobility services. At **2Q24** the **fair value** of the investment was **Eu1.24mn** (equal to Eu18.2mn for 100%, with total equity funding of Eu7.0mn) vs. an **initial investment of Eu0.37mn**, an **IRR** of about **19%**; it represented **2.3% of the Portfolio**.

- **Ncore S.r.l. (11.88%) - Sector: Data & Digitalisation, sub-sector: HR Tech.** The company was founded in Milan in 2017 by Enrico Ariotti and Aldo Toja, and accelerated by **DM** from December 2017. Its aim is to simplify and innovate the recruitment process through advanced digital solutions. It has developed a recruiting automation platform that uses artificial intelligence to optimise the management of applications, improving the efficiency of selection processes for companies. Ncore continues to support companies in the digital transformation of human resources, offering innovative tools for effective recruitment management. Between **2019** and **2023 turnover** grew at a **32% CAGR**, reaching **Eu1.0mn**. At **2Q24** the **fair value** of the investment was **Eu1.14mn** (equal to Eu9.6mn for 100%, with total equity funding of Eu2.2mn) vs. an **initial investment of Eu0.06mn**, implying an **IRR** of about **59%**; it represented **2.1% of the Portfolio**.

- **GamePix S.r.l. (20.58%) - Sector: Lifestyle & Culture, sub-sector: Entertainment.** Founded in Rome in 2013 by Edouard Wawra, Justine Silipo and Valerio Pullano, and accelerated since December 2013 by LUISS EnLabs / **LVG**, the company specialises in creating a platform for the distribution of video games in HTML5, offering developers an alternative to the traditional app stores and allowing them to reach millions of users on PCs, smartphones and tablets. Over the years, the company has expanded its offering, working with independent developers to distribute high-quality HTML5 games. In November 2016, GamePix was selected as the provider for Facebook's online gaming service, contributing to the launch of Instant Games on the Messenger platform. This partnership further cemented GamePix's position in the online gaming industry. GamePix continues to support HTML5 game developers, facilitating the distribution and monetisation of their products through an extensive network of global partners. **2023 turnover** was **Eu1.8mn**, the same level as in 2017, after tracking a volatile trend with a peak of Eu2.7mn in 2018. At **2Q24** the **fair value** of the investment was **Eu1.03mn** (equal to Eu5.0mn for 100%, with total equity funding of Eu0.4mn) vs. an **initial investment of Eu0.31mn**, implying an **IRR** of about **12%**; it represented **1.9% of the Portfolio**.
- **Viceversa S.r.l. (8.18%) - Sector: Fintech & Insurtech, sub-sector: Fintech.** The company, founded in 2021 by Matteo Masserdotti and Pedro Salvi, has offices in Milan and Dublin. In Italy it introduced the revenue-based financing (RBF) model, offering growth capital to digital businesses without requiring managers to dilute their stakes in the capital or provide personal guarantees. The company has been accelerated by **DM** since November 2021, when it completed a seed financing round of Eu23mn, of which Eu3.5mn equity, with the involvement of Fasanara Capital Ltd, Fabrick, Roberto Ferrari, Enrico Pandian and Enrico Giacomelli. In May 2023, the startup completed an Eu11mn Series A funding round to support international expansion and the ongoing development of its technology platform. Viceversa now supports digital businesses by providing flexible capital and data-driven insights, contributing to the sustainable growth of the online business. **2023 revenues** were up **62% YoY** to **Eu1.5mn**. At **2Q24** the **fair value** of the investment was **Eu0.92mn** (equal to Eu11.2mn for 100%, with total equity funding of Eu15.5mn) vs. an **initial investment of Eu0.15mn**, implying an **IRR** of about **99%**; it represented **1.7% of the Portfolio**. In 1H24 the fair value of the investment was written down by 28% (Eu0.36mn), cautiously using the floor valuation of the Eu1mn bridge financing round executed in June 2024.
- **Criptalia S.r.l. (8.34%) - Sector: Fintech & Insurtech, sub-sector: Fintech.** The company was founded in Bergamo in 2018 by Diego Dal Cero and Mattia Rossi, who created a crowd-lending platform, specialising in facilitating the financing of entrepreneurial projects through participatory loans, exploiting blockchain technology to ensure transparency and security. The company has been accelerated by **DM** since October 2019. Over the years, Criptalia has funded several entrepreneurial projects, focusing on innovative and sustainable initiatives in sectors such as renewable energy, technology and industry. In September 2021, Criptalia announced it was changing its name to **EvenFi.** The new name reflects the aim of using innovative technologies to democratise the financial world: evening up fintech - EvenFi. The change from Criptalia to EvenFi was driven by significant changes in the overall environment, including the entry into force of the new European Crowdfunding Regulation, which allows platforms to obtain a passport to operate in all EU Member States. This is in line with EvenFi's international expansion: it is already present in Spain and has plans to open in Portugal. At **2Q24** the **fair value** of the investment **was Eu0.88mn** (equal to Eu10.6mn for 100%, with total equity funding of Eu2.4mn) vs. an **initial investment of Eu0.16mn**, implying an **IRR** of about **44%**; it represented **1.6% of the Portfolio**.
- **Wish list S.r.l. (7.32%) - Sector: Lifestyle & Culture, sub-sector: Martech.** Founded in Milan in 2010, the company offers gift boxes that include a wide range of experiences, such as hotel stays, online courses and recreational activities. **DM** invested in the company in May 2015 by participating in a Series B1 financing round. The company's corporate clients include well-known brands such as Hilton, Brembo, Arexons, Parmacotto, Petronas, Harley-Davidson, Fiorucci and Fabbri. Between **2017** and **2023 turnover** grew at a **49% CAGR**, reaching **Eu14.8mn**. At **2Q24** the **fair value** of the investment was **Eu0.87mn** (equal to Eu11.9mn for 100%) vs. an **initial investment of Eu0.19mn**, implying an **IRR** of about **18%**; it represented **1.6% of the Portfolio**.
- **Kiwi Campus Inc. (0.69%) - Sector: Smart City & Factory, sub-sector: Mobility.** This Colombian startup, also known as **Kiwibot**, was founded in November 2016 by Felipe Chávez (CEO), Jason Oviedo (CTO) and Sergio Pachón (COO) following participation in the Startupbootcamp FoodTech Roma programme. Starting at the University of California, Berkeley, in 2017 the company offered food delivery services via autonomous robots called Kiwibots. Kiwibots are small four-wheeled robots equipped with sensors, cameras, and navigation systems that allow them to safely navigate sidewalks and deliver food to students in a timely and efficient manner. Over the years, Kiwi Campus has expanded its operations to include other areas, such as the City of Berkeley, the Stanford University campus in Palo Alto, and San Jose, and currently serves more than 30 universities in the United States. In April 2024, Kiwi Campus acquired Taipei-based **Auto Mobility Solutions**, which specialises in robot chip manufacturing, citing rising tensions between the United States and China. In addition to food deliveries, Kiwi Campus has expanded its services to include business-to-business deliveries, continuing to innovate in the autonomous logistics sector. **LVG** invested in the company in July 2017 as part of the Seed 1 financing round. At **2Q24** the **fair value** of the investment was **Eu0.81mn** (equal

to Eu117.5mn for 100%) vs. an **initial investment of Eu0.01mn**, implying an **IRR** of about **83%**; it represented **1.5% of the Portfolio**.

- **Lisari S.r.l. (12.77%) - Sector: Lifestyle & Culture, sub-sector: Entertainment.** The company was founded in Lecce by CEO Antonio Vecchio in 2014. It operates in the media and digital entertainment sectors. Since December 2015 it has participated in the LUISS EnLabs /**LVG** business accelerator programme in Rome, where it has developed its vision to create the first mobile-based talent show. **Karaoke One**, a mobile application that offers innovative karaoke experience, allowing users to create and share their own music covers, stands out among Lisari's main products. Lisari has won significant awards, including victory in the first edition of the international accelerator programme for media and entertainment startups, imMEDIAte, promoted by RS Productions, Rolling Stone, Andrea Iervolino Entertainment, TaTATu, H-Farm, Intesa San Paolo and other partners. At **2Q24** the **fair value** of the investment was **Eu0.81mn** (equal to Eu6.3mn for 100%) vs. an **initial investment of Eu0.24mn**, implying an **IRR** of about **16%**; it represented **1.5% of the Portfolio**.
- **Manet Mobile Solution S.r.l. (10.52%) - Sector: Lifestyle & Culture, sub-sector: Traveltech.** Founded in Rome in 2015 by Antonio Calia, Marco Barbato, Luca Liparulo, Marco Maisto and Andrea Proietti, the company develops digital solutions for the tourism industry, offering travellers Internet connectivity and a range of content and services to enrich the travel experience. In 2016, Manet Mobile Solutions was selected to participate in the LUISS EnLabs / **LVG** accelerator programme and signed its first contract with Palazzo Montemartini, a prestigious hotel in Rome. In the following years, the company consolidated its presence in Italy and expanded its business in several European countries, including Spain, Greece, France, the United Kingdom, Denmark, Austria and Cyprus. In 2020, in response to the Covid-19 pandemic, Manet expanded its offering by introducing a full digital concierge, also accessible via app, which includes features such as remote check-in, booking of additional services and tourist content. In 2023, the company acquired the **Edgar Smart Concierge platform** to consolidate its leadership in hospitality technology. Between **2017** and **2023 turnover** grew at **28% CAGR**, reaching **Eu1.1mn**. At **2Q24** the **fair value** of the investment was **Eu0.79mn** (equal to Eu7.5mn for 100%) vs. an **initial investment of Eu0.47mn**, implying an **IRR** of about **8%**; it represented **1.5% of the Portfolio**.
- **Joinrs S.r.l. (9.56%) - Sector: Data & Digitalisation, sub-sector: HR Tech.** Founded in Rome in 2014 by Gabriele Giugliano, Nicolò Bardi, Martina Mattone and Stefano Antonelli, Joinrs connects university students and recent graduates with internship and job opportunities offered by large companies. The **platform, Tutored**, uses an artificial intelligence model to analyse hundreds of job advertisements and offer users those that are most compatible with their profile and preferences. The company has been accelerated by **LVG** since October 2014. In 2024, the company introduced an innovative corporate welfare programme that allows its employees to take unlimited leave, based on principles of trust and empowerment. In the same year, after closing Eu1.85mn Series A funding round, the company, which has offices in Milan and Rome, announced international expansion plans involving the opening of a new office abroad. Between **2017** and **2023 turnover** grew at **51% CAGR**, reaching **Eu1.3mn**. At **2Q24** the **fair value** of the investment was **Eu0.79mn** (equal to Eu8.3mn for 100%) vs. **an initial investment of Eu0.28mn**, implying an **IRR** of about **12%**; it represented **1.5% of the Portfolio**.
- **BeSafe Group S.r.l. (7.08%) - Sector: Lifestyle & Culture, sub-sector: Hospitality.** Founded in Rome in 2018 by Alessandro Bartolucci (CEO), the company specialises in the hospitality and travel sector. Accelerated by LVG since June 2020, it designs and develops technological products and software for hotel operators, tour operators, travel agencies and their guests, with the aim of digitalising the services offered. BeSafe Group staff consists of over 25 professionals from Italy, Spain and Greece, united by shared values and a clear mission: to revolutionise the market and bring innovation to the sector. Among the **main products** offered by BeSafe Group are: **BeSafe Rate**, an insurance solution that protects the income of hotels, tour operators and Online Travel Agencies (OTAs), as well as providing coverage to guests; **BeSafe Pay**, a payment gateway dedicated to hospitality, which provides services such as bank reconciliation, instant transfers and virtual cards to OTAs. BeSafe Group's corporate culture promotes recognition of the uniqueness of each team member, finding strength in difference and working towards shared goals. The company organises corporate retreats to strengthen group dynamics, training programmes for professional development and participates in awareness-raising events on important issues. In addition, BeSafe Group promotes a healthy work-life balance, offering hybrid working models that combine office presence with working from home as part of a flexible and supportive culture. Between **2019** and **2023 turnover** grew at a **136% CAGR**, reaching **Eu1.9mn**. At **2Q24** the **fair value** of the investment was **Eu0.79mn** (equal to Eu11.1mn for 100%, with total equity funding of Eu5.0mn) vs. an **initial investment of Eu0.24mn**, implying an **IRR** of about **38%**; it represented **1.4% of the Portfolio**.
- **Yakkyo S.p.a. (13.07%) - sector: Smart City & Factory, sub-sector: Logistics.** The company, previously known as **Yakkyo S.r.l.,** was founded in Rome in 2016 by Giovanni Conforti and Carol Hsiao, with additional offices in Milan province and in Shenzhen (China). It has created **Yakkyofy**, an **end-to-end e-commerce platform** that allows online sellers to automate processes such as order processing, product picking, shipping and delivery. The platform integrates artificial intelligence tools for data extraction, market analysis and sales strategy development. The company has been accelerated by

LVG since October 2016. In December 2023, Yakkyo was listed on the EGM segment, consolidating its position in the global e-commerce market. **Turnover** grew 6% YoY in 2023 to **Eu6.3mn**, after falling 26% YoY in 2022. At **2Q24** the **fair value** of the investment was **Eu0.72mn** (equal to Eu5.5mn for 100%, in line with the current market capitalisation) vs. an **initial investment of Eu0.36mn**, an **IRR** of about **10%**; it represented **1.3% of the Portfolio**. In 1H24 the fair value of the shareholding was impaired by 37% (Eu0.42mn) as trading on the EGM market resulted in a lower valuation than attributed at the last funding round in June 2020.

- **Datafalls S.r.l. (10.82%) - Sector: Data & Digitalisation, sub-sector: Data Analytics.** Known commercially as **BigProfiles**, the company was founded in Rome in 2017 by Lorenzo Luce while he was completing his doctorate in Computer Engineering at Roma Tre University, specialising in artificial intelligence solutions in customer relationship management (CRM). The company has developed a SaaS platform that enriches customer profiles using external information, thus improving companies' sales and marketing strategies. The company has been accelerated by **LVG** since May 2017. Over the years, BigProfiles has expanded its international presence, serving customers in over 15 countries. The platform offers features such as prediction of the probability of purchase in cross-selling campaigns, churn forecasts, real-time assessment of the probability of purchase from web leads and recovery probability forecasts for non-performing loans (NPLs). Thanks to these solutions, BigProfiles has helped companies increase sales by up to 66% in cross-selling campaigns and reduce their customer churn rate by 11%. At **2Q24** the **fair value** of the investment was **Eu0.70mn** (equal to Eu6.4mn for 100%) vs. an **initial investment of Eu0.33mn**, implying an **IRR** of about **11%**; it represented **1.3% of the Portfolio**.
- **AWorld S.r.l. (5.75%) - Sector: Cleantech, sub-sector: Circular Economy.** The company was founded in Turin in 2018 by Alessandro Armilotta, Marco Armellino and Alessandro Lancieri, with the aim of raising public awareness and getting people involved in concrete actions to promote sustainability and fight climate change. It has been accelerated by **DM** since January 2020, and during the same year launched the AWorld app, developed to cultivate and encourage sustainable behaviours. The platform offers educational content, interactive challenges and tools to monitor the positive impact of individual actions. AWorld was chosen by the United Nations as the official platform to support the global **ActNow campaign**, dedicated to promoting sustainable practices. The app has been adopted by companies, schools and institutions around the world, consolidating itself as a tool to measure and incentivise positive environmental impact. In addition to education, AWorld offers tools to help companies and organisations engage employees and customers in sustainability programmes. AWorld stands out for its innovative and collaborative approach, making sustainable change accessible to everyone. Between **2018** and **2023 turnover** grew at **59% CAGR**, reaching **Eu2.9mn**. At **2Q24** the **fair value** of the investment was **Eu0.64mn** (equal to Eu11.1mn for 100%, with total equity funding of Eu2.8mn) vs. an **initial investment of Eu0.14mn**, implying an **IRR** of about **42%**; it represented **1.2% of the Portfolio**.
- **Soundreef S.p.a. (3.96%) - sector: Lifestyle & Culture, sub-sector: Music.** The company was founded in 2011 by Davide D'Atri, an entrepreneur with experience in the music industry and copyright management. Soundreef, accelerated by **LVG** since February 2011, operates in music copyright management and protection, marketing itself as an innovative alternative to traditional collective management companies, such as the Italian Society of Authors and Publishers (SIAE), deploying technology to monitor the use of musical works in real time. Initially active at European level, Soundreef has grown rapidly and has become a cornerstone for artists from different countries looking for an alternative to traditional rights management. The creation of Soundreef has generated a heated debate with SIAE, which has dominated the Italian market for decades. Despite legal and political battles, Soundreef has cemented itself as a viable option for artists. Thanks to a European directive implemented in Italy, Soundreef was recognised as an **Independent Management Entity** (IME) in 2017. This marked a turning point, allowing Italian authors to choose Soundreef to manage their rights. Many well-known artists, including Fedez, have chosen Soundreef to manage their rights, helping strengthen their reputation and credibility in the Italian music market. At **2Q24** the **fair value** of the investment was **Eu0.49mn** (equal to Eu12.6mn for 100%) vs. an **initial investment of Eu0.40mn**, implying an **IRR** of about **3%**; it represented **0.9% of the Portfolio**.

Exits

Exits are crucial in managing a VC portfolio, as they allow investors to realise the value of their invested capital and achieve a return on investment (calculated as the internal rate of return - IRR). In practice, exits are how VCs monetise their stake in a startup, turning venture capital into profit. VC portfolios feature **asymmetric returns**, with a few highly successful exits targeted to compensate for failures. **Timing is key**: exits must come at a favourable moment when the market places the highest value on the company.

Exits therefore play a fundamental role in the management of a VC portfolio as they **fulfil multiple purposes**, summarised below.

- **Realising returns:** exits crystallise the value created during the investment period into financial returns. VCs aim to generate returns at a significant multiple of the invested capital (10x or more in successful cases).
- **Reallocating capital:** resources gained from an exit are often reinvested in new startups, fuelling the investment and innovation cycle. This process helps VCs maintain the liquidity needed to continue funding new projects or support portfolio companies with additional funding rounds.
- **Measuring success:** the number and quality of exits (especially high-value ones) are key indicators of a VC's success. Institutional and private investors (Limited Partners) assess the performance of VCs based on the exits executed.
- **Attracting new investors:** successful exits attract new Limited Partners for future investments, as they demonstrate the VC's ability to identify promising startups and create value.
- **Repaying Limited Partners:** the returns obtained through exits are also used to remunerate Limited Partners, as part of the return on their investment.

Exits can be **classified** as follows:

- **IPO:** the startup is listed on the stock exchange, allowing VCs to sell their shares on the public market. This is the most profitable type of exit, and therefore the most coveted.
- **Acquisition:** the startup is purchased by a larger company in a cash or paper deal. This is the most common outcome, as acquisitions are often facilitated by pre-existing relationships between the startup and potential buyers.
- **Secondary Sale:** the VC sells shares to another investor, such as a private equity fund or another VC.
- **Buyback:** the founders or the startup itself buy the shares held by the VC**.**
- **Liquidation:** if the startup is not successful, the VC tries to recover part of the invested capital by selling the residual assets.

In summary, **exits are the crucial moment when the value generated by the investment is finally realised**, defining the overall success of the VC portfolio and the ability to support and attract future investments.

Zest performed very well in this area in **2024**, achieving **three exits that were all successful** (**Futura**, **Cardo AI** and **Fitprime**), bringing in over **Eu6.2mn** (over 11% of the value of the Portfolio), of which Eu4.2mn in cash and Eu2mn in shares. This was more than three times the value of the exits achieved by DM and LVG in **2023** (about **Eu2mn**), and exceeded the overall value of the exits achieved by the two companies in the **2021-2023** period (about **Eu4.4mn**) by more than 40%.

- **A.D.T. S.r.l. (Futura), Sector: Lifestyle & Culture, sub-sector: EdTech.** In March 2024 the Group sold all its shares in the startup A.D.T. S.r.l., known commercially as **Futura**, in which it had a **5.97% stake**. The sale **brought in Eu1.61mn** (valuing 100% of the company at Eu27.0mn), compared to a fair value of Eu0.46mn at YE23, thus generating a capital gain of Eu1.15mn. The **return came to 15x** LVG's initial investment in Futura, for an **estimated IRR of over 150%**. The transaction was finalised as part of the **Eu14mn Series A funding round**, which saw French VC Fund Eurazeo and Axon Partners Group enter the capital, with previous investor United Ventures also participating. Futura was accelerated by LUISS EnLabs / **LVG** in 2021, and in 2022 it closed a Eu1.8mn seed funding round with leading Venture Capital funds, including Ithaca Ventures, Exor Seeds and United Ventures, in addition to LVG. The startup rapidly established itself as one of the fastest growing EdTech companies in Europe, with a 40-strong international team to drive future expansion. Futura's mission is to democratise access to excellent education by tailoring learning processes through artificial intelligence algorithms. It simulates the experience of learning with a highly qualified private teacher, offering excellent content at an affordable price and adapting it in real time to the ever-changing needs of students.
- **Cardo S.r.l. (Cardo AI), Sector: Fintech & Insurtech, sub-sector: Fintech.** In November 2024 Zest announced its total exit from the fintech startup **Cardo AI**, which specialises in the development of advanced technologies for structured finance, in which it held a **2.28% stake**. The stake was sold as part of the **US$15mn Series A funding round** closed by Cardo AI, led by Blackstone and Fintop Capital. The exit **brought in more than Eu0.60mn** (valuing 100% of the company at over Eu26mn), lower than the Eu1.71mn fair value of the investment as at end-June 2024. In February 2022 **DM**, which had accelerated the startup since June 2018 as part of the "Magic Wand" programme, had already made an initial partial sale of Cardo AI shares, bringing in c.Eu1.3mn. The overall **proceeds from the two exits therefore came to c.Eu1.9mn**, i.e. a **return** of **more than 17x** on the initial investment (c.Eu0.1mn), an **IRR of 106%**. Cardo AI, founded in Milan in 2018 by Altin Kadareja, was created with the aim of simplifying the management of investment portfolios in the private debt market. It has developed advanced solutions based on artificial intelligence algorithms, which allow it to offer innovative portfolio management and risk assessment tools. Cardo AI's proprietary platform provides real-time analytics and automated solutions to improve decision making and operational efficiency. The startup subsequently consolidated its presence in Europe and the United Kingdom, facilitating the efficient management of investment portfolios worth over Eu40bn, integrating and standardising data from over 42 countries and 150 different systems. Between **2017** and **2023 turnover** grew at a **13%**

CAGR, reaching **Eu3.5mn**. The funds raised in November 2024 will support growth in the US market, where the startup has already embarked upon significant partnerships, welcoming some of the country's most sophisticated investors. In addition to leading the funding round, Blackstone began using Cardo AI technology to streamline the management of its asset-based finance and direct lending operations. Cardo AI is now seeking to expand, with a workforce of over 120 people distributed between New York, London, Milan, Tirana and Pristina.

- **Checkmoov S.r.l. (Fitprime), Sector: Lifestyle & Culture, sub-sector: Sport & Wellness.** In December 2024 Zest announced its exit from B2B corporate welfare platform **Fitprime**, in which it held an **8.69% stake**. Fitprime is a leading light in the Italian market with over 200 corporate and SME clients and more than 400,000 employees served. Fitprime was acquired by Wellhub, the leading global corporate wellness platform, a sector unicorn with a valuation of US$2.4bn. **The exit generated Eu4mn** (valuing 100% of the company at Eu46mn), **50% in cash** and **50% in Wellhub shares**, with a **return of 8.5x** the initial investment (Eu0.47mn) and an estimated **IRR** of **around 40%.** Founded in Rome in 2016 by Matteo Musa, Damiano Rossi, Gianluca Mozzillo and Laura Carpinteri, Fitprime was launched by the LUISS EnLabs / **LGV** accelerator programme. The company has developed a fitness marketplace that allows users to train with a single flexible subscription in thousands of sports centres in a partnership network that spans Italy. In 2018, Fitprime expanded its offering by launching "Fitprime Corporate", a service dedicated to corporate wellbeing that helps companies of all sizes implement employee wellness and engagement programmes, promoting a healthy and active lifestyle through sport, a balanced diet and mental and physical wellbeing. Companies using Fitprime Corporate's services include Sky, Nike, McDonald's, Unilever, Capgemini and Tetrapak. During the Covid-19 pandemic, Fitprime introduced "Fitprime Tv", a digital platform offering training sessions from home with trainers selected from among the best in the industry, thus integrating its traditional offer with online services to meet the new needs of users. Fitprime continues to grow, offering wellness services to both individuals and businesses, with the aim of improving quality of life through physical activity and a healthy lifestyle.

Innovation Division

Zest Innovation S.r.l. is the Group's operating company that, backed up by its team of qualified experts, offers **advice to companies** to promote **the adoption of new models for innovation** or **improvement of existing products, processes and business strategies**. In essence, Zest Innovation supports companies in **Open Innovation Management**, the set of strategies, processes and tools used by companies for the structured management of open innovation. This approach involves working with external operators, such as startups, universities, research centres, customers, suppliers and industrial partners, to develop new technologies, products or business models.

Open Innovation Management can provide a company with significant **competitive advantages:**

- **Ratchet up innovation intensity:** working with highly innovative people and potentially revolutionary technologies stimulates continued growth and improves market competitiveness.
- **Reduce time-to-market:** the development, testing and validation of ideas and technologies reduces time-to-market.
- **Open new revenue sources:** exploring innovative commercial opportunities enables the identification of new revenue sources.
- **Enhance customer focus**: the development of innovative solutions that best meet evolving market needs and expectations helps boost focus on the customer.
- **Access emerging skills:** Open Innovation Management grants access to emerging skills (such as in AI) that drive innovation, bringing cutting-edge technology to the company.
- **Develop a corporate innovation culture:** Open Innovation Management promotes an agile, innovative and entrepreneurial approach, allowing the adoption of faster, repeatable working practices.

Zest Innovation works with customers to **identify areas of innovation** that can have **the biggest impact on their economic results**. Zest Innovation helps management set priorities and intervenes with a business-focused approach, working closely with customers as a unified group to ensure excellence of execution. This relationship evolves as the company develops through three stages of innovation maturity.

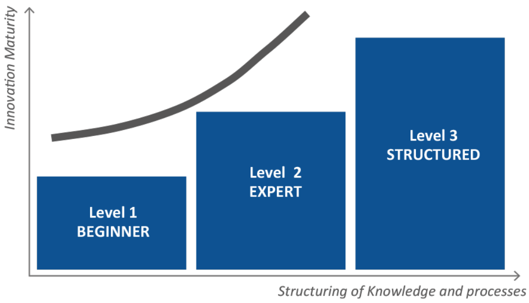
- **Beginner**: initially, management becomes aware of the value of innovation, identifying the first opportunities, building a dedicated team and developing an innovation strategy.
- **Expert**: at a more advanced stage, management implements and improves processes for the management of innovative ideas, defines long-term objectives and implements a dedicated structured system.
- **Structured**: finally, when the company reaches full maturity as an innovator, the process is managed as a portfolio of initiatives and the company creates partnerships with external organisations, monitoring and measuring innovation performance through strategic KPIs.

Zest Innovation – Corporates Evolution in Innovation Maturity

BEGINNER
- Understand the value of innovation
- Identify initial opportunities
- Form a dedicated team
- Develop an innovation strategy

EXPERT
- Develop and improve processes for managing innovative ideas
- Set long-term vision goals
- Have a structured idea management system

STRUCTURED
- Manage innovation as a portfolio of initiatives
- Create partnerships with external organizations
- Monitor and measure innovation performance (strategic KPIs)



Source: Websim Corporate on Company Presentation

Zest Innovation is a key partner for corporate innovation. Its experience helps companies move quickly in a dynamic and evolving market, transforming ideas into concrete results with agility, precision and strategic vision. It supports companies and institutions in all sectors by **driving digital transformation (Transformation & Empowerment)**, promoting **collaboration with startups (Corporate Venturing)** and creating **new initiatives to accelerate growth and innovation (Ecosystem Development)**. The chart below shows some of Zest Innovation's top customers in a range of industries in each of these three business areas.

Zest Innovation – Main Clients in Transformation & Empowerment, Corporate Venturing and Ecosystem Development

Source: Websim Corporate on Company Presentation

The main activities carried out by Zest Innovation in each of the three areas are described below.

- **Transformation & Empowerment:** definition of strategies, governance, structures, processes and KPIs for innovation management; development of specific skills and dissemination of a corporate innovation culture; employee training to encourage the proposal and development of new ideas, fostering collaboration between the various company functions.
- **Corporate Venturing:** drive for innovation through the purchase of products or services provided by startups to integrate them into their business (Corporate Venture Client); acceleration of commercial and industrial experimentation through programmes based on Proof of Concept (PoC); creation of corporate spin-offs; definition of strategies and investment models for startups (Corporate VC).
- **Ecosystem Development:** development of the innovation ecosystem, through partnerships with various players (startups, VCs, accelerators, universities and Technology Transfer Offices); development of incubation and accelerator programmes dedicated to student projects, university spin-offs and startups; promotion of refresher programmes on innovation, digitalisation and venture capital.

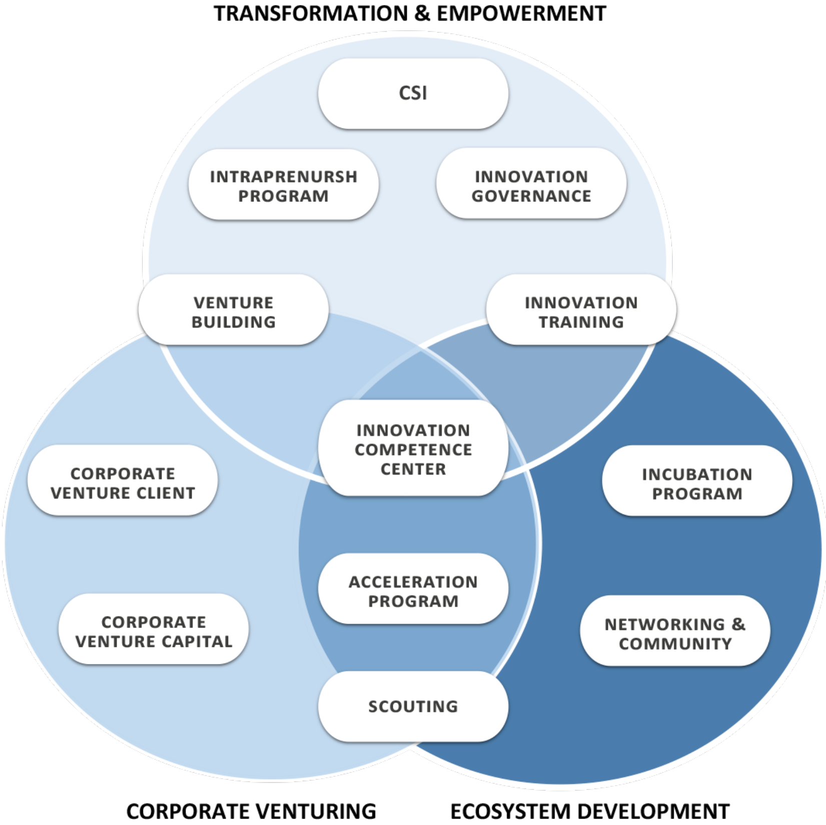
Zest Innovation focuses on empowering organisations based on a three-pillar approach:

- **AI**: use of artificial intelligence tools to increase efficiency and effectiveness;
- **Sector focus:** tailored approach based on the company's sector and market;
- **Sustainability:** integration of environmentally and socially sustainable strategies.

The wide variety of relationships that Zest Innovation has built and continues to build among all innovative elements has led to the creation and continuous development of an **Innovation Competence Center** within each sector. This is a multifunctional strategic platform that brings together advanced resources and services, making them available to all players within a specific sector. Each stakeholder can find value-adding resources and skills to enable and accelerate development, collaboration and innovation processes. The Innovation Competence Center becomes a strategic hub that accelerates innovation, creates connections between the academic and industrial worlds and supports the creation and growth of startups aligned with market trends.

The following graph summarises the activities that make up the Zest Innovation offer, with the Innovation Competence Center at its heart.

Zest Innovation – Structure of the Value Proposition



Source: Websim Corporate on Company Presentation

The Hub

The parent company manages an **Innovation Hub of about 9,000m² within Rome's Termini Station (The Hub).** It features 33 offices, 10 meeting rooms, 3 event rooms, 2 classrooms and an open space with more than 110 workstations, as well as outdoor space. These environments are dedicated to **co-working** and **event organisation**, creating connections between innovative operators.

The startups and companies hosted within Zest spaces (with the exception of startups participating in the Accelerator Programme) pay the company a **monthly fee**, for which they receive a **wide range of services**, including the possibility of 24/7 access, a Monday to Friday reception service bewteen 09:00 and 18:00, office cleaning, open spaces and common areas, high-speed wireless internet connection and the availability of video surveillance equipment, printers and photocopiers. The **occupancy rate is over 90%,** with more than 50 resident startups and companies, for a total of c.350 people attending the structure daily.

As far as event organisation is concerned, The Hub is the **ideal solution for innovative and forward-looking companies**, offering an exclusive space for conferences and private meetings. An environment that combines flexibility and confidentiality can transform any event into an occasion for inspiration and high-level networking. Its main strengths are as follows.

- **Versatile spaces:** the modular structure is designed to adapt to the requirements of all types of event.
- **Strategic location:** its position inside Termini station means The Hub is easily accessible by train and public transport, and has a direct connection to Fiumicino Airport.
- **Specialist team:** professional support and attention to detail, ready to provide tailor-made solutions to ensure the success of each meeting.
- **Services to meet every need:** the availability of a full range of services ensures the success of each event (custom installations, catering, technical assistance, hostess service, staffed cloakroom, porter service, cleaning team, photographer, microphone operator, slide projection, streaming).

The Hub – The Innovation "Place to Be"

Source: Websim Corporate on Company Presentation

Strategy

At last year's merger the company presented the following **main strategic objectives**.

- **Consolidation in Italy: Zest Investments** aims to strengthen its presence in the domestic market through the expansion and diversification of its investment portfolio, which currently features over 250 startups. The aim is to launch between 10 and 20 vertical accelerator programmes in the 2024-2026 period, adopting a business model based on collaboration with co-investors, corporate partners and tech-partners. Each programme will select an average of eight new initiatives. At the same time, **Zest Innovation** envisages gradually consolidating its presence throughout Italy, with strategic hubs in Milan, Turin and Rome. In addition, it is planning a dedicated initiative for Southern Italy, with a focus on key sectors such as sustainable tourism, quality agri-food and technological innovation.
- **International expansion:** Zest aims to strengthen its presence in new European markets, developing strategic opportunities to expand its geographical reach. **Zest Investments** is seeking to lay the

foundations to replicate its Italian vertical accelerator model in other European markets, focusing on key sectors. This will involve securing partnerships with specialist local operators. By 2026, it plans to expand into at least two Western European countries with similar economic and cultural characteristics to Italy. **Zest Innovation**'s geographical expansion will develop along two main lines: (i) **support and mentoring programs** to help Italian startups enter foreign markets and promote their global scalability; (ii) **development of a network of international partnerships** to guarantee Italian corporate clients access to global solutions and a broader innovative ecosystem.

- **Service expansion:** Zest aims to enhance and diversify the services and programmes offered to startups and companies. Targeted solutions will be developed to support SMEs in the adoption and optimisation of innovative processes, favouring their growth and competitiveness.
- **Partnerships and collaborations:** Zest will strengthen its network, developing strategic partnerships with investors, companies, institutions and universities. This approach will allow it to grasp new market opportunities more quickly. **Zest Investments**' focus will be on creating dedicated investment vehicles, helping strategic partners select the best opportunities, and facilitating potential future acquisitions, guaranteeing a targeted and synergistic approach to managing investments.
- **Research and development:** Zest will create new platforms and methods to bolster the effectiveness of its services, improving life-cycle management of investments and startups. Innovation will be supported by optimisation of **innovation management** processes and the acceleration of projects and startups, with **Artificial Intelligence** having a key role to play in increasing overall system efficiency.
- **Synergies:** the integration of DM and LVG will generate significant synergies, mainly through steady improvements in operational efficiency. This will be achieved by **sharing resources** and **streamlining processes**. From 2025, Zest expects to generate commercial synergies with the development of new opportunities deriving from the **expansion** of the group's **commercial structure, partnerships and operations**.

Financial analysis

1H24 data is significantly affected by the merger between DM and LVG which was effective from 1 April 2024, and which was booked as a **Reverse Acquisition**, i.e., as a transaction in which the lower value company (LVG) acquired the higher value company (DM). Based on IFRS 3, accounting recognition of a reverse acquisition must prioritise the financial effects over the legal form. Hence, consolidated 1H24 results by Zest reflect the following:

- the assets and liabilities of **DM (accounting acquirer/ legal acquiree)** recognised and measured at the pre-transaction values;
- the assets and liabilities of **LVG (legal acquirer / accounting acquiree)** measured at fair value, resulting in a **merger deficit** of **Eu11.2mn**, which represented a positive component of income in 1H24;
- DM's income plus the income from accounting acquiree LVG starting from the transaction date.

In essence, Zest's 1H24 consolidated income mainly reflects the income of the former DM, with the contribution of LVG's income for 2Q24 alone and the important contribution of the merger deficit. To facilitate sufficient understanding of matters concerning income, reference will be made **to "pro-forma" accounts**, which present the data **as if the merger had been effective on 1 January 2024**.

By contrast, **FY23 and FY22 figures relate solely to DM**. It should be noted that as DM listed on the EGM market, it was not required to adopt IFRS principles; it therefore drew up its accounting statements according to Italian OIC principles. In the 1H24 report, the FY23 income statement and the FY22 and FY23 balance sheets were presented with the IFRS conversion adjustments. It is therefore not possible to analyse DM's income performance in FY23 compared to FY22 on an IFRS basis, as data for FY22 are not available.

Regarding the accounting effect of investment management, it should be noted that for the most significant part of the portfolio the company has exercised the **Other Comprehensive Income (OCI) option**, an accounting method that IFRS 9 provides for investments in equity instruments. When a company acquires holdings in equity instruments not held for trading, it may in fact choose to account for them using the OCI option to prevent market volatility from affecting its income statements in the short-term. Indeed, the use of the OCI Option means that:

- **changes in the fair value** of the investment are recognised directly in shareholders' equity, rather than on the income statement;
- nonetheless, **dividends** received are recognised on the income statement;
- **capital gains/losses** on disposal of the investment are not recognised on the income statement, so they do not impact net profit.

The upshot of using the OCI option is therefore that the income statement provides only a partial view of the Group's performance, while the changes in the balance sheet give a more complete picture.

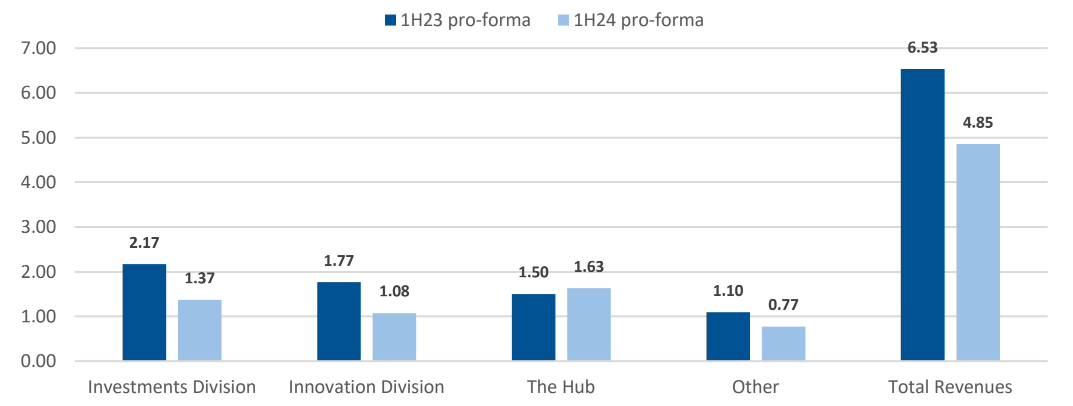
Considering the significant changes in the consolidation scope following the merger, and the lack of pro-forma data for FY23 and FY22, **we will focus our analysis on the pro-forma results for 1H24 compared to pro-forma 1H23 (uniform perimeter).**

Analysis of income

Pro-forma revenues for 1H24 were **Eu4.85mn**, up 32% on 1H23 (Eu3.68mn), although this only included DM revenues. LVG's revenues in 1H23 amounted to Eu2.85mn, so **on a comparable basis**, revenues **decreased by 26% YoY** (Eu6.53mn in 1H23). On a comparable basis:

- **revenues at the Investments Division fell 37% YoY to Eu1.37mn** on delays to the launch of some acceleration programmes pending implementation of the CDP Industrial Plan;
- Innovation Division revenues were down 39% YoY to Eu1.08mn, affected by delays to completion of the merger and corporate reorganisation, as well as the impact of the general economic slowdown;
- **The Hub's revenues grew by 9% YoY to Eu1.63mn** thanks to the excellent performance by event organisation, which increased 67% YoY to Eu0.39mn, while revenues from leasing working space dropped 2% YoY to Eu1.25mn;
- **Other revenues fell by 29% YoY to Eu0.77mn**, mainly due to the negative performance by subsidiaries Livextention (digital media agency) and Stillabit (Italian advertising network focused on ESG issues), the latter involved in an arrangement with creditors.

Zest – 1H23 pro-forma and 1H24 pro-forma (Eu mn) revenues

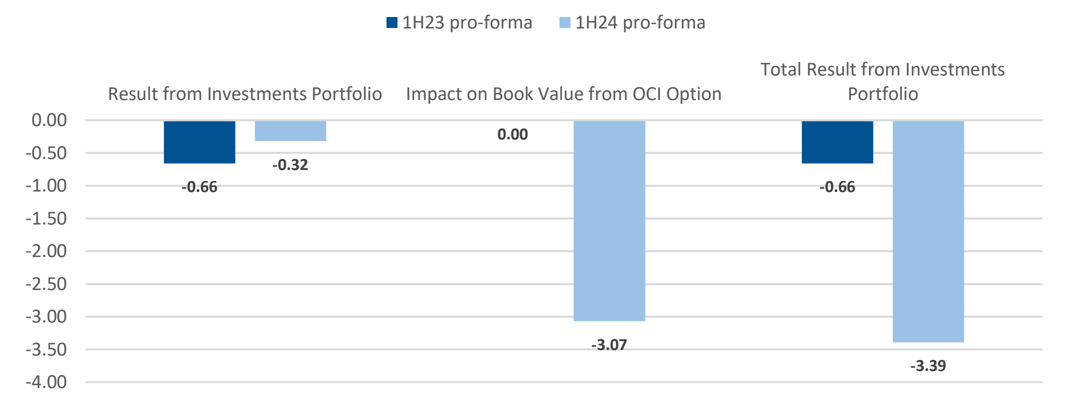


Source: Company Data, Websim Corporate elaboration

The net result of investment management, which includes the changes in value of all instruments not covered by the OCI option, and results of associate companies accounted using the equity method, on an adjusted basis, was **negative by Eu0.32mn in 1H24**, compared to a positive Eu0.17mn in 1H23 by DM alone. LVG made a net loss from investment management in 1H23 of Eu0.83mn, so the **1H23 pro-forma loss on the same perimeter would have been Eu-0.66mn**. For a more complete view of investment management in 1H24, what must also be considered are the changes in value that were not measured through the income statement due to the OCI option; these changes were negative by Eu3.07mn, and would therefore have taken the **total pro-forma net loss from investment management to Eu-3.39mn**. The negative changes in fair value that had the greatest impact on the half-year result were as follows:

- **Together Price (Fintech & Insurtech), Eu-0.73mn**: based on income and cashflow, the resulting DCF led to a Eu1.56mn valuation for the 11.51% stake, 32% below the value following the last capital raise.
- **Codemotion (Lifestyle & Culture), Eu-0.49mn**: following the failure to complete the business model turnaround and the impossibility of reaching break-even on schedule, the company needs additional financial resources to support its development, so it was decided to devalue the 4.05% stake to Eu0.20mn, down 71% on the previous fair value.
- **DeesUp (Lifestyle & Culture), Eu-0.43mn**: the company was unable to obtain the financial resources needed to support its development and reach break-even, so it was deemed appropriate to devalue the 11.63% stake to Eu0.28mn, 61% below the previous fair value.
- **Yakkyo (Smart City & Factory), Eu-0.42mn**: in January 2024, the company listed on the professional segment of the EGM market, and trading in the stock resulted in a valuation of Eu0.72mn for the 13.07% stake, 37% lower than at the last round of the capital raise.
- **Viceversa (Fintech & Insurtech), Eu-0.36mn**: in June 2024, a bridge round ended that raised Eu1mn in total, of which Eu0.35mn from Apside, Eu0.30mn from Banca Finint and Eu0.25mn from Kairos. The valuation used as a benchmark for the round was lower than the previous valuation and led to a value of Eu0.92mn for the 8.18% stake, 28% below the previous fair value.

Zest – Total Result from Investments Portfolio, 1H23 pro-forma and 1H24 pro-forma (Eu mn)



Source: Company Data, Websim Corporate elaboration\

Personnel costs in the 1H24 pro-forma accounts were **Eu2.08mn, down 13%** compared to the 1H23 pro-forma (Eu2.38mn). The reduction is due to the inclusion in LVG personnel costs in 1H23 of a Eu0.38mn non-recurring item for activities on two public calls for tenders. Net of this, **adjusted personnel costs increased by 4% YoY**.

Other operating costs in the 1H24 pro-forma accounts were **Eu5.10mn**, **up 4%** compared to the 1H23 pro-forma (Eu4.91mn).

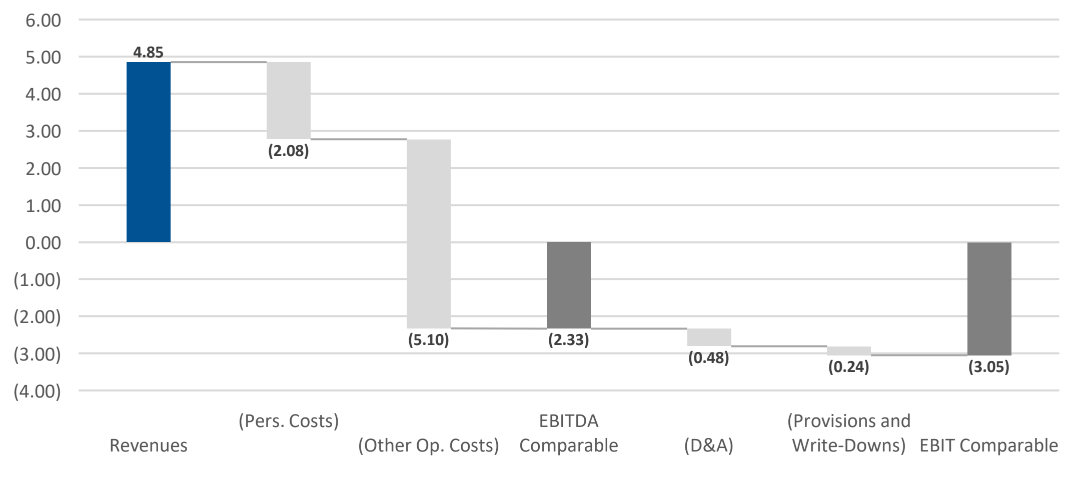
EBITDA in the 1H24 pro-forma accounts was **Eu8.56mn** and compares to Eu0.13mn realised in 1H23 by DM, to which must be added the Eu1.55mn negative EBITDA by LVG, taking **EBITDA on the 1H23 pro-forma to Eu-1.43mn**. However, 1H24 EBITDA benefited, as previously noted, from a positive contribution of Eu11.21mn from the merger deficit. For a clearer view of the Group's income trends, we think it is appropriate to analyse the performance of EBITDA excluding both the extraordinary merger deficit and the volatile impact of investment management. We call this figure comparable EBITDA to differentiate it from reported EBITDA. **In the 1H24 pro-forma accounts, comparable EBITDA** was **Eu-2.33mn** vs the **1H23 pro-forma figure of Eu-0.77mn**, **down Eu1.56mn YoY** and essentially **attributable to revenues decreasing by Eu1.68mn.**

D&A, provisions and write-downs in the 1H24 pro-forma accounts amounted to **Eu0.72mn**, **down 24%** on the 1H23 pro-forma figure (Eu0.95mn). D&A amounted to Eu0.48mn from Eu0.63mn, down 23% YoY, while provisions and write-downs amounted to Eu0.24mn from Eu0.32mn, a reduction of 26% YoY. This took **comparable EBIT to Eu-3.05mn in the 1H24 pro-forma accounts from Eu-1.72mn on the 1H23 pro-forma**.

Net financial charges on the 1H24 pro-forma were Eu0.09mn from Eu0.19mn on the 1H23 pro-forma, and **taxes were zero on the 1H24 pro-forma from Eu0.11mn on the 1H23 pro-forma**.

Despite comparable operating profit being negative, **the 1H24 pro-forma accounts showed a net profit of Eu7.75mn**, compared to a **Eu2.68mn loss on the 1H23 pro-forma**, thanks to the positive impact of the Eu11.21mn merger deficit.

Zest – 1H24 pro-forma Operating Results (Eu mn)



Source: Company Data, Websim Corporate elaboration

The first 9 months' results show an **improvement** during **3Q24**: slight for **operating costs**, but far more significant for **overall results by the portfolio**.

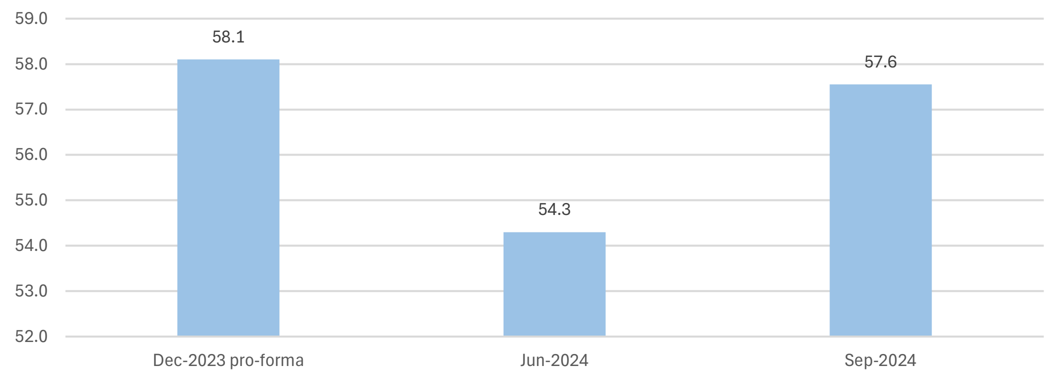
Indeed, **comparable EBITDA in 3Q24 was negative at Eu0.91mn**, with the loss narrowing by 22% on the average of the first two quarters of the year (Eu1.17mn). 3Q24 **revenues** were **Eu2.49mn**, a 3% improvement on the average for 1Q and 2Q24 (Eu2.43mn), while **operating costs** were **Eu3.40mn**, down 5% on the average for 1Q and 2Q24 (Eu3.59mn). We believe this positive performance is attributable to the ending of some non-recurring merger costs.

Portfolio management **in 3Q23** delivered Eu2.20mn profit on the quarterly income statement and a Eu0.32mn gain in the FVOCI reserve of shareholders' equity, taking the **total gain by the portfolio to Eu2.52mn** during the quarter, and reducing the loss on the portfolio in the first 9 months of the year to Eu0.87mn. The positive performance by the portfolio in 3Q24 was due **to writing up the 8.69% stake in Checkmoov (Fitprime) by €2.57mn** from the fair value as at the end of June of €1.41mn (+182%), as a binding contract was signed on 15 October 2024 to sell the stake for ca. €4.0mn. The revaluation was measured through the quarterly income statement as the FVOCI option had not been exercised on this stake.

Asset and cash flow analysis

The **total value of the investment portfolio** as at the end of **1H24** was **Eu54.3mn** according to IFRS EU accounting standards, compared to a pro-forma figure of Eu58.1mn at the start of the year. The **ca. 7% reduction in the value of the portfolio** during the half year was mainly due to **write-downs in the period**, as mentioned above, resulting in investment management closing 1H24 with an overall loss of Eu3.39mn. **At the end of September 2024, the fair value of the portfolio increased to Eu57.6mn**, recovering Eu3.3mn on the figure as at the end of June, mainly thanks to the positive performance recorded in 3Q24 as well as new investments in the quarter of Eu0.36mn.

Zest – Portfolio Fair Value (Eu mn)



Source: Company Data, Websim Corporate elaboration

In the half year, Zest concluded **23 investment transactions** worth Eu19.2mn in total, of which **Eu0.86mn invested by Zest** and Eu18.4mn by third parties. The investments in the period break down as follows:

- **First investment:** 9 investments in new startups through the acceleration programmes, with a total commitment by Zest of Eu0.45mn. In particular, the third edition of the Magic Spectrum acceleration programme ended, which led to the selection of 6 new startups, while a further 3 investments were made through the Magic Mind vehicle in the second batch.
- **Follow-on: 14** follow-on investments were carried out for a total commitment by Zest of Eu0.40mn. 8 transactions were carried out through acceleration programmes for Eu0.24mn: 4 on startups in the portfolio for Eu0.12mn, and 2 on other startups for Eu0.04mn.

Zest – 1H24 Portfolio Investments

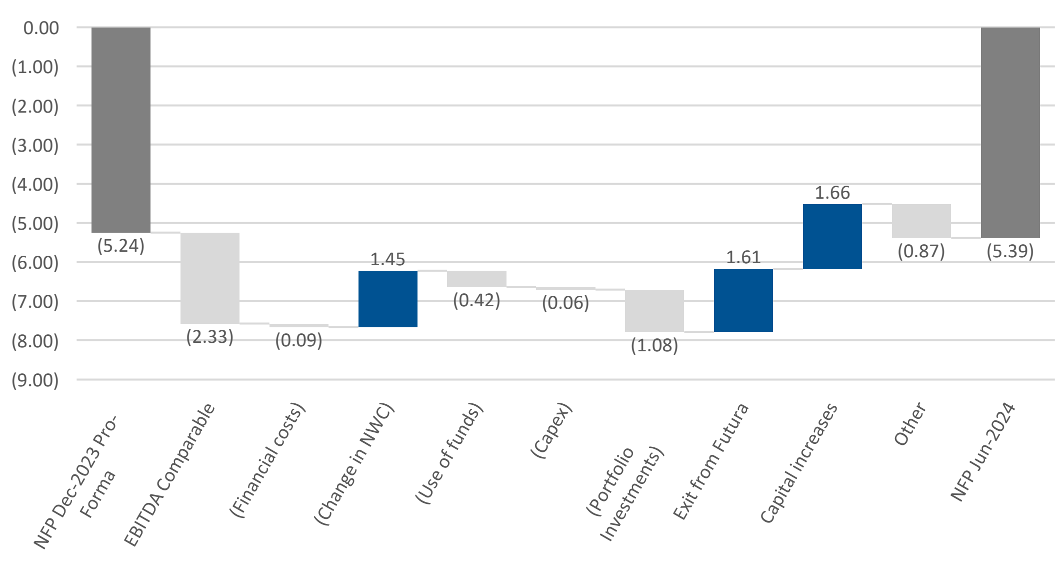
(Eu mn)	First Investment	Follow-On	Total
Acceleration Programs	0.45	0.24	0.70
Portfolio Startups	0.00	0.12	0.12
Other Operations	0.00	0.04	0.04
Total	**0.45**	**0.40**	**0.86**

Source: Company Data, Websim Corporate elaboration

Net financial debt as at end-June 2024 was **Eu5.39mn**, only marginally higher than the **pro-forma figure as at end-December 2023** of **Eu5.24mn**. Zest substantially stabilised its financial position in the half year despite the Eu2.33mn comparable EBITDA loss, plus Eu0.09mn in financial charges, Eu0.42mn use of funds and Eu1.15mn of total investments made in the period, thanks mainly to the €1.45mn reduction of net working capital, which at the end of the half-year was negative by Eu1.25mn; to the €1.61mn income from exiting the startup Futura, in which it held a 5.97% stake; and to the increase in equity by €1.66mn, of which Eu1.50mn from the capital raise subscribed for by LUISS concomitant to the signing of the deed of merger. However, it must be noted that negative net working capital as at end-June 2024 was an anomaly in view of outstanding trade payables amounting to Eu2.64mn as at that date.

Shareholders' equity in June 2024 amounted to **Eu51.3mn** (of which Eu51.5mn attributable to shareholders), giving a **debt/equity ratio** of **0.11x** and a **loan-to-value (LTV) ratio** of **10%**, which we consider entirely **consistent with the risk profile of the business**.

Zest – Net Financial Position bridge from Dec-2023 Pro-Forma to Jun-2024 (Eu mn)



Source: Company Data, Websim Corporate elaboration

As at end-September 2024, net financial debt was Eu7.84mn, up Eu2.45mn in 3Q24. We believe that this increase in debt is also attributable - in addition to comparable EBITDA of Eu-0.91mn and new portfolio investments of Eu0.36mn - to an increase in net working capital, which should explain much of the remaining Eu1.18mn rise. In particular, outstanding debts decreased by Eu0.48mn during 3Q24, thus dropping to Eu2.16mn as at the end of September. Overall, we think the debt position remains tolerable, as the **LTV ratio** as at the end of September 2024 was **14%**; adding overdue debts to the financial debt would only take the LTV ratio up to 17%, figures that we believe are **compatible with the risk profile of the business**.

2024-2027 estimates

2024 estimates

On **22 November 2024**, Zest provided an **update on 2024 forecasts**, which constitute the benchmark for our estimates on 2024. This guidance is for accounting data, which excludes LVG's contribution in 1Q24, i.e., before the conclusion of the merger.

Total **2024 revenues** should be **ca. Eu9mn**, meaning around **Eu10.2mn pro-forma**, as LVG's total revenues in 1Q24 amounted to Eu1.22mn. This new guidance is lower than indicated in the merger prospectus, filed with CONSOB on 6 March 2024, which forecast revenues at between Eu11.5mn and Eu12.7mn. The reasons for the downward revision of revenue guidance were: delays in completing post-merger and corporate reorganization operations; the impact of the general economic slowdown; delays to starting some acceleration programmes due to the new CDP Business Plan awaiting implementation; the negative performances by subsidiaries Livextension (digital media agency) and Stillabit (Italian advertising network focused on ESG themes), the latter involved in an arrangement with creditors. However, the Company stated that the delays encountered on the revenue front have been substantially overcome and that forecasts for the financial year 2025 are improving. In our opinion, the improvement in revenue performance was already visible in **4Q24**: based on FY guidance, 2024 should have closed with the **top line at ca. Eu2.9mn**, almost 20% higher than the average of the first three quarters of the year.

The contribution of investment management to income, which the previous guidance had put at between Eu0.5mn and Eu0.9mn, should amount to **approximately Eu2.2mn**, meaning **approximately Eu2.6mn on a pro-forma basis**, as LVG's contribution to this line in 1Q24 would have been Eu0.37mn. In this case, the upward revision to guidance is attributable to the success of the exit from Fitprime, which generated proceeds of Eu4.0mn (50% in cash and 50% in Wellhub shares) and a positive impact on the income statement of ca. Eu2.6mn.

EBITDA, net of the positive effect of the merger deficit (Eu11.2mn), which in the previous guidance was expected in the Eu1.3-1.9mn range, should be **substantially zero** due to the decline in revenues and the impact of extraordinary costs (mainly merger-related) of approx. Eu0.8mn. **2024 comparable EBITDA** should therefore have been **ca. Eu-2.2mn**, or **Eu-2.7mn pro-forma for 2024** as LVG's comparable EBITDA in 1Q24 was negative by Eu0.47mn. We believe that this figure should be considered in a very positive light as it would imply that in **4Q24 operating costs** fell to about **Eu2.3mn**, down more than 30% on 3Q24, and that **comparable EBITDA** turned **positive by about Eu0.5mn**.

We estimate reported net profit, for which no guidance has been provided, at **ca. Eu9.5mn**, including the positive impact of the merger deficit, after Eu1.4mn of D&A, provisions and write-downs, and Eu0.3mn of net financial charges. This estimate implies income of ca. Eu1.5mn in 2H24 thanks to the contribution to income of investment management.

The Group's **net financial debt** in **December 2024**, which in previous guidance was expected to be in the Eu4.2-5.1mn range, should be **approximately Eu7.0mn** due to the downward revision of operating performance and longer-than-estimated collection times for receivables. This implies that in 4Q24 the NFP improved by about Eu0.8mn compared to the previous quarter, following the beneficial effects of the exits from Cardo AI (over Eu0.6mn) and Fitprime (about Eu2.0mn), partly offset by cash absorption from operations due to the increase in net working capital.

We estimate the value of the investment portfolio as at end-December 2024 at ca. Eu54mn, equating to an **LTV ratio of 13%**, and **shareholder's equity at approximately Eu52mn**, equating to a **debt/equity ratio of 0.13x.**

2025-2027 estimates

Over the next three years, we estimate that **total revenues** will experience a **CAGR of about 9%** (based on the FY24 pro-forma revenue estimate of Eu10.2mn) to reach **Eu13.1mn in 2027**. We think the **main driver** of revenue growth should be the **Innovation Division**, for which we estimate turnover more than doubling in the three-year period (Eu5.1mn in 2027). For the Investment Division and The Hub, on the other hand, we estimate a CAGR of ca. 3% over the three-year period for revenues, which should reach Eu3.3mn and Eu3.6mn respectively in 2027. Other revenues are estimated at around Eu1.0-1.1mn per year.

We do not estimate any impact on the income statement from the investment portfolio, as we assume that all changes in fair value and capital gains or losses go directly into the FVOCI reserve in shareholders' equity. However, we think that all value generations in the coming years should come from management of the investment portfolio, from which we expect an **average annual IRR of around 15%** (for reasons of prudence, lower than the historical IRR, estimated at around 22%).

Operating costs are estimated at **Eu11.5mn in 2025**, down more than 10% YoY on 2024 pro-forma, and then rising in the following two years to **Eu12.4mn in 2027**. This should lead to a substantial reduction of the **EBITDA loss in 2025**, estimated at about **Eu0.5mn**, to reach **break-even in 2026** and a **positive Eu0.7mn in 2027**.

D&A, provisions and write-downs are estimated to decrease to Eu1.1mn in 2025, Eu0.8mn in 2026 and Eu0.6mn in 2027, while net financial charges are expected to drop to Eu0.1mn per year for the entire three-year period. Based on these assumptions, the **bottom line is expected substantially at break-even in 2027, after losses estimated at Eu1.7mn in 2025 and Eu0.9mn in 2026.**

Regarding portfolio management, we expect **exits** to generate approximately **Eu4.0mn of financial revenue per year** and that 50% of this will be used for new portfolio investments and 50% to reduce **net financial debt**, which we estimate at **Eu6.4mn in 2025, Eu5.3mn in 2026 and Eu3.3mn in 2027.**

Based on our assumptions, the **fair value of the investment portfolio** should reach around **Eu78mn as at the end of 2027** with **shareholders' equity at approximately Eu79mn**, equating to an **LTV ratio of 4%** and a **debt/equity ratio of 0.04x**.

Zest – 2023–2027E Consolidated Income Statement

(Eu mn)	2023	2024E	2025E	2026E	2027E
Net Sales	**7.0**	**9.0**	**11.0**	**12.0**	**13.1**
YoY growth (%)	*58.8%*	*27.8%*	*22.2%*	*9.3%*	*8.6%*
Other revenues	(0.2)	13.4	0.0	0.0	0.0
Value of Production	**6.8**	**22.4**	**11.0**	**12.0**	**13.1**
YoY growth (%)	*39.1%*	*229.4%*	*-50.9%*	*9.3%*	*8.6%*
Purchases	(0.0)	0.0	0.0	0.0	0.0
Services	(5.2)	(5.2)	(4.6)	(4.8)	(5.0)
Third-Party	0.0	(1.2)	(1.3)	(1.3)	(1.4)
Personnel	(2.2)	(3.6)	(4.3)	(4.5)	(4.7)
Other operating costs	(0.2)	(1.2)	(1.3)	(1.4)	(1.4)
EBITDA	**(0.8)**	**11.2**	**(0.5)**	**(0.0)**	**0.7**
EBITDA margin (%)	*-10.9%*	*124.4%*	*-4.2%*	*-0.1%*	*5.1%*
D&A and Provisions	(2.1)	(1.4)	(1.1)	(0.8)	(0.6)
EBIT	**(2.9)**	**9.8**	**(1.6)**	**(0.8)**	**0.1**
EBIT margin (%)	*-40.9%*	*108.8%*	*-14.2%*	*-6.7%*	*0.5%*
Net financial charges	0.1	(0.3)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
EBT	**(2.7)**	**9.5**	**(1.7)**	**(0.9)**	**(0.0)**
Taxes	(0.0)	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Net Income	**(2.8)**	**9.5**	**(1.7)**	**(0.9)**	**(0.0)**
Net margin (%)	*-39.4%*	*105.6%*	*-15.5%*	*-7.8%*	*-0.2%*

Source: Company Data, Websim Corporate elaboration

Zest – 2023-2027E Consolidated Balance Sheet

(Eu mn)	2023	2024E	2025E	2026E	2027E
Fixed Assets	**33.1**	**58.4**	**64.9**	**72.6**	**81.6**
Inventory	0.0	0.7	0.7	0.7	0.7
Trade receivables	3.8	3.4	3.4	3.4	3.4
Trade payables	(1.9)	(2.7)	(2.7)	(2.7)	(2.7)
Operating Working Capital	**1.9**	**1.4**	**1.4**	**1.4**	**1.4**
Other current assets	1.0	1.9	2.0	2.1	2.2
Other current liabilities	(1.0)	(2.1)	(2.1)	(2.1)	(2.1)
Net Working Capital	**1.9**	**1.2**	**1.3**	**1.4**	**1.5**
NWC as a % of LTM Net Sales	*26.6%*	*12.8%*	*11.4%*	*11.2%*	*11.1%*
Long-term liabilities	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
Net Invested Capital	**34.3**	**58.8**	**65.4**	**73.2**	**82.3**
ST debt	(1.6)	(3.0)	(2.9)	(2.5)	(2.0)
LT debt	(4.2)	(5.3)	(4.5)	(4.0)	(3.5)
Cash & cash equivalents	4.9	1.3	1.0	1.2	2.2
Net Financial Position	**(0.9)**	**(7.0)**	**(6.4)**	**(5.3)**	**(3.3)**
Shareholders' equity	33.7	52.0	59.2	68.2	79.2
Minority interests	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
Net Equity	**33.4**	**51.8**	**59.0**	**67.9**	**79.0**
Total Sources	**34.3**	**58.8**	**65.4**	**73.2**	**82.3**

Source: Company Data, Websim Corporate elaboration

Zest – 2023-2027E Consolidated Cash Flow Statement

(Eu mn)	2023	2024E	2025E	2026E	2027E
Group Net Income	**(2.8)**	**9.5**	**(1.7)**	**(0.9)**	**(0.0)**
P&L taxes	0.0	0.0	0.0	0.0	0.0
P&L financial charges (income)	(0.8)	0.3	0.1	0.1	0.1
Capital (gain) losses from disposals	0.1	0.0	0.0	0.0	0.0
Depreciations and amortizations	0.7	1.0	0.8	0.6	0.5
Provisions, net of use of funds	0.5	0.4	0.3	0.2	0.1
Write-downs (ups)	4.8	0.0	0.0	0.0	0.0
Other operating non-monetary items	0.0	(14.1)	0.0	0.0	0.0
(Δ OWC)	0.6	0.5	0.0	0.0	0.0
(Δ Other current assets, liabilities and funds)	(0.4)	1.5	(0.4)	(0.3)	(0.2)
(Paid taxes)	(0.0)	0.0	0.0	0.0	0.0
Cashed (Paid) financial income (charges)	0.8	(0.3)	(0.1)	(0.1)	(0.1)
Operating Cash Flow	**3.5**	**(1.2)**	**(1.0)**	**(0.4)**	**0.4**
(Capex)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)
(Acquisitions)	(2.6)	(4.0)	(2.0)	(2.0)	(2.0)
Divestments	0.4	4.6	4.0	4.0	4.0
Free Cash Flow	**1.0**	**(0.9)**	**0.6**	**1.2**	**2.0**
Dividend distribution	0.0	0.0	0.0	0.0	0.0
Dividend distribution to third parties	0.0	0.0	0.0	0.0	0.0
Own shares buy-back	0.0	0.0	0.0	0.0	0.0
Capital increase (reimbursement)	0.4	0.2	0.0	0.0	0.0
Third parties capital increase (reimbursement)	0.0	0.0	0.0	0.0	0.0
Other non-operating non-monetary items	(2.9)	(5.4)	0.0	0.0	0.0
Cash Flow	**(1.4)**	**(6.2)**	**0.6**	**1.2**	**2.0**
NFP @ beginning of the period	0.6	(0.9)	(7.0)	(6.4)	(5.3)
Cash Flow	(1.4)	(6.2)	0.6	1.2	2.0
NFP @ end of the period	**(0.9)**	**(7.0)**	**(6.4)**	**(5.3)**	**(3.3)**

Source: Company Data, Websim Corporate elaboration

Valuation and conclusions

Fair value of the investment portfolio

IFRS 13 introduced the **fair value hierarchy (FVH)** to improve transparency in the valuation of financial instruments. This hierarchy is divided into **three levels** based on the availability and observability of market data.

- **Level 1:** prices quoted on active markets for identical instruments.
- **Level 2:** prices of similar instruments or calculated with observable market data.
- **Level 3:** valuations based on non-observable data.

The objective is to ensure greater clarity in the measurement of fair value.

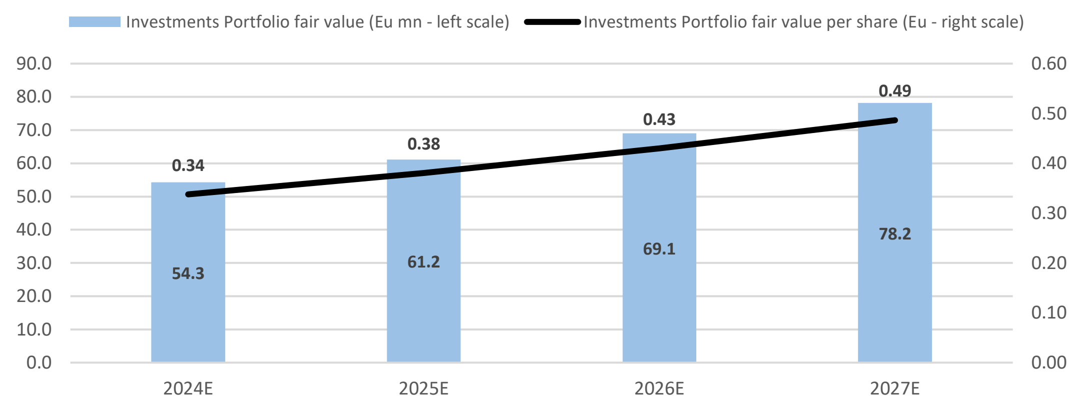
The **fair value** of the investments that make up the **Zest Investment Portfolio**, mainly comprising investments in startups with stakes of less than 20% of share capital, is classified at **Level 3**. Given the complex nature of seed or pre-seed startup investments, it is very difficult to estimate changes in valuation parameters and determine the sensitivity of fair value. The valuation of investments follows the **International Private Equity and Venture Capital Valuation Guidelines**, based on **IFRS 13**. The general rules for determining the fair value of individual companies are as follows.

- If there has been a **significant capital increase**, the **post-money** value is used as a benchmark.
- If the **capital raise is incomplete or in tranches**, the **pre-money** figure **plus funds raised** so far is used.
- If there have been **no capital transactions in the last 24 months** and the **performance indicators** - as measured through monthly reports provided by the startups containing specific business metrics - are **positive**, the **latest post-money valuation** is used.
- If there have been **no capital transactions in the last 24 months** but the **performance indicators** in monthly reports are **negative**, the **fair value is adjusted** based on **market multiples**, benchmarks for **similar transactions**, **discounted cash flow**, or **shareholders' equity**.

As at end-June 2024, the fair value of the Zest investment portfolio was Eu54.3mn (Eu0.34 per share); as **at the end of September** it had grown to **Eu57.6mn (Eu0.36 per share),** mainly thanks to the revaluation of the investment in Fitprime, which was then sold in December.

We estimate that at the **end of 2024**, the fair value of the portfolio returned to around **Eu54mn (Eu0.34 per share)** following the sale of the stakes in Cardo AI and Fitprime, partially offset by the investment in Wellhub and other minor holdings. Our estimates on the evolution of the fair value of the portfolio for the following years assume an **annual portfolio revaluation** of about **15%** (a conservative estimate compared to the historical IRR of about 22%), **exits** worth **Eu4mn a year**, and **new investments** of **Eu2mn per year**. Based on these assumptions, the **fair value of the portfolio** would increase to ca. **Eu61mn as at the end of 2025 (Eu0.38 per share), Eu69mn as at the end of 2026 (Eu0.43 per share) and Eu78mn as at the end of 2027 (Eu0.49 per share).**

Zest – Investment Portfolio, fair value 2024E-2027E



Source: Websim Corporate estimates

Valuation of operating activities

Beyond the investment portfolio, the Zest Group has other businesses - **consultancy, space rental and event organisation** - which generate revenue on the income statement. Although these activities are not yet profit-making, based on our estimates they should break even in terms of EBITDA in 2026 and generate marginally positive EBIT in 2027. We think that consultancy, which in 2025 should account for about 60% of revenues, should continue to grow in the medium/long term to become income generating. As they are of low capital intensity, these businesses could be worth between 1.5x and 2.0x revenues in the medium/long-term depending on the level of margins when running at full capacity. At present, however, bearing in mind that they are still running at a loss in operating terms, we think that a **2025E EV/sales multiple around 1.0x** may be considered reasonable. We therefore **value** Zest's operating businesses at **Eu11mn (Eu0.07 per share).**

Sum of the parts and target price

To set a fair value for Zest, we use the sum of the parts method, taking the estimates at the end of 2025 as the starting point. We take the value of the investment portfolio (Eu61.2mn) and operating businesses (Eu11.0mn), plus the book value of investments not included in the portfolio (Eu1.7mn), and deduct net financial debt (Eu6.4mn) and outstanding debts (Eu2.2mn). We obtain a fair **value for Zest Group of Eu65.3mn, or Eu0.41 per share**. We apply a liquidity discount to this valuation of 20% to take account of the company's low capitalisation: at current market prices, the float is ca. Eu14mn. We thus land at a **target price of Eu0.32 per share**, corresponding to **potential upside of about 100%** compared to the current share price.

Zest – Sum-of-the-parts

	Fair Value (Eu mn)	Fair Value per share (Eu)
Investments Portfolio	61.2	0.38
Operating activities	11.0	0.07
Other Investments	1.7	0.01
Net Financial Position	(6.4)	(0.04)
(Overdue Debts)	(2.2)	(0.01)
Sum-of-the-parts	**65.3**	**0.41**
(20% Liquidity discount)	(13.1)	(0.08)
Target Price	**52.2**	**0.32**

Source: Websim Corporate estimates

Conclusions

We think that Zest represents a unique opportunity to invest in Italian venture capital, with the potential to deliver outstanding returns in the medium to long term, for the following reasons.

- Zest is the top Italian player of European scale for early-stage investments, startup acceleration, scale-up, and open innovation and corporate venturing programs, and thanks to over twenty years' experience in the sector, it can count on solid know-how and a network of long-term relationships with a multitude of actors, both on the corporate side and with investors and partners.
- The merger of DM and LVG that created Zest has made it possible to achieve at least Eu0.5mn of cost synergies, making it a more efficient operator.
- The national Transition 5.0, plan, financed with Eu6.3bn of NRRP funds, and the Eu7bn investment plan for 2024-2028 from CDP Venture Capital, should provide Zest with significant business opportunities in the coming years.
- The Zest investment portfolio, comprising over 250 startups, greatly reduces the specific risk associated with individual investments from a perspective of asymmetric returns.
- The historical track record of the Zest investment portfolio is very positive, as its fair value is 2.2x book values, with an average IRR of about 22%.
- Diversification across varied digital sectors may enable Zest to ride the global megatrends of AI, cloud, blockchain, and automation, with some startups potentially seeing exponential growth through IPOs, strategic acquisitions, or capital raises at higher valuations.
- The successful exits achieved by Zest in 2024 (Futura, Cardo AI and Fitprime) yielded Eu6.2mn in resources (more than 11% of the portfolio value) for allocation to new investments, highlighting a clearly improving trend compared to total exit values achieved by DM and LVG in previous years (Eu4.4mn in the 2021-2023 three-year period).
- Trading at a discount of more than 60% to the fair value, much of the risk is deeply discounted, so even in a conservative scenario an investment in the stock enjoys a wide safety margin compared to fundamentals.

Although we are aware of the risks related to the reduced dimensions of the company, the concentration of investments in the Italian market, and the high level of uncertainty inherent to investments in startups, we believe that the positive aspects of the equity story clearly prevail: **we initiate coverage of Zest with a BUY recommendation and target price of Eu0.32 per share.**

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**ZEST**		
Current Recomm:	BUY	Previous Recomm:	--
Current Target (Eu):	0.32	Previous Target (Eu):	--
Current Price (Eu):	0.16	Previous Price (Eu):	--
Date of report:	24/02/2025	Date of last report:	--

Intermonte

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and – 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between –10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 31 December 2024 Intermonte's Research Department covered 132 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	31.34 %
OUTPERFORM:	43.28 %
NEUTRAL:	25.38 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 December 2024 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (71 in total) is as follows:

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OUTPERFORM:	29.58 %
NEUTRAL:	19.72 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aquafil, Banca Ifis, Banco BPM, Cy4Gate, Esprinet, GPI, Growens, Maire Tecnimont, Tinexta, Unidata and WIIT.

Intermonte SIM is acting as counterparty to WIIT Fin S.r.l. in connection with call and put options having WIIT S.p.A. shares and dividends as reference underlying.

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Alkemy, Anima Holding, Antares Vision, Aquafil, Avio, Banca Ifis, Banca Sistema, Civitanavi Systems, Cyberoo, Cy4gate, DHH, El.En, Elica, Emak, Esprinet, Fimit - Fondo Alpha, Fine Foods, Franchi Umberto Marmi, GPI, Greenthesis (formerly Ambienthesis), IEG, Intred, Luve, Misitano & Stracuzzi, Mondadori, Notorious Pictures, Omer, Pharmanutra, Reply, Revo Insurance, Reway, Saes Getters, Servizi Italia, Sesa, Seri Industrial, Somec, Star7, SyS-Dat Group, Talea, Tamburi, Tinexta, Tesmec, The Italian Sea Group, TXT, Unidata, Webuild and WIIT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema, Zest.

Intermonte SIM, through Websim, which constitute the digital division of Intermonte, acts as a Financial Content Provider and/or Specialist and/or Corporate Broker on the following companies: Abitare In, Alkemy, Allcore, Almawave, Banca Sistema, Bifire S.P.A., B&C Speakers, Casta Diva Group, Cleanbnb, Cofle, Crowdfundme, Cube Labs, Cy4gate, Cyberoo, DHH, Digital Bros, Digital Magics, Digitouch, Doxee, Ediliziacrobatica Spa, Eles, Elica, Emak, Energy, Esi, Esprinet, Eviso, Fae Technology, Fiera Milano, Fope, FOS, Franchi Umberto Marmi, Giglio Group, GM Leather, GPI, Green Oleo, High Quality Food, Ikonisys, Intercos, Intred, ISCC Fintech, Lemon Sistemi, Lventure Group, Maps Group, Mare Group, Masi Agricola, Matica Fintec, Misitano & Stracuzzi, Neodecortech, Notorious Pictures, Olidata, Osai Automation System, Racing Force Group, Redfish Long Term Capital, Relatech, Reti, Sciuker Frames, SG Company, Solid World Group, Spindox Digital Soul, Talea, Tamburi, Tesmec, Tinexta, TMP Group, Tps Group, Trendevice, Ulisse Biomed, Xenia Hôtellerie Solution Spa Società Benefit, Wiit, Zest.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emittente	%	Long/Short

INTERMONTE SIM is MIFID compliant - for our Best Execution Policy please check our Website MiFID

Further information is available