

Emma Villas

Euronext Growth Milan | Villa Rental | Italy

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Rating
BUY

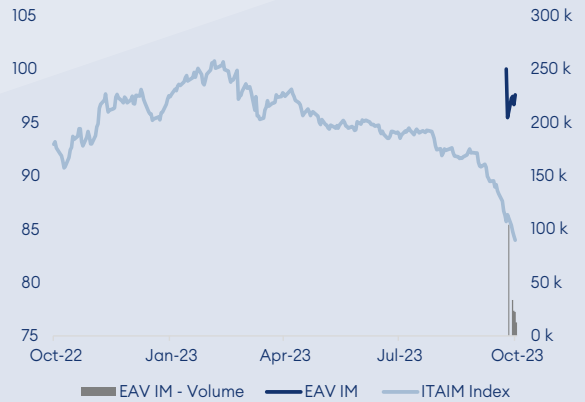
Target Price
€ 6,90

Risk

Medium

Upside potential
111,6%

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 3,26
Target price	€ 6,90
Upside/(Downside) potential	111,6%
Ticker	EAV IM
Market Cap (€/mln)	€ 22,72
EV (€/mln)	€ 20,91
Free Float	13,91%
Share Outstanding	6.969.500
52-week high	€ 3,30
52-week low	€ 3,07
IPO Price (29/09/2023)	€ 3,30

Key Financials (€/mln)	FY22A*	FY23E	FY24E	FY25E
Value of Production	28,8	36,3	41,7	47,9
EBITDA	1,3	5,0	5,7	7,1
EBIT	0,7	4,3	4,8	6,2
Net Income	0,2	3,0	3,2	4,2
NFP	(1,8)	(6,3)	(10,4)	(15,6)
EBITDA margin	4,4%	13,7%	13,5%	14,7%
EBIT margin	2,5%	11,9%	11,5%	12,9%
Net Income margin	0,7%	8,3%	7,6%	8,8%

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1. Company Overview

1.1 Business Activity

Emma Villas SpA (hereinafter referred to as “Emma Villas” or “the Company”), a company established in 2006 by Giammarco Bisogno, an expert in the sector with over 25 years of experience, is a leading incoming tour operator specialised in the weekly vacation rentals sector of luxury villas and residences with private swimming pools.

The Company, which boasts a widespread presence in 15 Italian regions, is the leading operator in Italy in terms of the number of properties managed and marketed exclusively, operating through so-called mandates without representation for at least two years. In the context of vacation villa rentals, mandates without representation refer to a specific type of mandate agreement, in which the owner of a villa gives an agent (Emma Villas) the power to manage the vacation rental of the property for a period (in this case at least two years), without conferring the same agent legal representation.

In 2022, the number of properties promoted for rent and marketed by the Company, which generated turnover, amounted to 492 villas (compared to 427 in 2021), for a total of approximately 7,390 weeks booked (+55.0% compared to 2021). These reservations are mainly concentrated between the months of June and September.

Regarding the geographical area with the most coverage, the Italian region that recorded the highest number of properties in December 2022 is Tuscany, with a total of 217. Umbria follows with 92, Marche with 32 and Emilia-Romagna with 22. Other properties can also be found in different Italian regions including Puglia, Sardinia, Sicily, Lazio, Liguria, Veneto, Lombardy, Piedmont, Campania, Abruzzo and Calabria.

CHART 1 - EMMA VILLAS LOGO



Source: Emma Villas

1.2 Company Story

CHART 2 – COMPANY STORY



Source: Emma Villas

- **2006:** Establishment of Emma Villas Srl, with headquarters in Chiusi (Siena), by Giammarco Bisogno, who had previous experience in real estate and tourism (in 2000 he created the Rent Tuscany brand with a focus on the vacation rentals business in Tuscany);
- **2013:** Launch of the Emma Villas logo and website accompanied by the first advertisement and the first television campaign on Sky;
- **2015:** Expansion of the offer with proposals of a variety of additional services to customers (transfers, pre-ordered grocery shopping, chef, etc.);
- **2017:** Launch of the first Emma Villas Tour, an event aimed at villa owners, held in Florence, Chianciano, Pesaro and Catania;
- **2018:** Restyling of the TV advertisement and organisation of the second Emma Villas Tour in Milan, Florence, Rome, Lecce and Catania;

- **2019-21:** Investments in the creation of a network of agents and dealers with a widespread presence in the Italian territory, in the development of the Emma App and in the implementation of a new CRM system;
- **2021:** Acquisition of a 66.0% stake in the English company (EMV International Ltd) with a portfolio of 32 villas with exclusive management in Sicily and Puglia. Launch of new insurance policies for both guests and owners;
- **2022-23:** Launch and completion of the listing process on Euronext Growth Milan to raise financial resources to accelerate growth. Acquisition of a further stake in EMV International Ltd, reaching a 83.0% shareholding.

1.3 Shareholders and Corporate Structure

TABLE 1 – SHAREHOLDERS

Shareholder	# Shares	% Shares
Giammarco Bisogno	6.000.000	86,09%
Free Float	969.500	13,91%
Total	6.969.500	100,00%

Source: Emma Villas

After the listing on the Stock Exchange, which took place through the placement of 969,500 ordinary shares, the share capital of Emma Villas is made up of 6,969,500 shares. Giammarco Bisogno holds the majority of the share capital with a stake of 86.09%; The remaining stake, however, represents the free float capital, equal to 13.91%.

Emma Villas SpA also holds 83.0% of the British EMV International Ltd subsidiary, owner of 32 exclusive vacation rental contracts; the remaining 17.0% is held by Massimo Provenza, founder of EMV International Ltd.

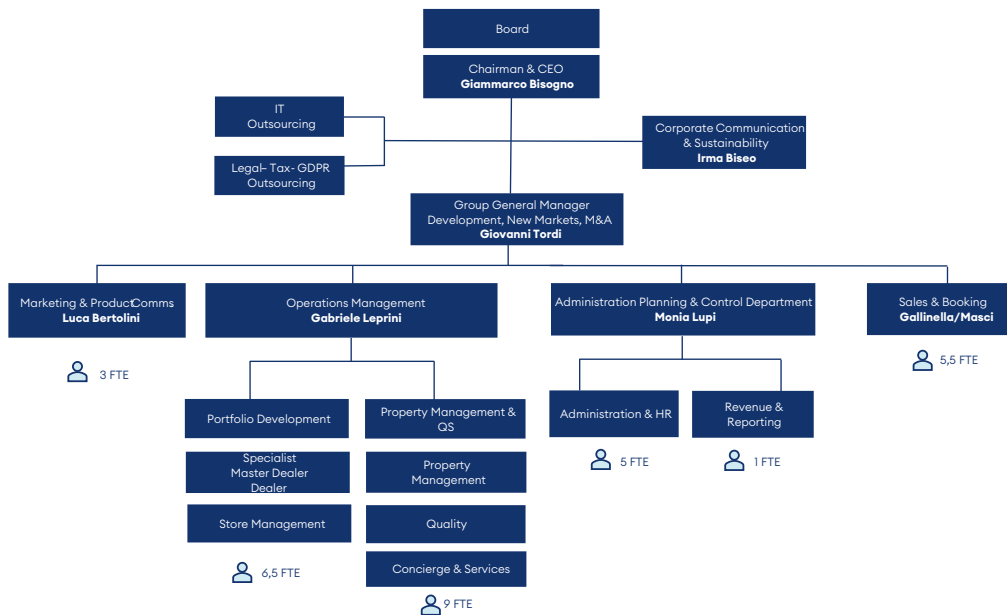
It should also be noted that Emma Villas SpA has exercised the right to waive the preparation of the consolidated financial statements pursuant to Article 27 of Legislative Decree 127/1991, as the companies controlled by it, individually and as a whole, are considered irrelevant (low significance) pursuant to paragraph 3-bis of the same Article. Specifically, in addition to other non-exclusive contracts, the British subsidiary holds 27 properties in Sicily and 5 in Puglia, which following the acquisition are also marketed through the Emma Villas website.

It should be noted that the Emma Villas platform model, together with the inclusion of the founder of the acquired company in the relationship with the owners, has made it possible to develop important synergies, with a strong increase in vacation weeks sold following the transaction. In fact, EMV International booked 326 weeks in 2022, compared to 271 booked weeks in 2021 (+20.3%).

Finally, it should be noted that Emma Villas also holds a 70.0% stake in Emma Villas Eventi Srl, a company that is currently not operational.

1.4 Corporate Governance

CHART 3 – CORPORATE GOVERNANCE



Source: Emma Villas

The Company currently comprises 30 full-time equivalent (FTE) employees.

The Board of Directors consists of five members and will remain in office until the approval of the Financial Statements for the year ending on December 31th, 2025. In particular:

- Giammarco Bisogno is the Chairman and CEO;
- Giovanni Tordi, Monia Lupi and Raffaele Romanucci hold the role of Directors;
- Duccio Galletti holds the role of Independent Director;

The Board of Statutory Auditors consists of the Chairman, two Standing Auditors and two Alternate Auditors, who will also remain in office until the approval of the Financial Statements for the year ending on December 31th, 2025.

- Andrea Bonghi is the Chairman of the Board of Auditors;
- Claudio Tabarroni and Roberto Neri serve as statutory auditors;
- Guglielmo Mariotti and Ciro Armigero are the two alternate auditors.

1.5 Key People

Giammarco Bisogno – Chairman and CEO

Founder of Emma Villas and pioneer of villa rentals in Italy, having already identified the great potential of this sector in the 80s when, as a real estate agent, he began to focus his business on villas.

Monia Lupi – CFO

A part of the Emma Villas team since 2007, Monia Lupi is the Company's CFO, with over 25 years of experience in administration, finance and accounting. She boasts an all-encompassing knowledge of the Company, with specific focus on development strategies, budget analysis, IT and management of the various departments.

Giovanni Tordi – General Manager

As part of the Emma Villas team since 2019, Giovanni Tordi's focus is on the development of markets and sales channels in Italy and abroad and on innovation. He boasts over 25 years of experience in international groups, with a focus on strategic marketing, business innovation and sustainability. He has worked in several areas, including consulting, banking and innovation.

Gabriele Leprini – Director of Operations

A part of the Emma Villas team since 2005, Gabriele Leprini has followed the foundation and development of the Company at every step. Formerly holding a Director role in the industrial field, he has developed expertise in project management, teams and resources for the achievement of corporate objectives. He also boasts extensive experience in negotiating contracts and agreements in the real estate and vacations field.

1.6 Emma Villas Academy

In 2022, in order to support growth and the professional development of internal and external figures involved in business processes, the Company decided to launch the Emma Villas Academy, a strategic project aimed at maintaining the high standards of services offered and responding to the needs of a growing market.

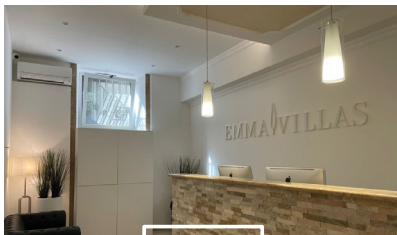
The activities offered by the Academy include the training of resources on the proprietary Emma Villas platform, on business processes and functions, both through classroom and online courses, and with dedicated web sections with reserved access. The project, offered in continuous cycles for professional figures who are already part of the Company and for new resources, is dedicated to training, professionalisation and development of key figures.

It should be noted that these training courses are supported by highly trained resources, including 2 Senior Managers and 8 Tutors internal to the Company with over 15 years of experience.

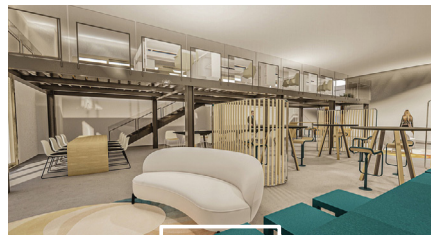
To date, through the Emma Villas Academy, the Company has currently trained 15 of the 42 Property Managers, 50 Master Dealers/Dealers, 25 Quality Inspectors, 8 Sales Managers, 6 Concierges, 3 Marketing Resources and 6 Administrative Resources.

In the future, the Academy is expected to be enhanced to allow resources to obtain a certification of the training activities carried out, structuring new training courses to support Emma Villas' development plan for resources in Italy and abroad, and hiring external trainers on extra-core business aspects.

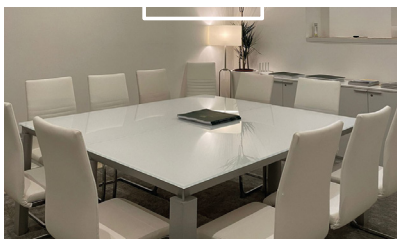
CHART 4 - ACADEMY LOCATIONS



ROMA



CHIUSI



Source: Emma Villas

2. Business Model

2.1 Industry Business System

CHART 5 – BUSINESS PLAYERS



Source: Emma Villas

Emma Villas is an Italian Incoming Tour Operator engaged in the weekly vacation rentals sector (or for a minimum of 5 days for low season rentals) of prestigious villas and residences. The supply chain of entities operating in the Villa Rental sector consists of owners, intermediaries and customers.

Upstream of the supply chain there are the owners, in other words those who choose not to manage their property entrepreneurially, thus relying on intermediaries such as real estate agencies or companies specialised in the active management and value generation of property.

The supply chain continues with the aforementioned intermediaries. Within this group, in particular, we can identify intermediaries that deal with the management of exclusive properties, which are a minority in the macro-category. Specifically, these are intermediaries, also present on online channels, who obtain exclusive use from the property owners (vacation villas) in order to rent them through direct or indirect channels, promoting properties on the local and/or international circuit. Emma Villas thus fits into this point of the chain, actively managing the villas granted exclusively on behalf of the owners. Moreover, the Company carries out Property Management activities, offers advances and loans for improvements and renovations of properties, and supervises the quality of the property.

Finally, with reference to customers in the Vacations Rental sector, these can be divided into two types:

- Direct customers, those who book directly through corporate platforms;

- Indirect customers who, instead, book through other online platforms or through the help of real estate and travel agencies located across Italy.

2.2 Revenue Model

CHART 6 – REVENUE MODEL



Source: Emma Villas

Emma Villas rents out properties obtained under management from the owners through the direct channel (Emmavillas.com), which accounts for about 79.0% of total bookings, and the indirect channel (Booking, Airbnb etc.), which accounts for the remaining 21.0%. Customers can therefore book either directly through the corporate platform, through other online platforms or through the use of real estate and travel agencies located across Italy.

Once the property of interest has been identified, the customer can then make their reservation, with simultaneous payment of a deposit equal to 30.0% of the total amount, followed by the balance of the remaining 70.0% within 60 days of the stay. In the event that the reservation is made within 60 days of the stay, a single payment of the total amount will be made. During the stay, the customer can purchase additional services through the Emma App and enjoy the support of a Guests Concierge, which will be available for the duration of the stay for assistance in booking extra services and experiences.

Emma Villas then makes a cash-out in favour of the owner on the 10th day of the month following the check-out date, through which it pays the latter the sum of the property rent, withholding a corresponding commission (average commission percentage of 41.0% in 2021 and 43.0% in 2022). In the case of contracts with a guaranteed minimum income formula, a deferred payment schedule between May and October may be applied, with a balance at the end of the year.

2.3 Value Proposition

Emma Villas' value proposition is based on advantages concerning the property owners side and the property renters side. The Company's expertise, based on more than 25 years of experience in the sector, together with technological tools such as the Emma app and well-defined villa acquisition and management procedures, allow Emma Villas to create value for all stakeholders, through the involvement of internal and external professionals, highly trained through the Emma Villas Academy.

On the owners side, these have the option to take care of the direct management of their properties in an entrepreneurial manner, or, alternatively, to rely on Emma Villas, which acts as the owner's sole interlocutor, given the exclusivity of the contract eventually entered into. In particular, the advantages enjoyed by the owner of the property consist of:

- Selection and exclusivity, criteria through which the Company guarantees high quality standards of properties in order to ensure a unique product on the market;
- Immediate and guaranteed income over time, made possible through the "minimum guaranteed" type of contract, available to properties that meet certain requirements in terms of specific characteristics of the structure, and which provides for the possibility for the owner to receive a guaranteed minimum income regardless of how many weeks are actually rented out over the year;
- Routine management and a quality inspector, entrusted to carry out periodic checks in order to constantly maintain a high level of quality of the property;
- International visibility and a free multichannel presence, through the use of leading international circuits, and villa promotion services, through professional photo shoots;
- Ongoing assistance to improve the profitability of the property, also through the Re Home service, by which renovations or improvements of the property take place and that also provides the possibility for the owner to gain access to advances and loans provided by the Company;
- Insurance coverage in case of cancellation of reservations by guests or accidental damage.

On the customer side, instead, the following services are provided:

- Assistance 7 days a week, from the booking phase to the end of the custom-

er's stay, satisfying their requests in a timely manner;

- Booking management, through an online booking platform available 24/7 in order to allow immediate bookings, including through the assistance of an internal booking office composed of multilingual operators available 7 days a week. In addition, the Emma App, which allows online check-in and management of paperwork related to renting (smart hospitality);
- Guests concierge, available to guests, from their arrival to the end of their stay, which assists them in booking exclusive services and experiences;
- The possibility of paying part or all of the price of the stay in monthly instalments (without the application of an interest rate);
- Cancellation and health policies;
- Zer0Dep guarantee, which acts as a substitute for the security deposit and protects renting customers from accidental damage to the property, up to a maximum ceiling of € 1,500.

2.4 Business Model

CHART 7 – BUSINESS PROCESS



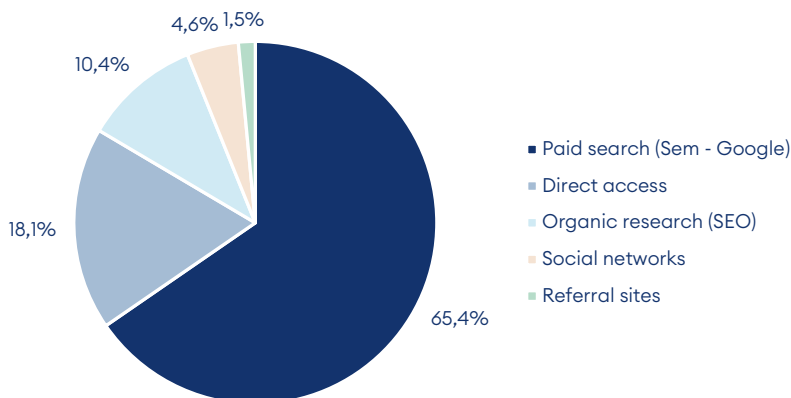
Source: Emma Villas

Taking into account Emma Villas' business model, in carrying out its activities, the latter can be divided into the following phases:

- **Marketing:** Online and offline marketing actions.

The first consists of advertising campaigns on social media, TV advertisements and digital marketing, while the latter concerns the creation of (i) corporate products such as catalogues, brochures and magazines (ii) advertising in magazines and printed newspapers (iii) press releases and interviews (iv) creation of hub stores in towns with a strong tourist appeal such as Siena, Orbetello and Porto Cervo (v) collaborations with travel agencies (vi) participation in tourism fairs and events across Italy (vii) organisation of events and meeting tours (such as the Emma Villas Tour, an event organised since 2017 and held annually in various Italian regions, structured through a convention regarding updates on products and services dedicated to owners and customers, and thematic workshops dedicated to the main issues related to renting) (viii) sponsorships and advertising at a local and national level in the sports field. These are aimed at increasing the Company's reputation and brand awareness (in 2022 the Company registered 2,100,000 unique visitors to the website and 11,100,000 page views), supporting the strategic activities of positioning the Company, acquisition of villas and sale of stays.

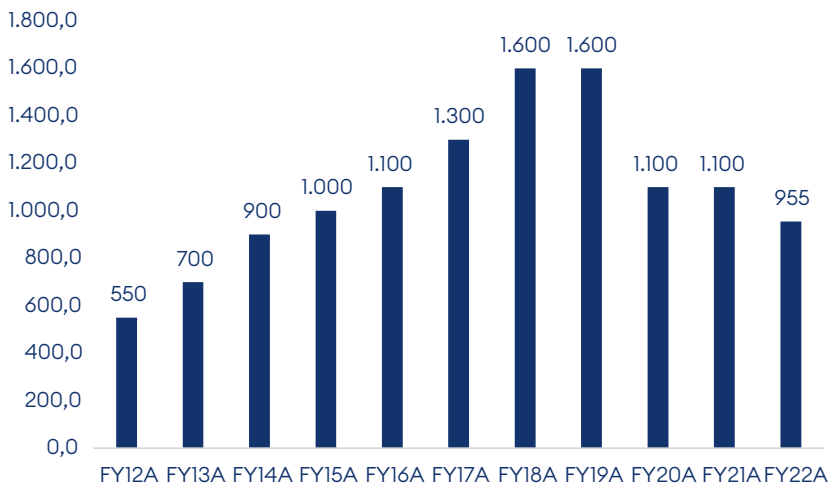
CHART 8 – DIRECT AND INDIRECT ACCESS TO EMMAVILLAS.COM IN 2022



Source: Emma Villas

As can be seen in the pie chart above, direct access to the Emmavillas.com website contributed 18.1% to total access, up from the 14.7% value recorded in 2021, also thanks to the greater brand reputation enjoyed by the Company.

CHART 9 – EVOLUTION OF INVESTMENTS IN MARKETING AND COMMUNICATION (€/000)



Source: Emma Villas

Investments in marketing and communication amounted to approximately € 955,000 in 2022, of which over 65.0% were allocated to SEM¹ activities on Google Ads, with the aim of increasing traffic and visibility of the Emmavillas.com website on Google and on the main international search engines. The decreasing trend of these investments is the result of lower investments in online advertising, the efficiency achieved on marketing campaigns and the achievement of a good degree of visibility by the Company within the sector.

- **Property acquisition:** Acquisition of exclusive property management.

Specifically, the acquisition can take place through the direct channel (using Agents and Specialists), or through the indirect channel, consisting of the reports made by Dealers/ Brand Ambassadors (real estate agencies and external figures, such as architects across Italy). Emma Villas has, in fact, developed a solid commercial property acquisition network, with a widespread presence throughout the Italian territory, and which today consists of:

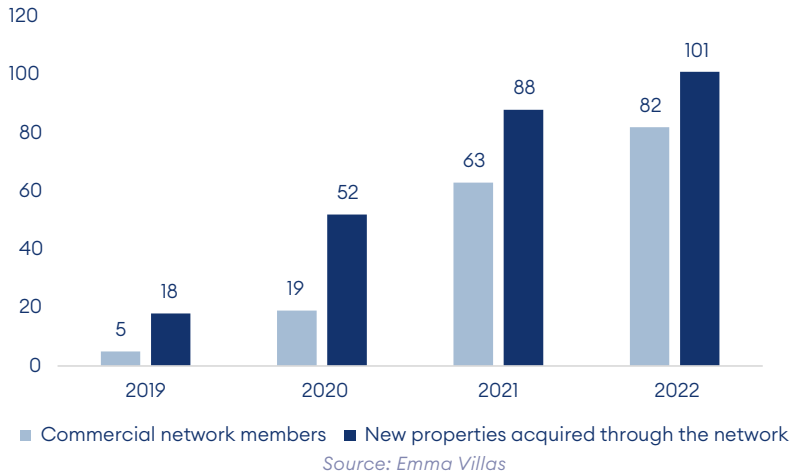
- 1 General Manager: responsible for (i) the development of new property acquisition networks (ii) the development of sales channels (mainly indirect) (iii) the development of networks and partnerships with B2B sales channels (iv) the development of new markets

¹ Search Engine Marketing is the set of web marketing activities carried out to increase the visibility and traceability of a website with the use of search engines.

(v) the development of territorial projects such as hub stores (vi) the development of M&A transactions and integration projects of new acquired companies (vii) the recruiting, organisation and management of professional figures to be integrated within the Italian and foreign network;

- 5 Internal Sales Representatives: provide (i) central support to top management in the development process for the acquisition of new properties to add to the portfolio (ii) management of the renewal process (re-negotiation of expiring properties) (iii) management of potential issues regarding the property, interacting with the owners, in coordination with the PMQ (Property Management & Quality team);
- 3 Specialists: main functions carried out concern (i) the development of a geographical area in Italy (comprising several regions) in terms of network, and therefore in terms of the inclusion of Master Dealer and Dealer figures (ii) acquisitions of new properties to add to the portfolio (interfacing with the Internal Sales Representatives for evaluation and re-negotiation processes) (iii) management of property renewals already in the portfolio;
- 16 Master Dealers: local sales network contacts who manage an area with a portfolio of villas consolidated over the years, whose duties consist of (i) the development of new acquisitions (ii) the management of relations with owners (iii) the management of renovations (iv) the management and supervision of properties during the season, intervening in the event of extraordinary problems (v) providing support in the creation of the property profile (facilitation of inspections to carry out photographic and quality inspection services);
- 58 Dealers: local sales network representatives tasked with providing reports of villas through the Specialist, in order to facilitate acquisition of new properties to add to the portfolio. This type of professional figure can be operational (takes part in the management of the relationship with the owner and the supervision of the property), or non-operational (merely reports on new properties).

CHART 10 – EVOLUTION OF COMMERCIAL NETWORK MEMBERS AND NEW PROPERTIES ACQUIRED THROUGH THE NETWORK



It should therefore be noted that the Company has carried out a major commercial reorganisation in recent years, from 5 components in 2019 to 82 in 2022, followed by a strong growth in the number of new properties acquired exclusively annually.

CHART 11 – EVOLUTION OF PROPERTIES FROM 2012 TO 2022



In fact, we can see how portfolio properties have increased over the last 10 years, from 196 (2012) to 492 (2022), for a 12-22 CAGR of +9.6%.

It should be noted that the value of 492 villas recorded in 2022 refers to villas that generate turnover. Taking into account the number of villas acquired during the year and expected to generate a turnover starting from 2023, the number of villas contracted in May 2023 rises to 548.

CHART 12 – PROPERTY ACQUISITION PROCESS



Source: Emma Villas

The property acquisition process begins with the receipt of requests for collaboration (via direct or indirect channels) made by property owners. During this first step, the potential customer submits an evaluation request. Once the request is received, Emma Villas proceeds with the qualification phase of the lead. During this screening phase, key information about the potential owner and the property is collected. This includes the type of property, the location, the main characteristics, and whether or not certain necessary characteristics (such as the presence of a swimming pool and the independence of the structure) are met. This information then allows the Company to determine whether the lead matches the structure profile sought by Emma Villas. Subsequently, having verified that the minimum necessary requirements of the property are met, an on site inspection is carried out. An Emma Villas sales representative visits the property to obtain additional specifications regarding the structure, collecting further information by filling out a form. Through the inspection the Company therefore has the information necessary to make an economic evaluation of the property, carried out through its commercial network. The evaluation is reviewed and screened by Emma Villas' Evaluation Office within 1 day (the Company also uses a property value generation tool, an algorithm which, on the basis of certain data relating to the property, determines an average price per night and an estimate of the average yield of the property). Based on the evaluation carried out, a customised contract proposal is then made for the owner. This proposal includes details of the services offered and requested (with any associated costs), the contractual conditions and any other information relevant to the conclusion of the agreement. If the proposal is accepted, the contract is concluded and the exclusive collaboration between the owner and the Company begins.

It is important to emphasise this last point, namely the exclusivity of the relationship.

CHART 13 – ADVANTAGES OF AN EXCLUSIVE MANAGEMENT

	Booking online (immediate booking)	Long-term planning	Autonomous pricing policies	Calendar flexibility	Guarantee of high quality
Exclusive management	✓	✓	✓	✓	✓
Non - exclusive management	✗	✗	✗	✗	✗

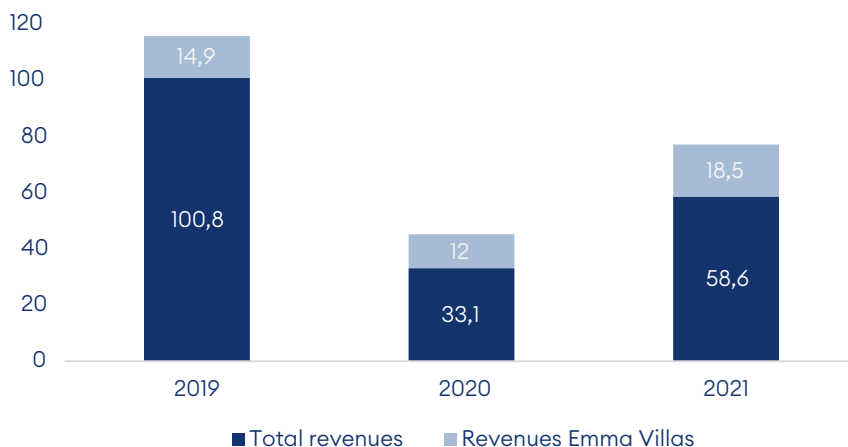
Source: Emma Villas

In fact, this makes it possible to guarantee a booking with immediate confirmation, thus reducing the risk of customers rethinking or looking for other solutions, as well as giving Emma Villas the opportunity to plan long-term marketing actions and improvement interventions aimed at increasing the profitability of the property. Moreover, exclusivity allows flexibility and autonomy in terms of pricing policies, a strong point for planning short-term bookings, very important particularly during the pandemic period. Finally, this feature of the contracts entered into by Emma Villas, also makes it possible to maintain high quality standards through continuous quality inspecting activities, which cannot be justified in the absence of exclusivity since such activities would also benefit competitors.

The exclusive management model of the villas has also allowed Emma Villas to benefit from strong resilience during the pandemic period. In addition to this contractual feature, this resilience can also be traced back to the initiatives undertaken by the Company during the aforementioned period, and in particular related to (i) the establishment of a crisis committee consisting of top management and a team of advisors, communication and legal experts (ii) the definition of a legal and commercial strategy focused on the renegotiation of contracts with owners, with particular reference to the quantification of the minimum guaranteed and full guaranteed on the basis of the actual possibility of using the property and the objective possibility of reaching the structures (iii) definition of the “Host - Guest safe reception” project, consisting in the implementation of an active communication platform to guarantee that the Guest and the Host are constantly updated on the measures adopted and on the consequences on the rental and reception activity in the structures, as well as in the availability of a “Safe Reception” Host and Guest Desk, able to accommodate questions from owners and guests, and definition of partnerships with service companies throughout Italy to guarantee the sanitisation of the structures.

This was further complemented by the definition of an overall insurance strategy for the guest, which included the creation of a policy which contained Covid-19 infection before departure or quarantine/contagion during the stay among the coverage reasons.

CHART 14 – TOTAL REVENUES DURING THE PANDEMIC WITHIN THE SECTOR VS EMMA VILLAS REVENUES (€/MLN)



Source: Emma Villas

* It should be noted that within the calculation of total sector revenues, only companies that manage luxury villas (28) and with a minimum turnover of € 100,000 were taken into account.

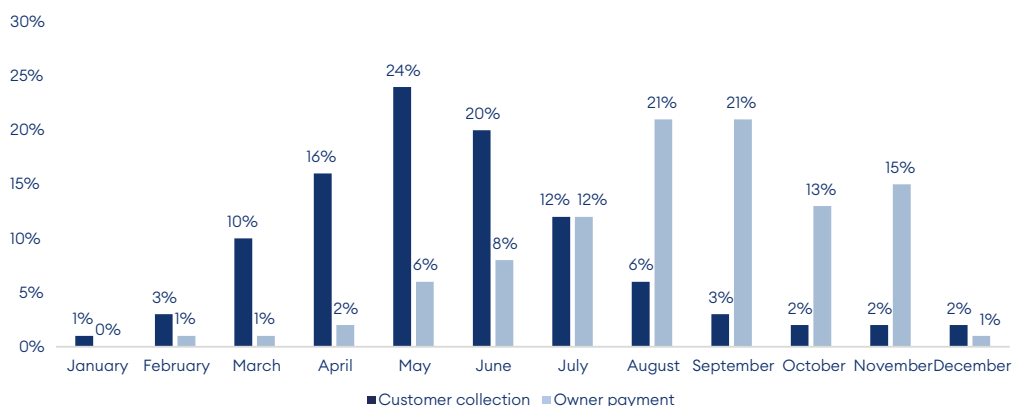
The analysis shows that in 2021 Emma Villas still managed to exceed the pre-pandemic turnover levels (€ 18.50 million vs € 14.90 million), unlike the market as a whole, which in 2021 has total revenues of € 58.60 million, compared to € 100.80 million recorded in 2019. In fact, the Company has a 19-21 CAGR of +10.0%, unlike the market which recorded a value of -24.0%.

Exclusive contracts, however, include clauses that allow early withdrawal, which can be exercised following payment of a fixed penalty specified in the contract and a variable penalty based on the value of reservations that must be cancelled due to early withdrawal. Automatic renewal clauses are also provided, through which contracts are tacitly renewed for a two-year period by May 30th of the year of expiry.

- **Sales:** Rental of properties to the customer.

The activity of renting villas to customers takes place through a direct channel (Emmavillas.com website), which accounts for 79.0% of the total bookings, or through an indirect channel (online platforms in partnership with the Company such as Booking or Airbnb, and travel agencies located in Italy and abroad), which represent 21.0% of the total bookings. The Emma Villas process, as outlined in the paragraph describing the revenue model, provides for the collection from the customer of the entire rental amount within 60 days before the stay, with the subsequent cash-out in favour of the property owner on the 10th day of the month following the check-out date. This creates significant benefits in terms of cash flows.

CHART 15 – CASH FLOWS ANALYSIS (2022)



Source: Emma Villas

In fact, in 2022 about 75% of total revenues were generated in the first six months of the year (peaking in May, due to the highly seasonal nature of revenues linked to the summer period). The bulk of the payments to the owners of the properties, instead, took place in the second part of 2022, demonstrating Emma Villas’ strong ability to finance itself, collecting from the end user about 3 months before making the cash-out to the owner, while simultaneously withholding its share. In the case of contracts with a guaranteed minimum income formula, a deferred payment schedule between May and October may instead be applied, with a balance at the end of the year.

- **Property management:** the property management service offered by Emma Villas consists of the annual and seasonal management of the property, as well as the coordination of rental and maintenance personnel.

In particular, the Company carries out periodic checks on properties relying on a Quality Inspector (the Company currently has 25 Quality Inspectors, organised in teams of 5), who verifies the suitability of the structure and takes care of the evaluation related to carrying out eventual improvements on the property, service provided through a free consultation. In addition to the aforementioned tasks, the Senior Quality Team is also in charge of the execution of interventions in the villas and of providing assistance to guests on request. This is complemented by Re Home, a programme through which the owner is provided support in carrying out renovations and extraordinary maintenance of the property (the service will be explored in more detail later, in the section dedicated to the services offered by Emma Villas).

- **Customer Service:** in addition to providing customer service through its internal booking office, made up of 6 multilingual employees, available 7 days a week for a minimum of 10 hours a day in order to provide support from the booking phase to the customer’s stay, the Company also offers a Concierge service, through which a Guests Concierge is allocated to the customer, who assists them in booking services and exclusive experiences. In addition to this, the latter manages the feedback provided by the customer post-stay, based on a defined internal procedures.

2.5 Sales networks

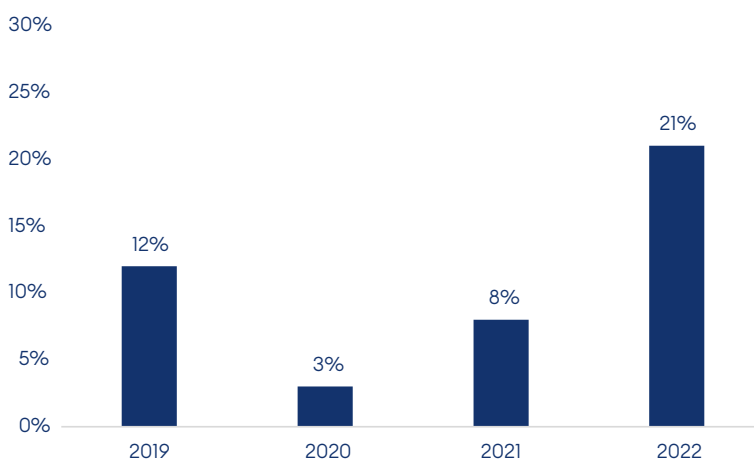
Emma Villas reaches the end customer, to whom the specific property will be rented, through two alternative channels:

- **Direct channel**, consisting of the Company's website, Emmavillas.com, which offers 24/7 booking availability;
- **Indirect channel** developed through partnerships with major market players such as ItalianWay, and collaborations with platforms such as Marriott, Airbnb, Booking, Plumguide, E-Domizil and Homeaway, as well as with Italian and foreign travel agencies.

Regarding Online Travel Agencies, no specific contracts are currently in place. For the listing of properties on indirect channels, there are contractual terms and conditions that each OTA sets and which must be accepted during registration. In most cases, the cancellation conditions are set by the Company for each property, and in some cases some terms may be unilaterally updated by the OTA. The Company will subsequently be able to unlist the property at any time, without prejudice to reservations already made.

The properties are listed on all channels, except those that make a selection of properties (on these, some villas may be excluded based on their characteristics). It should also be noted that both channels generate approximately the same margin. In fact, in the indirect channel, the Company transfers the higher sales costs of the channel onto the rental prices, in order to maintain a margin in line with that of the direct channel.

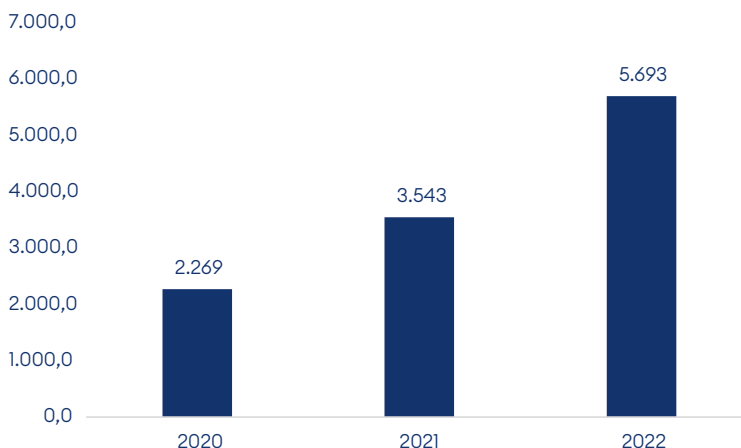
CHART 16 – BOOKINGS THROUGH INDIRECT CHANNELS FROM 2019 TO 2022



Source: Emma Villas

In 2022, as can be seen in the graph presented above, indirect channel bookings accounted for 21.0% of total bookings, compared to 79.0% recorded on the direct channel. In particular, 71.4% of indirect channel sales during the year came from the online platforms used by the Company (Booking, Airbnb, etc.), while the remaining 28.6% came from collaborations with travel agencies located in Italy and abroad. However, the trend shows a strong growth for this channel over the last 4 years, compared to a value of 12.0% recorded in 2019, also thanks to the new partnerships signed in 2022. The strengthening of this channel allowed an increase in sales in the low season, thus reducing unsold weeks and the seasonal nature of revenues.

CHART 17 – NUMBER OF BOOKINGS FROM 2020 TO 2022



Source: Emma Villas

In fact, in 2022 there was a 60.7% increase in the number of reservations compared to the value recorded in 2021, equal to 3,543 reservations. In the three-year period, on the other hand, the 20-22 CAGR stood at +58.4%.

2.6 Product and service portfolio

2.6.1 Products

As part of its offer, Emma Villas provides for the possibility to rent 548 properties contracted in May 2023 (of which 492 generating turnover in 2022), located in 15 different regions of Italy. The Company therefore serves as an exclusive property intermediary, acting as a link between the owners who entrust Emma Villas with the management of their properties, and customers (direct or otherwise) who intend to rent the properties.

In particular, Emma Villas establishes a collaborative relationship with the owner of the property through the use of 3 different types of contracts:

- **Standard** (contract used on 94 properties): through this contractual form, Emma Villas defines together with the owner the prices for each seasonal period, which are therefore contractually identified. This contract type allows the property owner to access the calendar to view the availability of their property, so that they can use it for a few weeks, as agreed with the Company and if free in the calendar.
- **Guaranteed minimum** (contract used on 316 properties): together with the definition of prices based on the seasonal period agreed upon with the owner, through this type of contract a minimum annual guaranteed income is defined, which Emma Villas will pay to the owner of the property. The level of income that will be guaranteed by the Company is defined based on a minimum number of weeks in which the property is expected to be rented, net of the possibility for the owner to earn more in the event that Emma Villas manages to rent the property for a greater number of weeks. In particular, the minimum guaranteed income is determined based on a percentage of the property's potential seasonal income, which may vary, increasing or decreasing based on specific circumstances or villa availability.

Generally, Emma Villas offers the minimum guaranteed on selected properties, that have certain characteristics and potentially offer higher profitability (however, a minimum level of profitability is not required). Specifically, in 2022, the cost for the guaranteed minimum amounted to € 8.30 million, out of a total of 316 properties, of which only 8 generated losses with respect to the guaranteed minimum (a value down from that recorded in 2021, where there were 13 loss-generating properties under this contractual formula).

Moreover, this formula allows the Company to manage prices and promotional policies on properties in greater autonomy. In addition, for contracts with a longer duration, the Company may provide for payment of certain

guaranteed minimum instalments in advance, in order to carry out improvements and interventions on properties aimed at improving their profitability.

- **Full guarantee** (contract used on 138 properties): through the signing of this type of contract, the Company acquires the management of the property for a specified period, and for an agreed ex-ante consideration. The owner will therefore not have availability of the property during the reference period, nor will they be entitled to a higher income than previously established for the acquisition of the period, regardless of the number of weeks for which Emma Villas manages to rent the property. Owners of properties who sign this type of contract are usually those who do not have time to take care of the villa, thus handing over the complete management of the property to Emma Villas for the predefined period of time.

2.6.2 Services

Among its services, Emma Villas offers active management on a selection of villas (187 in 2022), together with routine maintenance activities. In particular, the Company offers:

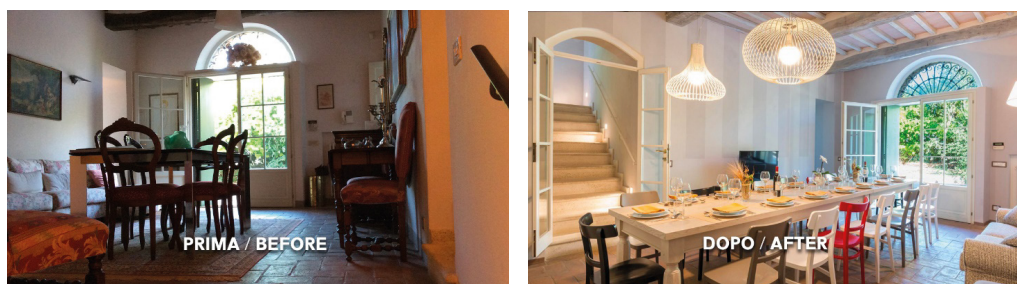
- Check-in and check-out services with qualified personnel;
- Facilities cleaning services, also carried out through the “Safe reception” project, with the provision of qualified companies for the sanitisation and disinfection of all environments;
- Rental and washing of linen for the structure;
- Property management services offered through 42 professionals, who deal with ensuring management services of the personnel in charge of cleaning, gardening and maintenance of the villa (including remotely).

In addition, a central Senior Quality Team composed of five professionals focuses on the quality and control of the properties at the beginning of the season. Currently there are 25 Quality Inspectors, tasked with:

- Carrying out periodic inspections of the structure, from the moment the property is listed in the catalogue;
- Offering free consultations aimed at improving the quality of the property;
- Carrying out interventions on the property and providing assistance to guests on request.

In particular, with regard to interventions on the property, Emma Villas offers its “Re Home” service. Through this service, at the owner’s request, the Company provides support to the latter in carrying out extraordinary maintenance and renovations. Using a network of qualified and reliable professionals, the Company focuses on interior design, architecture and garden & pool interventions, offering financial support to carry out the projects. Emma Villas can, in fact, prepay owners instalments related to the guaranteed minimum contract, in order to carry out improvements on the property (a solution that is offered for longer contracts, which therefore facilitates the return of the investment made). This solution is proposed both to those who are already a customer of the Company and to those who intend to become one, to whom the renovation project will be sent on request together with the rental proposal. In general, the Company does not charge a commission on this service: the prepayment is to be considered as an advance of the cash-out that Emma Villas will then pay to the owners, following the rental of the properties and the stay by the customers.

CHART 18 – RE HOME



Source: Emma Villas

On the customer side, the Company offers a Concierge service (currently there are 6 Concierges) available from the day after the customer books their stay, until the check-out phase. The Concierge provides assistance in booking exclusive services and experiences (private cook, travel car kit, pre-ordered grocery shopping, food and wine tours etc.), and the management of claims and feedback based on predefined internal procedures. In addition, in 2021 Emma Villas launched the proprietary “Emma” app, a single app for property guests and owners, which provides benefits and service improvements for both. The app allows guests to check-in online, entering the data not provided during the booking process, thus speeding up the check-in procedures. In addition, the guest can pay the tourist tax and any flat-rate costs through the app, as well as being able to purchase additional services. On the owner side, the app makes it possible to check property bookings in real time, to automate the paperwork required for the lease, to automatically pay (through Emma Villas) the tourist tax due to the municipalities, and to receive lump sum payments already at the check-in stage, with consequent simplification of the check-out phase.

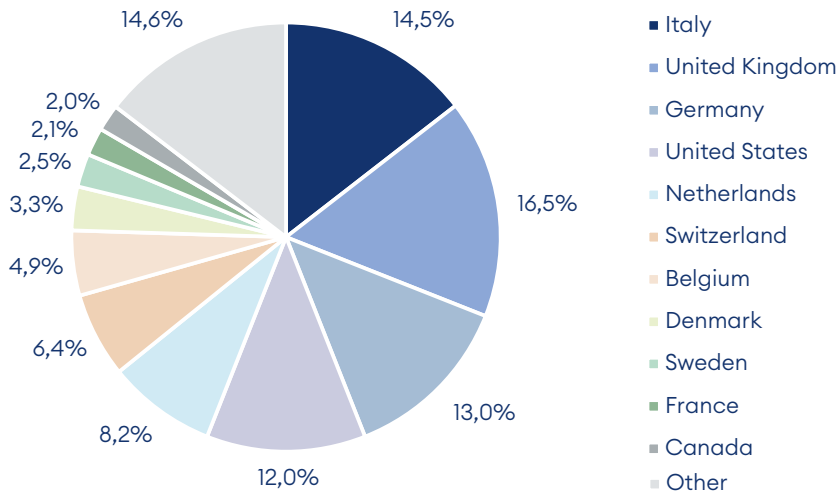
Finally, Emma Villas offers 3 types of insurance policies to property owners and customers:

- **Zer0Dep:** Compulsory insurance policy taken out in agreement with Europ Assistance, which protects the customer in the event of accidental damage to the property during their stay. This insurance replaces the security deposit typically required at check-in, and is paid at the time of booking, at a lower cost than the security deposit that would otherwise be paid. Relying on a policy instead of on a security deposit makes it possible to eliminate the challenges related to quantifying the damage during check-out, which is often the cause of disputes and negative reviews. Specifically, damage coverage is up to a maximum of € 1,500 per booking, with a deductible of € 50 by the owner.
- **Property Protection:** Insurance policy taken out in agreement with Cattolica Assicurazioni, introduced in 2021 to protect owners. This is a supplementary policy to the Zer0Dep one (mandatory), whose cost to the owner is included in the rental proposal, and which covers more significant damages accidentally caused by the customer during their stay. Damage coverage is up to a maximum of € 20,000, with a deductible of € 1,500 covered by the Zer0Dep policy.
- **Other policies:** other policies offered to the customer include (i) cancellation policy, included in the price, which covers the customer until check-in with respect to any penalties that may result from the cancellation of the booking in relation to unforeseen and objectively demonstrable conditions (health reasons, work, epidemics and pandemics, terrorist attacks) (ii) health policy, optional policy that covers medical assistance and re-travel in the event of illness during the customer's stay (iii) extra policy, an optional policy that offers coverage in case of Covid-19 certified contagion for the duration of the customer's stay (iv) cancellation guarantee for lockdowns, which covers the customer in case of cancellation of the stay due to national or local lockdowns due to the Covid-19 pandemic.

2.7 Customers and suppliers

As far as the Company's customers are concerned, a high degree of differentiation can be noted in terms of geographical origin. Specifically, the final recipients are Italian and foreign tourists with high economic resources. In 2022, foreign tourists represented about 85.5% of Emma Villas' clientele. Italians, on the other hand, accounted for the remaining 14.5%.

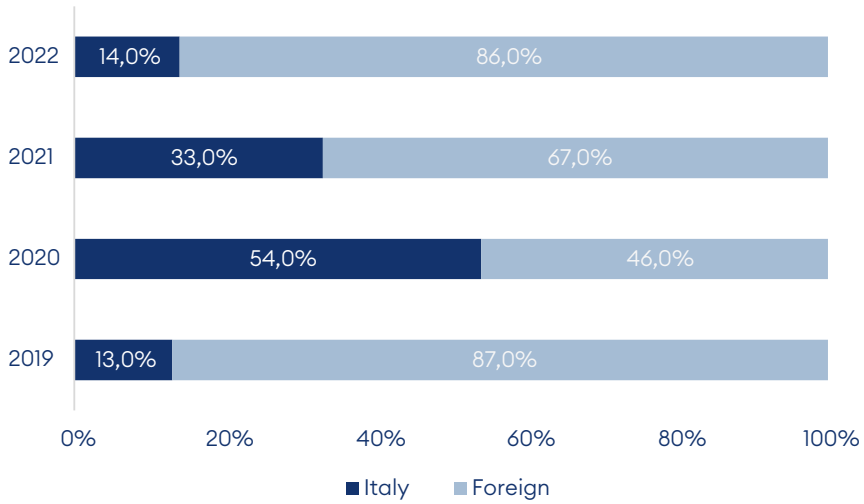
CHART 19 – CUSTOMER BREAKDOWN BY GEOGRAPHICAL AREA



The strong diversification of the customer portfolio, with a good historical presence that also includes Italians, has constituted, compared to other operators focused exclusively on the foreign market, which have seen a greater impact from travel restrictions, an element of resilience and mitigation in the recent years characterised by the Covid-19 pandemic.

Specifically, in 2020, Emma Villas was able to limit the contraction in bookings to -25.0% compared to a decline in global tourism of about 74.0%. This was made possible through the development of diversified strategies that led to a focus on domestic customers, tripling the incidence of the latter compared to 2019. It can be noted that Italian customers continued to represent an important target in 2021, to then stabilise in 2022 at pre-Covid-19 values.

CHART 20 – BREAKDOWN DOMESTIC AND FOREIGN CUSTOMERS



Source: Emma Villas

Subsequently analysing the client base according to the degree of loyalty, it is possible to note, also as a result of communication campaigns and ad hoc promotions carried out, that a solid part of the clientele has already stayed in an Emma Villas property once or more in the past. Recurring customers are yet another reason for the resilience of the performance achieved by the Company in 2020 and 2021. The high level of customer loyalty is due to initiatives such as (i) discounts for repeater bookings (ii) dedicated concierge 7 days a week (iii) villa specialist dedicated to repeaters (iv) dedicated mailing campaigns with promotional offers.

CHART 21 – CUSTOMER RETENTION

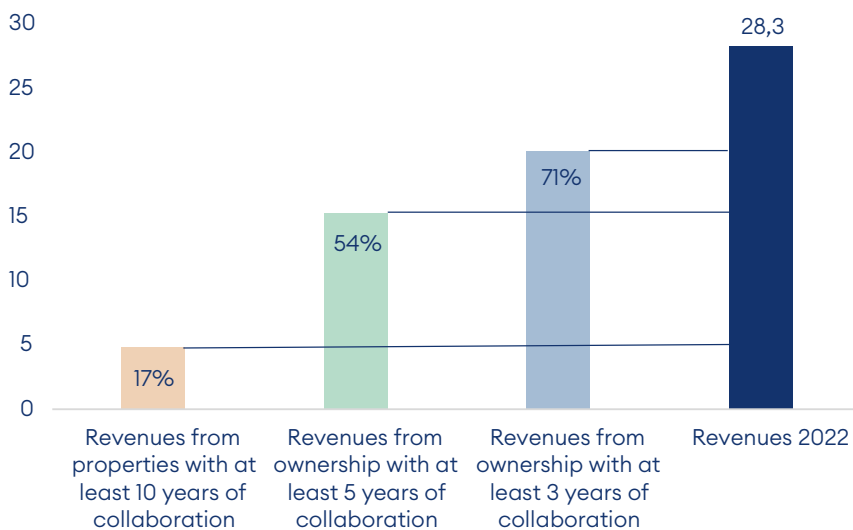


Source: Emma Villas

The high degree of loyalty seen on the customer side can also be found on the owners side, in other words on the part of those who entrust the management of their villa to the Company for the rental and value generation of the property. The Company's main suppliers, in fact, are owners, who, instead of directly carrying out the property management activity, turn to specialised operators.

It should be noted that in 2022, 17.0% of turnover was generated by properties that are at least in their 10th year of collaboration with the Company. If we consider properties that are at least in the 5th and 3rd year of collaboration, respectively, this percentage rises to 54.0% and 71.0%.

CHART 22 – OWNER RETENTION (€/MLN)



Source: Emma Villas

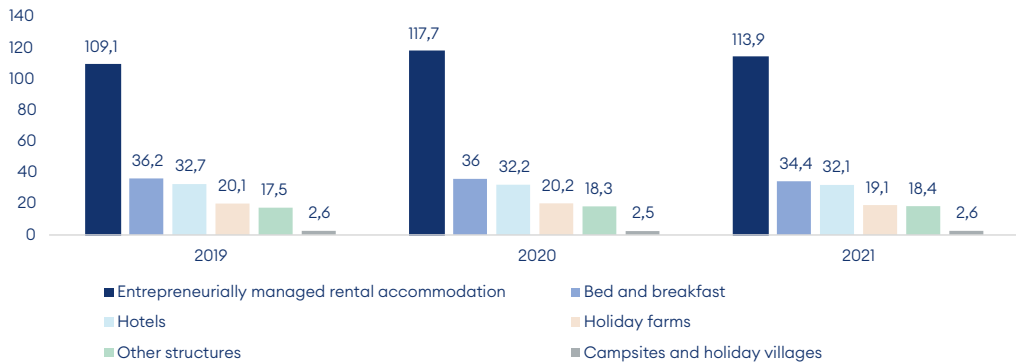
Specifically, the initiatives undertaken by the Company, aimed at the loyalty of property owners, concern (i) the definition of a dedicated “Your Property First” project, which defines and updates new products and services provided for owners (ii) the organisation of an annual tour with top management dedicated to owners in the main Italian cities (on average 5 per year) (iii) updates on the latest developments regarding products and services, with advice on administrative aspects (iv) the establishment of a Desk Host available 7 days per week (v) the availability of a reserved web area (vi) the Emma App for simplifying bureaucratic obligations and paperwork (vii) webinars dedicated to current topics (viii) pre-season activities conducted by the quality team, as outlined in earlier sections.

3. The market

Emma Villas is a leading operator in the vacation rentals sector of villas and prestigious residences with private swimming pools. Currently, it operates exclusively in Italy, with greater coverage of properties managed in Tuscany (217 properties), Umbria (92), Marche (32) and Emilia-Romagna (22).

3.1 Tourism in Italy

CHART 23 – NUMBER OF HOTEL AND NON-HOTEL FACILITIES (000)

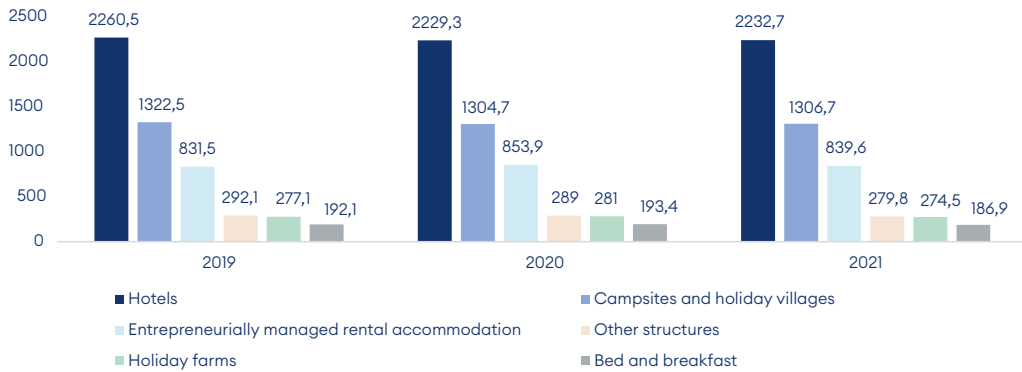


Source: ISTAT

Despite the impact of the pandemic that has certainly negatively affected the market, the number of non-hotel accommodations in Italy increased in the 2019-2021 period, showing a 19-21 CAGR of +0.7%, thus reaching about 188.30 thousand properties in 2021. The trend is, albeit slightly, positive, in contrast to the decrease in the hotel supply, which in the three-year period showed a 19-21 CAGR of -1.0%, with a number of hotels equal to 32.10 thousand in 2021.

The resilience of non-hotel facilities in such a complex period has, in particular, been driven by an increase in entrepreneurially managed rental accommodation. In fact, the latter show a 19-21 CAGR of +2.2%, representing 60.0% of total non-hotel facilities in 2021.

CHART 24 – NUMBER OF BEDS PER FACILITY (000)



Source: ISTAT

Moreover, entrepreneurially managed rental properties are the only ones to show growth in the number of beds over the reporting period, with a 19-21 CAGR of +0.5%.

CHART 25 – DIFFERENTIATION OF ARRIVALS AND PRESENCES BY TYPE OF TOURIST (RESIDENT OR NON-RESIDENT)

	2019			2020			2021			2022		
	Hotel facilities	Extra-hotel facilities	Total accommodation	Hotel facilities	Extra-hotel facilities	Total accommodation	Hotel facilities	Extra-hotel facilities	Total accommodation	Hotel facilities	Extra-hotel facilities	Total accommodation
RESIDENTS												
Arrivals (k)	50.422	15.949	66.371	28.021	11.169	39.190	37.612	14.155	51.767	43.467	15.412	58.879
Presence (k)	140.377	75.700	216.077	85.634	57.369	143.003	112.997	70.058	183.055	130.682	73.038	203.720
Medium overnight stay	2,8	4,7	3,3	3,1	5,1	3,6	3	4,9	3,5	3	4,7	3,5
NON-RESIDENTS												
Arrivals (k)	47.377	17.634	65.010	11.006	5.506	16.512	17.107	9.796	26.903	33.605	16.920	50.526
Presence (k)	140.561	80.102	220.663	37.632	27.812	65.444	56.539	49.584	106.123	111.558	80.955	192.514
Medium overnight stay	3	4,5	3,4	3,4	5,1	4	3,3	5,1	3,9	3,3	4,8	3,8
TOTAL												
Arrivals (k)	97.799	33.583	131.381	39.027	16.675	55.702	54.719	23.951	78.670	77.072	32.332	109.405
Presence (k)	280.938	155.802	436.740	123.266	85.181	208.447	169.536	119.642	289.178	242.240	153.993	396.234
Medium overnight stay	2,9	4,6	3,3	3,2	5,1	3,7	3,1	5	3,7	3,1	4,8	3,6

Source: ISTAT

With reference to the table presented above, it is possible to identify presences and arrivals, along with the average stay, with reference to hotel and non-hotel facilities, in the 2019-2022 period. It is immediately possible to see how with respect to the total number of accommodation facilities arrivals fell by 57.6% in 2020, compared to the values recorded in 2019. Hotel facilities are the main contributors to this decline, where arrivals recorded a decrease of 60.1%, greater than the decrease in non-hotel facilities, equal to 50.3%. A similar picture emerges for presences, which recorded a decrease of 52.3% in 2020 compared to the previous year, attributable to a greater extent to the decline within hotel facilities, rather than non-hotel facilities. Moreover, the values for the two-year period can certainly be explained by the decrease above all in the number of non-resident tourists, who show a reduction of 74.6% in arrivals and 70.3% in presences, compared to values of resident tourists of 41.0% and 33.8% respectively, clearly attributable to restrictions on international travel due

to the pandemic.

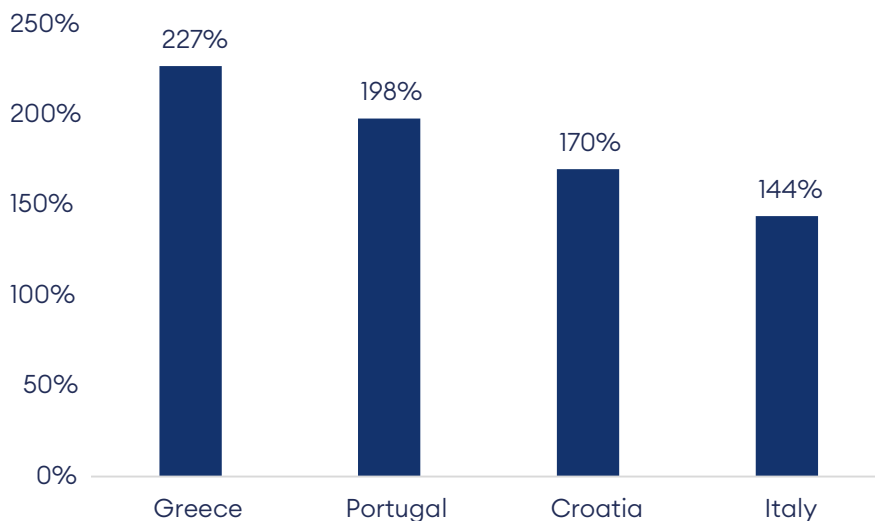
In 2022, there was a total growth in arrivals of 39.1%, compared to a growth in presences of 37.0%. Specifically, it is the number of arrivals and presences related to non-resident tourists that has soared compared to 2021 values, recording a growth of 87.8% with reference to arrivals (+13.7% for resident tourists), and 81.4% relative to presences (+11.3% for resident tourists).

Finally, we see a stable average total overnight stay, with values of 3.7 days in 2020 and 2021 (up 12.1% compared to the 3.3 days of average stay recorded in 2019), and 3.6 in 2022.

Despite the strong recovery in 2022, arrivals and presences in accommodation facilities still remain below pre-Covid levels, showing a 19-22 CAGR of -5.9% and -3.2% respectively. In particular, for foreign tourists arrivals and presences have a 19-22 CAGR of -8.1% and -4.4%, while for tourists residing in Italy, the 19-22 CAGR relative to arrivals and presences is -3.9% and -1.9%.

These are values to which hotels contribute largely (if not exclusively). In fact, the 19-22 CAGR of arrivals and presences of foreign tourists and residents in non-hotel facilities amount to just -1.3% and -0.4%, while for hotel facilities they amount to -7.6% and -4.8%, confirming the full recovery of the non-hotel business with respect to pre-pandemic levels.

CHART 26 – GROWTH 2022 SUMMER VACATION BOOKINGS FOR SHORT-TERM RENTALS IN EUROPE



Source: AIGAB, analysis on first 4 months of 2022

As can be seen in the graph shown, according to the data collected in the first 4 months of

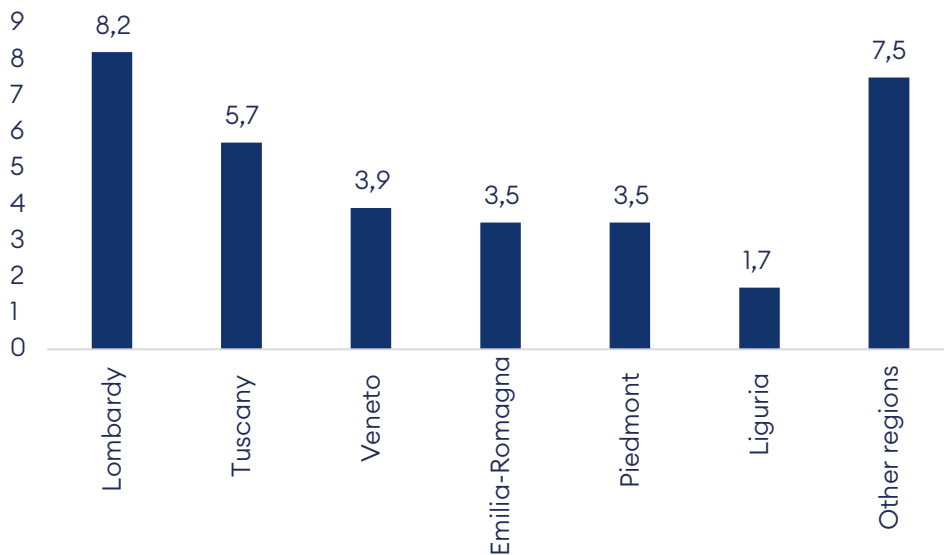
2022, Italy ranks fourth in Europe in terms of the increase in the number of bookings related to the summer period, with a growth of 144.0% compared to 2021. Above we find Croatia (170.0%), Portugal (198.0%) and Greece (227.0%).

3.2 Villas market in Italy

From an analysis conducted by the Real Estate Market Observatory, it emerges that in 2021 the number of properties belonging to the cadastral category A (excluding category A/10, i.e. units intended for offices or private businesses), or the so-called homes, amounted to approximately 36.00 million. Of these, about 2.60 million consist of higher-end homes, which are divided into 2.50 million smaller residences (A/7), 34.10 thousand villas (A/8) and 32.90 thousand stately homes (A/1).

According to some data collected by the Revenue Agency in 2019, it also emerges that leased properties belonging to the cadastral category A amount to 3.60 million (11.0% of the total), while the properties available amount to 5.70 million, or about 17.0% of the total, thus leaving ample room for market penetration through the acquisition of additional properties over the next few years. In fact, if we assume a percentage of available properties of 17.0% relative to higher-end properties, we can estimate a potentially attractive market of about 435,000 properties.

CHART 27 – NUMBER OF VILLAS PER REGION (000)



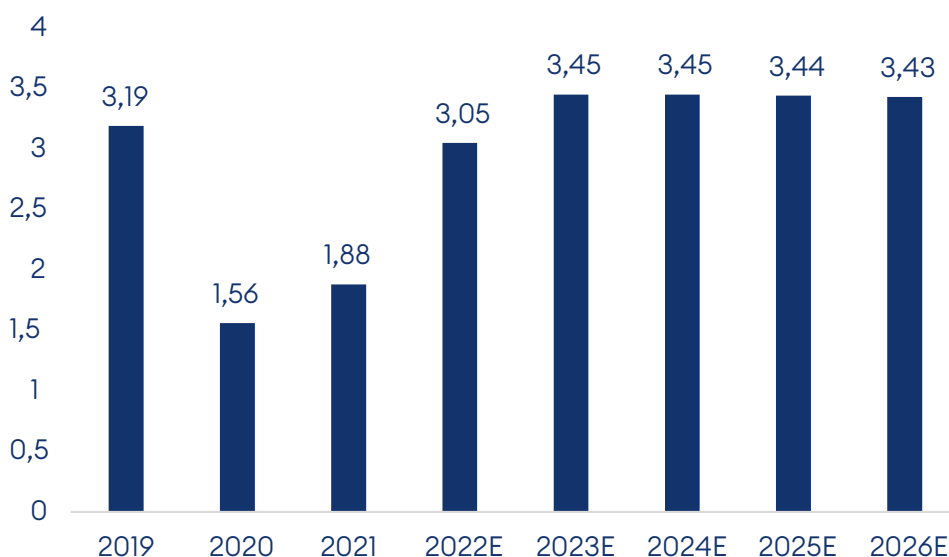
Source: Real Estate Market Observatory

With particular reference to the villas category (A/8), the 2021 cadastral statistics show that these are 82.0% owned by natural persons, and 18.0% are owned by non-natural persons. Moreover, the region with the highest number of villas in 2021 appears to be Lombardy, with 24.1% of the total, followed by Tuscany (16.8%) and Veneto (11.5%). Looking at the geographical distribution of the villas, it can be seen that 77.9% of the total number of villas in Italy is concentrated in the first 6 regions.

Moreover, the analysis shows that the residences belonging to the A/8 cadastral category have an average size of about 490 sqm. The distribution of houses with a size greater than 100 sqm shows that these are concentrated in Veneto, Trentino, Piedmont, Valle D'Aosta, Lazio, Abruzzo and Sardinia.

3.3 The vacation rental market in Italy

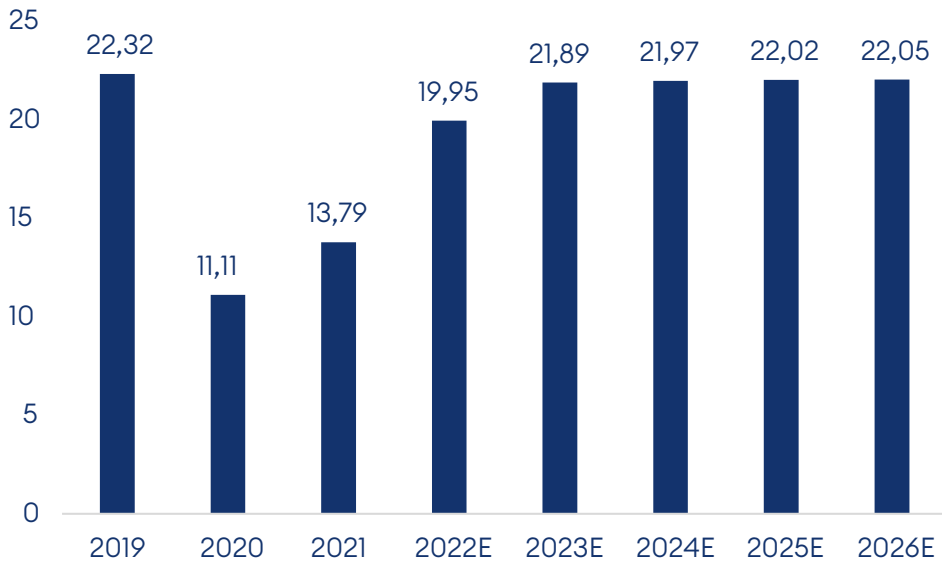
CHART 28 – VACATION RENTAL MARKET IN ITALY 2019-2026E (€/BILLION)



Source: Statista

In 2020, the vacation rental market in Italy suffered a sharp slowdown, showing a reduction of 51.1% compared to the values recorded in 2019. With growth in 2021, showing recovering values and thus reaching a volume of € 1.88 billion (+20.5%), the market is estimated to reach € 3.05 billion in 2022, with a dizzying growth of 62.2% compared to the previous year, thus approaching pre-pandemic levels. For 2023, a growth of 13.1% is expected, reaching € 3.45 billion, to then remain stable in subsequent years until 2026, in which a value of € 3.43 billion is estimated.

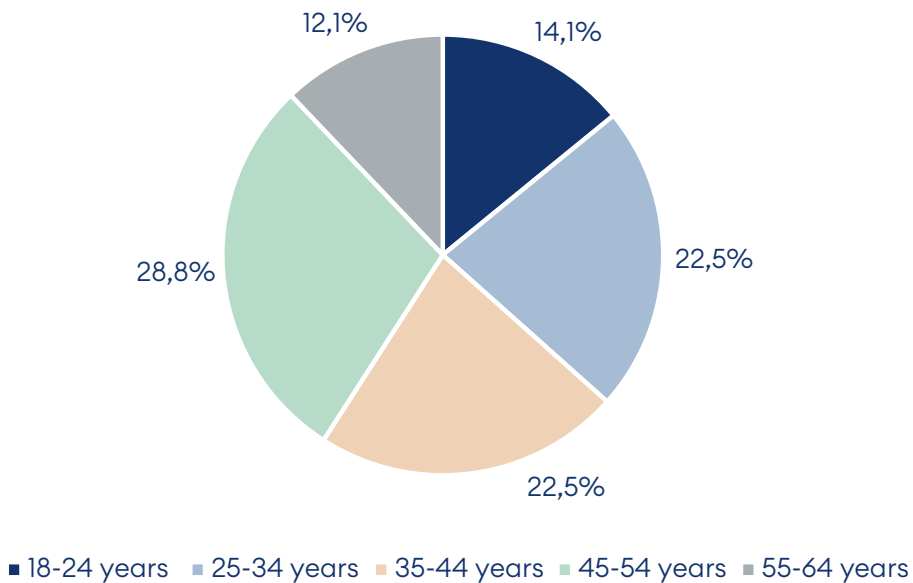
CHART 29 – NUMBER OF USERS OF VACATION RENTALS IN ITALY FROM 2019 TO 2026 (MLN)



Source: Statista

The graph above is consistent with the development of the vacation rental market in Italy, showing a strong growth of vacation rental users between 2020 and 2023 (20-23 CAGR equal to 25.4%), to then stabilise in subsequent years.

CHART 30 – USERS BY AGE RANGES (2021)



Source: Statista

In addition, it can be noted that the main customers within this market in 2021 consist of individuals within the 45-54 age group, with an incidence of 28.8% compared to the overall number of users. Subsequently, we find the 25-34 and 35-44 age groups, with an incidence of 22.5% each, 18-24 years (14.1%) and 55-64 years (12.1%).

4. Competitive Positioning

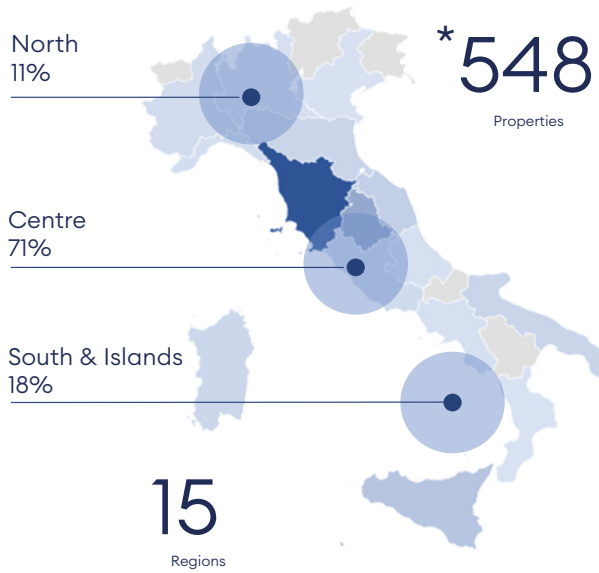
In carrying out its business, the Company competes with the main players in the vacation rental market for the short-term rental of luxury villas. Based on the main market drivers, geographical presence and exclusive property management capabilities, Emma Villas' main competitors include:

TABLE 2 – MAIN COMPETITORS (MAY 2023 DATA)

Company	No. Villas in Italy	% Exclusiv villas	Regions	Range Price/Week
Oliver's Travel	695	0%	13/20	€ 433 - 120k
Easy Reserve (Tuscany villas)	645	0%	1/20	€ 660 - 81k
Airbnb Lux	580	0%	10/20	€ 3k - 56k
James Villas	526	0%	9/20	€ 300 - 12k
To Tuscany	488	0%	3/20	€ 390 - 19k
Posarelli Villas	468	20%	9/20	€ 2k - 24k
Villaway	284	0%	10/20	€ 2k - 38k
Villas of Distinction	272	0%	9/20	€ 1k - 140k
Abercrombie & Kent Villas	254	0%	9/20	€ 4k - 97k
Onefinestay	227	0%	6/20	€ 2k - 385k
CV Villas	220	0%	8/20	€ 1k - 31k
Bravo Villas	208	0%	10/20	€ 2k - 138k
Excepcional Villas	208	0%	9/20	€ 2k - 101k
Gabetti Short Rent	207	0%	10/20	€ 847 - 32k
Myprivate Villas	206	0%	10/20	€ 10k - 385k
The Thinking Traveller Ltd	153	100%	3/20	€ 2k - 101k
Tuscany Now & More	127	100%	4/20	N/A
Anita Villas	124	0%	7/20	€ 490 - 7k
DH Villas	109	0%	7/20	€ 595 - 5k
Simpson Travel	31	0%	3/20	€ 1k - 11k
SJ Villas	27	0%	6/20	€ 2k - 84k
Scott Williams	23	0%	6/20	€ 3k - 9k
IC Bellagio	14	0%	6/20	€ 7k - 15k
Emma Villas	548	100	15/20	€ 1k - 12k

Source: Emma Villas, Integrae SIM data

CHART 31 – GEOGRAPHICAL DISTRIBUTION OF PROPERTIES



Source: Emma Villas

As can be seen from the table above, Emma Villas is the leading Company in Italy in terms of the number of exclusive properties in the portfolio, with 548 properties, more than triple the second player, which holds 153 exclusive properties under management.

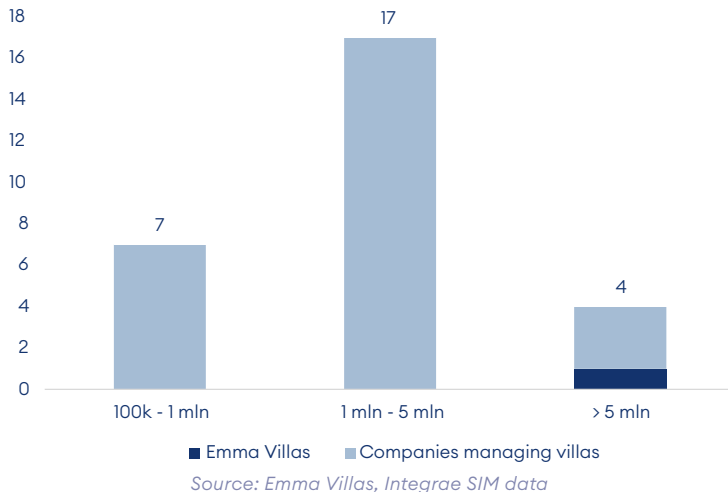
CHART 32 – EMMA VILLAS COMPETITIVE POSITIONING



Source: Emma Villas, Integrae SIM data

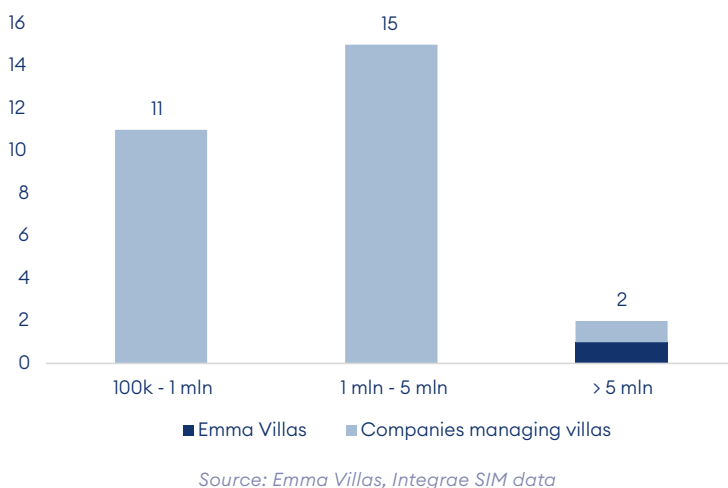
Emma Villas manages to differentiate itself from its competitors in that its offer is extremely well distributed across the Italian territory. Specifically, as of May 2023, the Company covers 15 Italian regions and 548 villas. With a highly differentiated business model compared to most players, moreover, the Company is able to manage all its villas exclusively.

CHART 33 – NO. OF ITALIAN COMPANIES MANAGING 10+ VILLAS - TURNOVER DISTRIBUTION (€) FY19A



Continuing to analyse the competitive business environment and taking as a reference the sample of Italian companies, specifically travel agencies and tour operators operating in the same sector as Emma Villas (ATECO code 79.1) with a minimum turnover of € 0.10 million and with at least 10 properties in the portfolio, it is possible to see that Emma Villas is among the few companies with more than € 5.00 million in turnover.

CHART 34 – NO. OF ITALIAN COMPANIES MANAGING 10+ VILLAS - TURNOVER DISTRIBUTION (€) FY21A



4.1 SWOT Analysis

Strengths:

- Long experience in the short-term rental of luxury villas and proven ability to generate value from the properties under management;
- Exclusivity on all properties under management;
- Number of properties managed in constant growth;
- High Brand reputation thanks to major investments that the Company has continuously made in marketing;
- Database with about 150,000 contacts and 32,000 customers who have made at least one booking, to which specific marketing actions can be targeted;
- High loyalty of owners and customers;
- The Company is well structured to ensure a continuous supply of properties to manage and the provision of high quality services to owners and customers.

Weaknesses:

- Presence of geographical areas with little coverage;
- Seasonal nature of the business, lack of adequate supply for the winter season;
- Suboptimal coverage in terms of services offered in all regions.

Opportunities:

- Consolidate its position in villa rentals in Italy, a sector characterised by a high degree of fragmentation;
- The Vacation rentals market, with a focus on villas, in constant growth, also due to the pandemic which has changed customer habits;
- Possibility to replicate the business model abroad and in mountain resorts.

Threats:

- Competition from other Mediterranean areas;
- International operators operating in the tourism sector (luxury hotel chains, holiday villages etc.) who decide to enter the short-term rentals of luxury villas segment;
- Increase in the number of owners carrying out this activity in an entrepreneurial manner;
- External events that may limit the flow of tourists into Italy (political tensions, epidemics, terrorism).

5. Economics & Financials

TABLE 3 – ECONOMICS & FINANCIALS

INCOME STATEMENT (€/mln)	FY21A	FY22A	FY22A*	FY23E	FY24E	FY25E	FY26E
Revenues	18,13	28,37	28,32	35,25	41,20	47,35	53,00
Other Revenues	0,35	0,51	0,51	1,00	0,50	0,55	0,55
Value of Production	18,48	28,87	28,83	36,25	41,70	47,90	53,55
COGS	10,87	16,32	16,32	19,70	22,80	25,90	28,90
Services	4,91	7,35	7,35	8,65	9,75	11,00	12,15
Use Of Asset	0,62	0,26	0,25	0,35	0,40	0,50	0,55
Employees	0,57	1,19	1,19	1,35	1,60	1,75	1,80
Other Operating Expenses	0,94	2,47	2,47	1,25	1,50	1,70	1,95
EBITDA	0,58	1,30	1,26	4,95	5,65	7,05	8,20
<i>EBITDA Margin</i>	3,2%	4,5%	4,4%	13,7%	13,5%	14,7%	15,3%
Extraordinary items	0,00	(1,64)	(1,64)	(0,30)	0,00	0,00	0,00
EBITDA Adj.	0,58	2,94	2,90	5,25	5,65	7,05	8,20
<i>EBITDA Margin Adj.</i>	3,2%	10,2%	10,1%	14,5%	13,5%	14,7%	15,3%
D&A	0,13	0,64	0,53	0,65	0,85	0,85	0,85
EBIT	0,46	0,66	0,73	4,30	4,80	6,20	7,35
<i>EBIT Margin</i>	2,5%	2,3%	2,5%	11,9%	11,5%	12,9%	13,7%
Financial Management	(0,03)	(0,18)	(0,18)	(0,20)	(0,15)	(0,15)	(0,10)
EBT	0,42	0,48	0,54	4,10	4,65	6,05	7,25
Taxes	0,14	0,31	0,33	1,10	1,50	1,85	2,20
Net Income	0,28	0,17	0,21	3,00	3,15	4,20	5,05

BALANCE SHEET (€/mln)	FY21A	FY22A	FY22A*	FY23E	FY24E	FY25E	FY26E
Fixed Assets	11,35	10,57	6,80	7,90	7,35	6,75	6,15
Account receivable	0,86	0,83	0,83	1,10	1,30	1,45	1,65
Inventories	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Account payable	4,17	4,36	4,36	4,30	4,90	5,55	6,15
Operating Working Capital	(3,31)	(3,52)	(3,52)	(3,20)	(3,60)	(4,10)	(4,50)
Other receivable	0,48	0,93	0,63	0,75	0,85	1,00	1,10
Other payable	1,17	1,85	1,85	1,65	1,70	1,80	1,80
Net Working Capital	(4,00)	(4,44)	(4,74)	(4,10)	(4,45)	(4,90)	(5,20)
Severance Indemnities & Other Provisions	2,11	2,16	2,16	2,15	2,20	2,20	2,25
NET INVESTED CAPITAL	5,24	3,97	(0,10)	1,65	0,70	(0,35)	(1,30)
Share Capital	0,06	0,06	0,06	0,07	0,07	0,07	0,07
Reserves	5,64	5,56	1,49	4,84	7,84	10,99	15,19
Net Income	0,28	0,17	0,17	3,00	3,15	4,20	5,05
Equity	5,98	5,78	1,72	7,91	11,06	15,26	20,31
Cash & Cash Equivalent	4,57	5,47	5,47	8,86	11,96	16,26	21,61
Short-Term Financial Debt	0,43	1,01	1,01	1,00	0,95	0,65	0,00
M/L Term Financial Debt	3,40	2,64	2,64	1,60	0,65	0,00	0,00
Net Financial Position	(0,74)	(1,81)	(1,81)	(6,26)	(10,36)	(15,61)	(21,61)
SOURCES	5,24	3,97	(0,10)	1,65	0,70	(0,35)	(1,30)

CASH FLOW (€/mln)	FY22A	FY22A*	FY23E	FY24E	FY25E	FY26E
EBIT	0,66	0,73	4,30	4,80	6,20	7,35
Taxes	0,31	0,33	1,10	1,50	1,85	2,20
NOPAT	0,35	0,40	3,20	3,30	4,35	5,15
D&A	0,64	0,53	0,65	0,85	0,85	0,85
Change in receivable	0,03	0,03	(0,27)	(0,20)	(0,15)	(0,20)
Change in Inventories	0,00	0,00	0,00	0,00	0,00	0,00
Change in payable	0,19	0,19	(0,06)	0,60	0,65	0,60
Change in others	0,22	0,52	(0,32)	(0,05)	(0,05)	(0,10)
<i>Change in NWC</i>	<i>0,44</i>	<i>0,74</i>	<i>(0,64)</i>	<i>0,35</i>	<i>0,45</i>	<i>0,30</i>
Change in provisions	0,04	0,04	0,00	0,05	0,00	0,05
OPERATING CASH FLOW	1,47	1,71	3,20	4,55	5,65	6,35
Capex	0,15	4,02	(1,75)	(0,30)	(0,25)	(0,25)
FREE CASH FLOW	1,62	5,73	1,45	4,25	5,40	6,10
Financial Management	(0,18)	(0,18)	(0,20)	(0,15)	(0,15)	(0,10)
Change in Debt to Bank	(0,18)	(0,18)	(1,05)	(1,00)	(0,95)	(0,65)
Change in Equity	(0,37)	(4,48)	3,20	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	0,89	0,89	3,40	3,10	4,30	5,35

Source: Integrae SIM

* Pro-forma data

5.1 FY22A Results

The pro-forma financial statements data as at 31 December 2022 presented above has been prepared with the aim of retroactively representing the economic and equity effects of the extraordinary transactions. Specifically, in 2022, following the conclusion of the merger by incorporation of the Le Ville di Chiara Srl and Emmina Srl companies into Emma Villas, the following two business branches were identified:

- The reservation services and other travel assistance activities branch;
- The real estate branch.

Subsequently, with the aim of separating real estate assets from the operational business, a demerger of the real estate branch merged into the Follia Srl beneficiary company was carried out, to ensure better management of the latter. Finally, it should be noted that the deed of demerger was signed on 20/12/2022, while the last registration in the Company Register responsible for the deed took place on 01/02/2023. Therefore, the effects – including the accounting effects – of the demerger in question will take place in 2023.

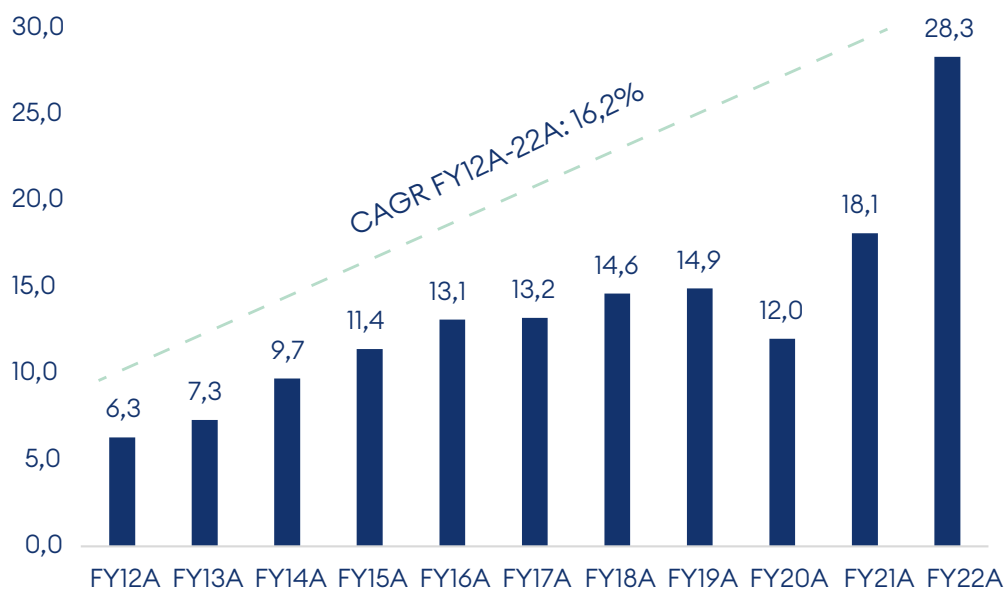
In the pro-forma financial statements as at 31 December 2022, the Company generated a production value of € 28.83 million, up 56.0% compared to the previous year's figure of € 18.48 million, mainly thanks to the development of the business model. Taking a closer look

at the sales revenues, these relate almost entirely to the activity of exclusive villa rentals and, residually, to the sale of additional services to the booking.

Other Revenues, on the other hand, amounted to approximately € 0.51 million and in large part refer to penalties for early termination of the contract by some property owners.

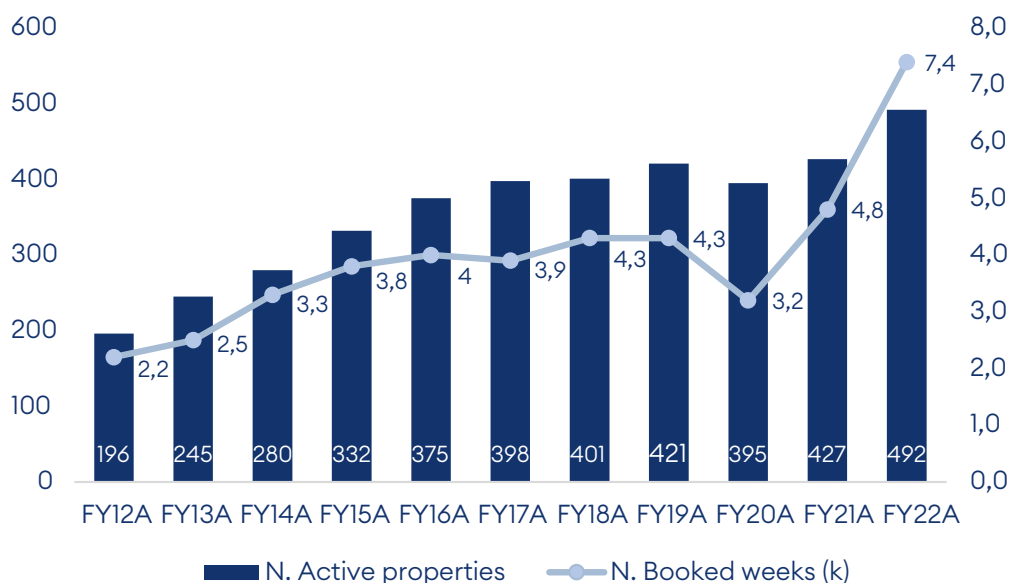
As can be seen from the graph below, the Company's turnover from exclusive villa rentals grew at a FY12A-22A CAGR of +16.2%, with a physiological slowdown in 2020 following the major restrictive measures due to the Covid-19 pandemic. As evidence of the strong resilience of villas and residences for exclusive use, this decline is however limited compared to other operators in the travel industry.

CHART 35 – REVENUES TREND FY12A - FY22A (€/MLN)



Source: Emma Villas

CHART 36 – NO. ACTIVE PROPERTIES AND NO. BOOKED WEEKS TREND



Source: Emma Villas

Managed properties that generated revenue increased from 196 in FY12A to 492 in FY22A (+151.0%, FY12A-22A CAGR: +9.6%), driven by investments in advertising activities and the creation of a solid commercial network covering all of Italy. Compared to FY21A, the villas that generated turnover increased by about 65 properties, net of 50 abandonments. This increase is also tied to the acquisition of EMV International LTD, a British company with 32 properties managed. The average per capita turnover per villa, on the other hand, rose from about € 42,000 in 2021 to about € 57,400 in 2022.

In terms of weeks booked, in FY22A Emma Villas recorded the highest number of bookings in the Company's history, equal to about 7,400 weeks booked. In FY21A, on the other hand, the Company had recorded about 4,800 booked weeks, exceeding pre-Covid levels despite the persistence, especially in the early part of the year, of some restrictive travel measures.

It should be noted that the strong increase in booked weeks was made possible by the consolidation of the direct channel and the strengthening of the indirect channel. These activities allowed both to mitigate the problem of unsold weeks, as well as to increase the number of booked weeks in the off-season months, with a consequent increase in the occupancy rate of villas, from 11.2 weeks/villa in FY21A to 15 weeks/villa in FY22A. The average price per week, however, remained almost stable at around € 3,800.

CHART 37 – NO. OF VILLAS AND AVERAGE REVENUE/VILLA 2021-22 (€/000)

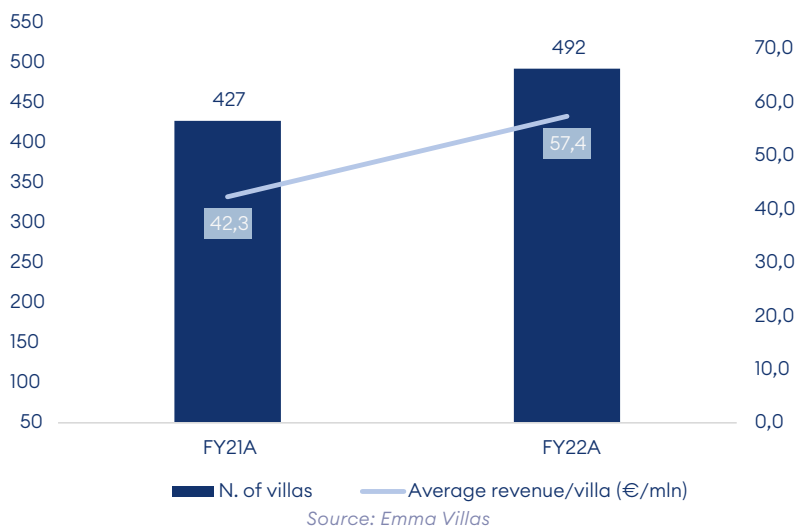
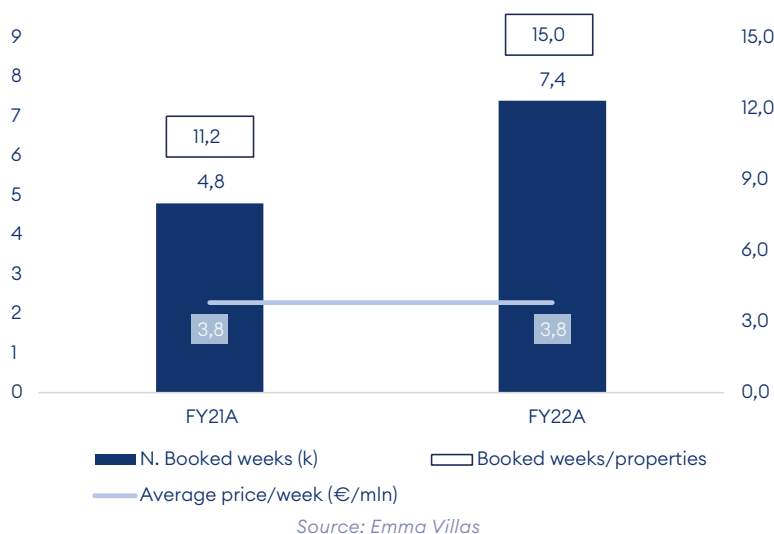


CHART 38 – NO. OF WEEKS BOOKED AND AVERAGE PRICE/WEEK 2021-22 (000, €/000)



EBITDA reached € 1.26 million, an improvement of 114.9% compared to the FY21A value of € 0.58 million. The EBITDA margin also increased, with a growth of about one percentage point, from 3.2% in FY21A to 4.4% in FY22A.

It should be noted that during FY22A the Company incurred non-recurring costs primarily concerning extraordinary contingent liabilities, related to certain credit losses on the part of the incorporated companies and to invoices to be issued by them to companies subsequently considered bankrupt, amounting to approximately € 1.64 million. For this reason, the Company has decided to report Adjusted EBITDA, net of non-recurring costs. The value

of Adjusted EBITDA therefore amounts to € 2.90 million, corresponding to an Adjusted EBIT-DA margin of 10.1%.

EBIT, after depreciation and amortisation of € 0.53 million, amounted to € 0.73 million, compared to the FY21A value of € 0.46 million, thus recording a growth of 59.6%. The EBIT margin on the other hand is unchanged, remaining at the FY21A level of 2.5%.

Net Income decreased slightly, reaching a value of € 0.21 million compared to € 0.28 million in FY21A, mainly as a result of higher amortisation/depreciation costs, linked to the first year of brand amortisation (despite approximately € 0.10 million of lower material depreciation as a result of the demerger) and higher taxes.

Moreover, despite the entry into scope of a new loan agreement following the merger with Le Ville di Chiara in the amount of € 0.20 million, NFP improved from a cash positive value of € 0.74 million in FY21A, to a cash positive value of € 1.81 million in FY22A*. It should be noted that the Cash & Cash Equivalent item also includes policies (€ 1.80 million in FY22A*) and financial assets that do not constitute fixed assets (investments in mutual funds, SICAVs, SICAFs that can be readily divested and derivative instruments) which, due to the merger of Ville di Chiara, amount to approximately € 1.40 million in FY22A*.

5.2 1H23A Results

TABLE 4 – 1H23A VS 1H22A

(€/mln)	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H23A	7,74	(2,54)	-32,9%	(2,86)	(2,19)	(14,67)
1H22A	6,67	(3,86)	-57,9%	(4,17)	(4,27)	(1,81)*
<i>Change</i>	<i>16,2%</i>	<i>34,1%</i>	<i>25,0%</i>	<i>31,4%</i>	<i>48,7%</i>	<i>N/A</i>

Source: Integrae SIM

* NFP as of FY22A*

Commenting on the half-year results, Giammarco Bisogno, President and CEO of Emma Villas, stated: “Over the years, we have demonstrated constant growth, even in economically complex periods, by focusing on the beauty of our country and the unique attractiveness of our offer characterized by the quality of our hospitality and facilities. The data for the first half of the year, marking an improvement on 2022, were of course affected by the typical seasonality of the sector in the reference period, from January to June, while our business always performs and collects results in the second part of the year, from July to December. Today is a historic day for us, with our debut on the stock exchange. The listing represents an important step in the strengthening our expansion into new markets and channels, and we are very determined and convinced that the opening of our capital to the market will provide more entrepreneurial impetus to face new challenges.”

The value of production in 1H23A came in equal to € 7.74 million, up 16.2% compared to € 6.67 million in 1H22A. This growth reflects the consolidation process undertaken by the company in a constantly expanding market. In 2022, the company completed the sale of 492 villas, a significant increase on the 427 sold in 2021. Furthermore, approximately 7,390 weeks were booked, representing an increase of 55.0% compared to the previous year. These results were particularly evident in the period from June to September. Furthermore, the company has maintained its leading position in Italy for the number of its exclusively managed properties. The notable increase in weeks booked was also made possible through the strengthening of the indirect booking channel, which contributed to mitigating the problem of weeks unsold and increased the overall number of weeks booked, even in low season months.

EBITDA, though negative due to the typical seasonality, came in at € -2.54 million, compared to the negative result as of June 30, 2022, with a margin equal to -32.9% (-57.9% in 1H22A). The aforementioned indicator is subject to the typical seasonality that affects the company’s performance, and that translates into a marked concentration of revenues mainly during the summer season, with particularly high peaks in the months of July and August. In contrast, the distribution of costs does not follow the same seasonal pattern

throughout the year. This phenomenon has a negative impact on the company's margins in the first half of the year, but contributes positively to the net financial position through advances received from customers at the time of bookings.

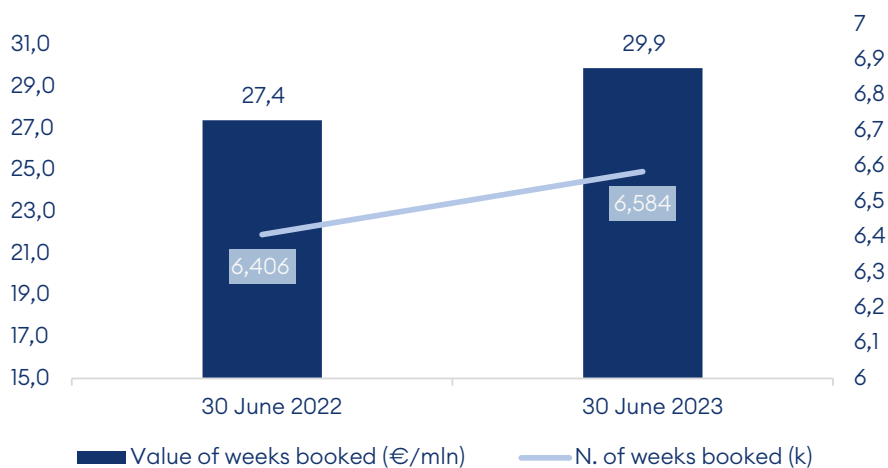
Adjusted EBITDA, however, amounted to € -2.51 in 1H23A, compared to the 1H22A figure of approximately € -2.72 million.

EBIT, after depreciation and amortization of € 0.31 million, came in equal to € -2.86 million, compared to € -4.17 million in the same half of the previous year. Net Income in 1H23A stands at € -2.19 million, compared to € -4.27 million as of 30/06/2022.

On the balance sheet, the NFP went from a cash positive € 1.81 million in FY22A* to a cash positive € 14.67 million in 1H23A.

In support of the next section, relating to prospective data, it should be noted that the operating data as at 30 June 2023 shows that the value of the weeks booked increased by approximately 9.4% compared to the same period of the previous year, for an amount equal to € 29.9 million. As far as the number of weeks booked is concerned, however, the latter recorded an increase from 6,406 as at 30 June 2022, to 6,584 as at 30 June 2023 (+2.8%).

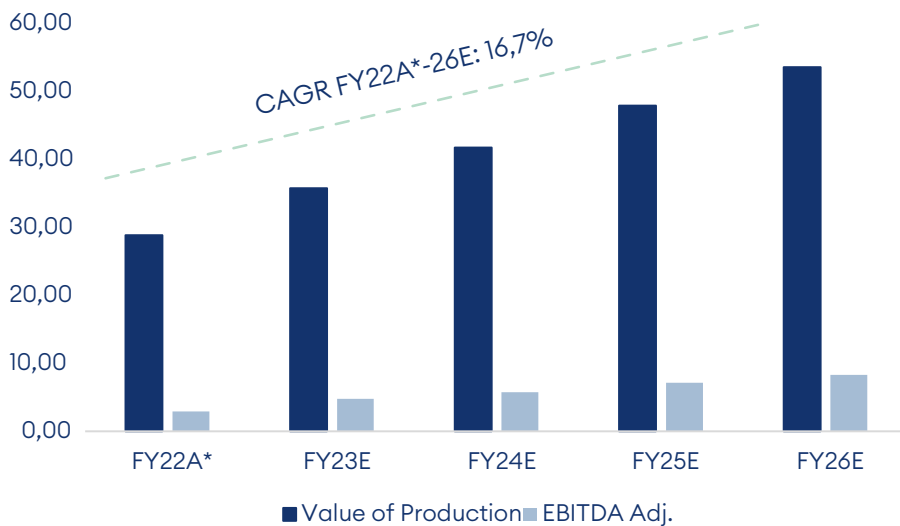
CHART 39 – NO. OF WEEKS BOOKED AND VALUE OF WEEKS BOOKED 30/06/2022 VS 30/06/2023



Source: Emma Villas

5.3 FY23E – FY26E Estimates

CHART 40 – VOP AND EBITDA ADJ. FY22A* – FY26E



Source: Integrae SIM

* Pro-forma data

Over the next few years the Production Value is expected to increase from € 28.83 million in FY22A* to € 53.55 million in FY26E (CAGR22A*-26E: 16.7%), thanks to the following main drivers:

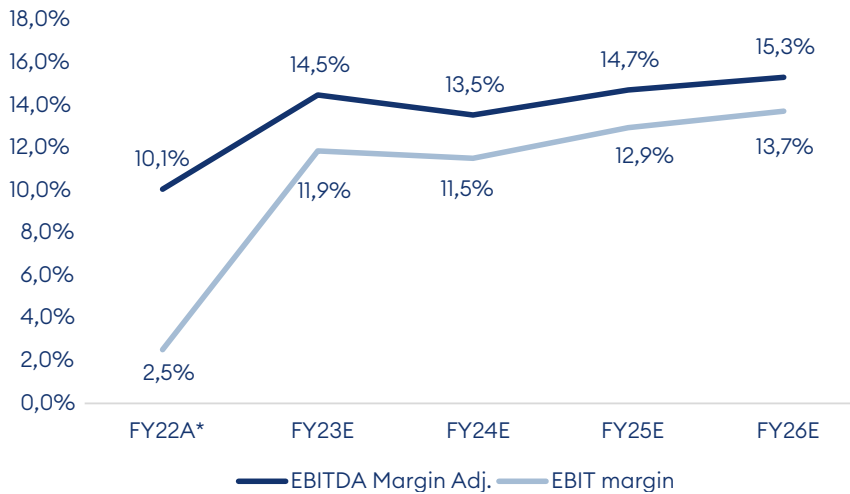
- **Sales performance:**
 - Increase in the number of weeks booked;
 - Increase in the average price per week;
 - Reduction of unsold weeks.
- **Direct acquisition of new villas:**
 - Strengthening of the internal sales network;
 - Development of the Re Home service to support owners with extraordinary maintenance or renovations through Emma Villas Re Home, increasing the loyalty of the same owners.
 - Continuous investments in promotional and marketing activities

through advertising campaigns on TV, SEO² (Search Engine Optimisation) and SEM (Search Engine Marketing) activities and other channels (magazines, local newspapers, social media influencers);

- **Acquisition of new customers:**
 - Strengthening of the direct channel through the enhancement of the internal Booking office and investments to increase the efficiency of the platform;
 - Expansion of the indirect channel in order to increase the occupancy rate/villa, particularly during the low season;
 - Development of a physical, qualitative and identity network able to offer all-encompassing property management through the opening of flagship stores. Two flagship stores were opened in March and April 2023 respectively in Siena or Orbetello. Another was opened in Porto Cervo in June.
- **Dealer network expansion:**
 - Establishment of a dealer network abroad, through the implementation of a platform for the extension of the villa portfolio to foreign regions, with particular focus on Spain, France, Greece, Croatia and Corsica;
 - Strengthening the dealer network in Italy thanks to partnerships with leading dealer stores in Italy.

2 *The term Search Engine Optimisation refers to activities aimed at improving the crawling, indexing and ranking of information or content on a website by search engine crawlers, in order to improve (or maintain) the ranking of the website on the search engine results page.*

CHART 41 – EBITDA ADJ. AND EBIT MARGIN FY22A* – FY26E



Source: Integrae SIM

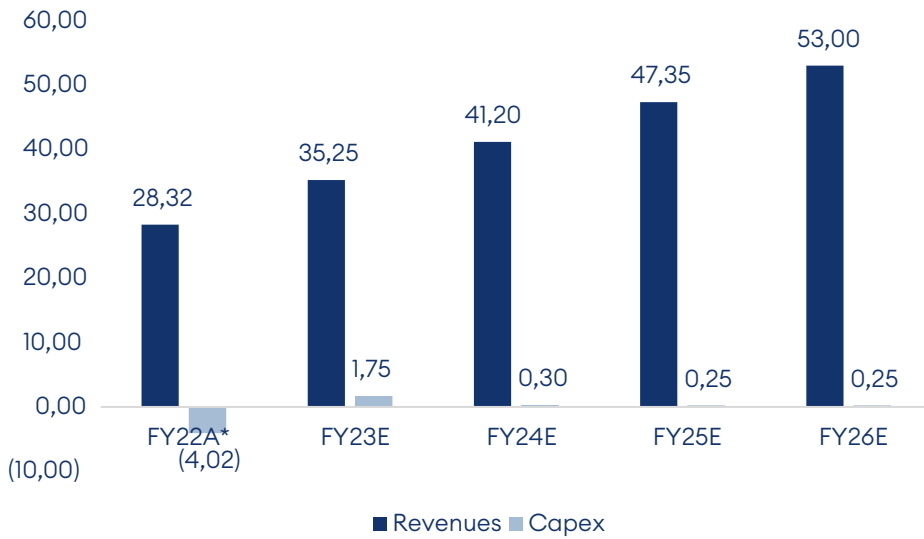
*Pro-forma data

In parallel, we expect the Adj EBITDA to increase from € 2.90 million in FY22A* to € 8.20 million in FY26E, with a CAGR of +29.7%. This marked improvement in absolute terms will lead to an improvement in the Adj. EBITDA margin which, according to our estimates, will increase from 10.1% in FY22A* to 15.3% in FY26E.

It should be noted that in FY23E, after approximately € 0.04 million spent in FY22A, the Company will bear the remaining extraordinary and non-recurring costs related to the “Virtual Tour 360” project, consisting of the creation of 3D floor plan on part of the villas, amounting to approximately € 0.30 million.

Given the development and efficiency plans planned for the period under analysis, we also believe that the Company will be able to guarantee the highest level of margin expected through a reduction in the incidence of costs for properties to be rented, an efficiency improvement of the structure of other operating costs and economies of scale deriving from the increase in business.

CHART 42 – REVENUES AND CAPEX FY22A* – FY26E



Source: Integrae SIM

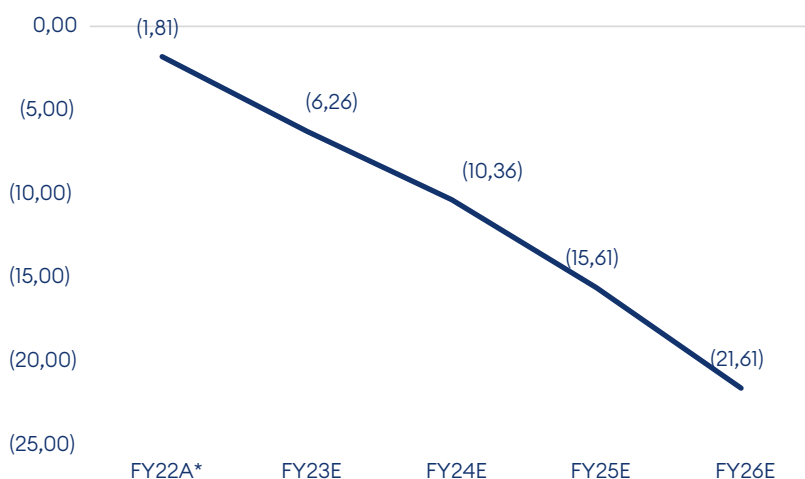
*Pro-forma data

Regarding CAPEX, we believe that the development of the proprietary platform will continue to play a central role in the investments planned for the years covered by the plan. In particular, we expect new investments:

- For structural maintenance;
- For technological upgrades;
- In furniture and furnishings for the new stores and headquarters.

It should also be noted that in FY22A* the Capex performance concerns the demerger of the real estate business.

CHART 43 – NET FINANCIAL POSITION FY22A* – FY26E



Source: Integrae SIM

*Pro-forma data

Finally, we believe that the Company can improve its NFP in the years subsequent to FY22A* thanks, in large part, to the positive cash flows generated by the core business. We estimate that the NFP could achieve a positive cash value of € 21.61 million in FY26E, mainly driven by business growth and improved margin.

5.4 Use of Proceeds

The Company has concluded the listing on the Euronext Growth Milan market, in order to obtain resources aimed at enabling it to continue its growth path. In particular, Emma Villas has planned as post-funding objectives both strategies aimed at consolidating its competitive position, as well external growth through extraordinary finance operations aimed at creating strategic synergies at a commercial level.

In particular, at an organic level, the expansion project is focused on:

- Strengthening the network of property managers;
- Investments on the technology platform;
- Improvements of properties (under management or to be managed) by providing financial support to owner to carry out extraordinary maintenance or

renovations through Emma Villas Re Home, to secure longer contracts with owners;

- Strengthening the villa acquisition network in Italy and abroad through the implementation of a platform for the creation of a start-up focused on the extension of the villa portfolio in foreign regions;
- Investments in marketing and promotion by strengthening the internal booking office and the indirect channel to increase the occupancy rate/villa;
- Opening of other flagship stores in the 2023-25 period, with the aim of acquiring new owners and guests.

The Company also aims to accelerate its business growth through external lines, i.e. through consolidation operations in Italy and abroad. This, in line with that already carried out at the end of 2021, through the scouting of operators active in the villa rental sector, with a focus on areas with a strong tourist appeal (sea and mountains) and less covered by Emma Villas. Specifically, the Target characteristics will primarily concern companies with more than 5 years of business activity, with assets ranging from 20 to 80 exclusive villas, with a villa retention rate of 3/4 years, and, finally, that are local Property Managers with good knowledge in the area.

As part of its M&A activities, in order to rapidly expand in the market or to consolidate its leadership position, Emma Villas intends to adopt a “Buy and Build” approach. Instead of focusing solely on acquiring one company, Emma Villas intends to use this strategy to create a diversified portfolio of complementary companies. In this sense, the Company intends to maintain the management of the acquired companies for 3/4 years and improve the sales performance and margins of the portfolio acquired thanks to the Emma Villas platform.

6. Valuation

We conducted the equity range valuation of Emma Villas based on the DCF methodology and multiples of a sample of comparable companies.

6.1 DCF Method

TABLE 5 – WACC

WACC			10,72%
D/E 33,33%	Risk Free Rate 3,85%	β Adjusted 0,85	α (specific risk) 2,50%
K_d 3,50%	Market Premium 8,33%	β Relevered 1,06	K_e 13,45%

Source: Integrae SIM

In particular:

- The Risk-Free Rate is represented by the September 2023 State bond (Rendistato) interest rate with maturities between 3 years and 7 months and 4 years and 6 months;
- The Market Premium coincides with the Italian market risk premium calculated by Professor A. Damodaran;
- The D/E ratio is calculated based on estimates by Integrae SIM;
- K_e is calculated using the CAPM (capital asset pricing model);
- Alpha, or additional specific risk, typical of equity investments in companies characterised by a small operational size. Being small in size, the additional small cap risk was assumed to be 2.5%, an average value among those suggested by the main studies on the subject (Massari Zanetti, Valutazione Finanziaria, McGraw-Hill, 2004, page 145, A. Damodaran, Cost of Equity and Small Cap Premium in Investment Valuation, Tools and Techniques for Determining the Value of Any Assets, III edition 2012, Guatri Bini, Nuovo Trattato sulla Valutazione delle Aziende, 2009 page 236);

- The Beta is calculated starting from the 5-year Unlevered Beta corresponding for competitors;
- Kd coincides with the Company's current cost of debt.

Using these figures, a WACC of 10.72% can be noted.

TABLE 6 – DCF VALUATION

DCF		% of EV
FCFO actualised	14.2	30%
TV actualised DCF	32.7	70%
Enterprise Value	46.9	100%
NFP (FY23E)	(6.3)	
Equity Value	53.1	

Source: Integrae SIM

With the above figures and taking our estimates and assumptions as reference, this results in an **equity value of € 53.1 million.**

TABLE 7 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln	Growth Rate (g)	WACC						
		9,2%	9,7%	10,2%	10,7%	11,2%	11,7%	12,2%
	2,5%	70,2	66,0	62,3	59,1	56,2	53,7	51,4
	2,0%	66,8	63,1	59,8	56,9	54,3	52,0	49,9
	1,5%	63,8	60,5	57,5	54,9	52,5	50,4	48,5
	1,0%	61,2	58,2	55,5	53,1	51,0	49,0	47,2
	0,5%	58,9	56,2	53,7	51,5	49,5	47,7	46,0
	0,0%	56,8	54,4	52,1	50,1	48,2	46,5	45,0
	-0,5%	55,0	52,7	50,6	48,8	47,0	45,5	44,0

Source: Integrae SIM

6.2 Multiples Method

Taking into consideration the Company's business model and activity, but also its mission and values, we conducted the evaluation using an average of the multiples of two different panels:

- A first panel containing companies belonging to the short-term rental sector, which carry out an activity similar to that of Emma Villas;
- A second panel of companies operating in the luxury tourism sectors, a market segment in which high-quality, exclusive and personalised services, accommodations, experiences and activities are offered to meet the needs and desires of the most demanding travellers.

6.2.1 Composition of the panel

- **Booking Holdings Inc.**

Booking Holdings Inc., formerly called The Priceline Group Inc., offers online reservations for travel and dining and other related services. The company, through its online travel agencies, connects consumers who want to make reservations, with travel service providers around the world. It offers consumers various accommodation options (including hotels, bed and breakfasts, hostels, apartments, vacation homes, and other properties) through Booking.com, priceline.com, and Agoda.com. Other brands of the Company are KAYAK, Rentalcars.com, and OpenTable, Inc.

- **eDreams Odigeo SA**

eDreams ODIGEO SA is a Luxembourg-based company primarily focused on travel and leisure services. The company is a travel group consisting of four brands, namely eDreams, GO Voyages, Opodo and Travellink. It offers flights, cruises, car rental, travel insurance, short or long stay packages. The company offers services such as online travel, with a range of products, such as booking charter flights and low-cost flights, hotels, accommodation and self-catering cruises, traditional and non-traditional holiday packages, car rentals, train and bus tickets and travel insurance; corporate travel; White label services, which allow access to different web platforms; media services such as targeted advertising; and the ability to invest in companies with different types of business models and technologies.

- **TripAdvisor Inc.**

TripAdvisor Inc owns and operates a portfolio of online travel brands and operates through two segments: Hotel and Non-Hotel, which includes its offers of Experiences, Restaurants and Rentals products. TripAdvisor, the company's largest brand, which manages branded

sites such as tripadvisor.com in the United States and localised versions of the website in 48 markets and 28 languages worldwide.

- **Expedia Group Inc.**

Expedia Group, Inc., formerly Expedia, Inc. is an online travel company. The Company operates through four main segments: Centralised online travel agencies, Trivago, Egencia and HomeAway. The Centralised Online Travel Agencies segment, which provides a range of travel and advertising services to its customers worldwide, through various brands, including Expedia.com and Hotels.com, Orbitz.com, the Expedia Affiliate Network, Hotwire.com, Travelocity, the Wotif Group, CarRentals.com and Classic Vacations. The Trivago segment sends referrals to online travel agencies and suppliers from its hotel meta-research websites. The Egencia segment, which also includes Orbitz Worldwide (Orbitz) for Business, which provides organised travel services to companies around the world. The HomeAway segment, which operates an online marketplace for the vacation rental industry.

- **Airbnb Inc.**

Airbnb, Inc. primarily operates a global platform for stays and experiences. The Company's market model connects hosts and guests online or via mobile devices, to book spaces and experiences around the world. Its listings include houses, cabins, tree houses, boats, castles and luxury villas. The Company's website and mobile applications offer its guests an attractive way to explore a variety of homes and experiences and an easy way to book them. Its hosts generally fall into two categories: individual and professional. Individual hosts are those who activate their listings directly on Airbnb through the website or mobile applications. Professional hosts are often those who run property management or hospitality businesses and generally use application programming interfaces to list their properties on the platform.

- **lastminute.com N.V.**

Lastminute.com NV, formerly the Bravofly Rumbo Group BV, is a Swiss-based company that operates online search platforms. Consumers can search and compare flights, hotel rooms, vacation packages, cruises, rental car deals, shared mobility providers, restaurants, insurance and other travel-related products. Users can also book and purchase these services using the Company's platforms and websites, such as Bravofly, Rumbo, Volagratis, Viaggiare, Viajar, Crocierissime, Bravoavia, Jetcost and hotelscan. The company is organised into two segments: The Travel Business Unit and the Media Business Unit. The company operates in more than 35 countries and also develops mobile travel applications with georeferencing functions. Its subsidiaries include Map2app and Bat Sharing.

TABLE 8 – COMPARABLE MARKET DATA FY22A

Company	Country	Market Cap	EV	NFP	EV/EBITDA	P/E	NFP/EBITDA
Booking Holding Inc.	USA	90,451.6	88,023.1	(2,428.5)	17.3 x	31.1 x	N/A
eDreams Odigeo SA	Spain	824.3	1,176.7	352.3	49.0 x	N/A	14.7 x
TripAdvisor Inc.	USA	2,173.3	1,977.4	(195.9)	10.0 x	114.4 x	N/A
Expedia Group Inc.	USA	14,678.9	16,572.0	1,893.1	8.8 x	43.8 x	1.0 x
Airbnb Inc.	USA	72,944.3	65,955.3	(6,989.0)	35.4 x	40.5 x	N/A
Lastminute.com N.V.	Netherlands	329.8	290.4	(39.3)	66.0 x	N/A	N/A
Peer Median		8,426.1	9,274.7	(117.6)	26.3 x	42.2 x	7.8 x
Emma Villas SpA*	Italy	N/A	N/A	(1.8)	N/A	N/A	N/A

Source: Bloomberg

*Pro-forma data

TABLE 9 – COMPARABLE FINANCIAL HIGHLIGHTS FY22A

Company	VoP	EBITDA	EBIT	Net Profit	EBITDA Margin	EBIT Margin	Net Profit Margin
Booking Holding Inc.	16,261.6	5,086.9	4,510.3	2,909.8	31.3%	27.7%	17.9%
eDreams Odigeo SA	587.8	24.0	(9.8)	(43.3)	4.1%	-1.7%	-7.4%
TripAdvisor Inc.	1,419.7	197.9	96.1	19.0	13.9%	6.8%	1.3%
Expedia Group Inc.	11,101.5	1,880.2	1,032.4	334.9	16.9%	9.3%	3.0%
Airbnb Inc.	7,991.9	1,865.0	1,714.7	1,801.2	23.3%	21.5%	22.5%
Lastminute.com N.V.	294.4	4.4	(10.6)	(15.2)	1.5%	-3.6%	-5.2%
Peer Median	4,705.8	1,031.5	564.3	177.0	15.4%	8.0%	2.2%
Emma Villas SpA*	28.3	1.3	0.7	0.2	4.4%	2.6%	0.8%

Source: Bloomberg

*Pro-forma data

- **Marriott Vacations Worldwide Corp.**

Marriott Vacations Worldwide Corporation is a company that provides ownership, exchange, rental and management services for vacation resorts and properties, as well as related activities, products and services. The company's segments include vacation ownership and the management of exchanges and third parties. The Vacation Ownership segment develops, markets, sells, finances, rents and manages vacation properties and related products under its licensed brands. The Exchange & Third-Party Management segment provides services through a number of brands, including Interval International, Trading Places International, Vacation Resorts International and Aqua-Aston. The company develops, markets, sells and operates vacation properties and related products under the Marriott Vacation Club, Grand Residences by Marriott, Sheraton Vacation Club, Westin Vacation Club and Hyatt Residence Club brands, as well as with Marriott Vacation Club Pulse, an extension of the Marriott Vacation Club brand.

- **Hilton Grand Vacations Inc.**

Hilton Grand Vacations Inc. is a timeshare company. The company is engaged in the development, marketing, sale, management and operation of timeshare resorts, timeshare plans and ancillary booking services, primarily under the Hilton Grand Vacations brand. The company operates in two segments: Real estate sales and financing and Resort operations and club management. It also owns and operates Legacy-Diamond resorts and sales centres. The company's activities consist primarily of the sale of vacation ownership intervals and vacation ownership interests (collectively, VOI) for itself and third parties; the financing and servicing of loans provided to consumers for the purchase of timeshares; the operation of resorts and timeshare plans and the management of the Hilton Grand Vacations Club and Hilton Club (Legacy-HGV Club) Points Exchange Programme and Diamond Points Clubs. The company operates over 150 facilities located in the United States, Europe, Mexico, the Caribbean, Canada and Japan.

- **Hyatt Hotels Corp.**

Hyatt Hotels Corporation is a global hotel company. The company's property portfolio consists of full-service hotels and resorts, select-service hotels, all-inclusive resorts and other properties, including timeshares, fractions and other forms of residential, vacation and condominium units. Its offer includes Timeless Collection brands, such as Park Hyatt, Grand Hyatt, Hyatt Regency, Hyatt, Hyatt Residence Club, Hyatt Place, Hyatt House and UrCove; Boundless Collection brands, such as Miraval, Alila, Andaz, Thompson Hotels, Hyatt Centric and Caption by Hyatt; Independent Collection brands, such as The Unbound Collection by Hyatt, Destination by Hyatt and JdV by Hyatt; and Inclusive Collection brands, such as Hyatt Ziva, Hyatt Zilara, Zoetry Wellness & Spa Resorts, Secrets Resorts & Spas, Breathless Resorts & Spas, Dreams Resorts & Spas, Hyatt Vivid Hotels & Resorts, Alua Hotels & Resorts and Sunscape Resorts & Spas.

- **Wyndham Hotels & Resort Inc.**

Wyndham Hotels & Resorts, Inc. is a hotel franchising company. The company operates through two segments: Hotel Franchising and Hotel Management. The Hotel Franchising segment licenses its accommodation brands and provides related services to third party hotel owners and others. The Hotel Management segment provides hotel management services for full-service hotels. The company operates properties under its own brands, primarily under the Wyndham, Wyndham Grand, Wyndham Garden, Dolce, Wingate, Wyndham Alltra, TRYP, Esplendor, Travelodge, Trademark, Super 8, Ramada, Microtel, La Quinta, Howard Johnson, Ramada Encore, Hawthorn Suites, Esplendor, Dolce, Dazzler, Days Inn, Baymont, Registry Collection and AmericInn brands. The company operates as a hotel franchising and licenses 24 hotel brands with approximately 9,100 affiliated hotels with 843,000 rooms in over 95 countries. It has 72 full-service hotels under management, located in markets such as Argentina, China and the Middle East.

- **Melia Hotels International, S.A.**

Melia Hotels International S.A., formerly called Sol Melia SA, is a Spanish-based company primarily engaged in the hospitality industry. The company focuses on the management and exploitation of hotel chains. Its activities are divided into three business segments: Hotels, Real Estate and Club Melia. The Hotels division administers hotels under management and franchising agreements, operates its own or leased hotels, and also offers other entertainment activities, such as casino games and organised tours. The Real Estate division includes operations and real estate development. The Club Melia division operates holiday club complexes. The Company's portfolio of brand names includes Gran Melia, Paradisus, Melia, Inside by Melia, Tryp by Wyndham and Sol Hotels, among others. The company operates through numerous subsidiaries in Europe, the Americas, Africa and Asia.

- **InterContinental Hotels Group PLC**

InterContinental Hotels Group PLC is a company operating in the hotel industry. The Company operates in the sector in three ways: as a franchisor, as a manager and through leased owned buildings. The company's divisions are: Americas; Europe; Asia, Middle East and Africa; Greater and Central China. The Company operates a portfolio of hotel brands, including InterContinental, HUALUXE Hotels and Resorts, Kimpton Hotels and Restaurants, Crowne Plaza, Hotel Indigo, EVEN Hotel, Holiday Inn, Holiday Inn Express, Staybridge Suites and Candlewood Suites. The Americas division manages 945 hotels (102,451 rooms). The Europe division manages 137 hotels (23,954 rooms). The EMEA division manages 149 hotels (39,643 rooms). The Greater China division manages 239 hotels (64,028 rooms). The company operates 5,200 hotels and 777,000 rooms in its system. It operates in over 100 countries worldwide.

TABLE 10 – COMPARABLES MARKET DATA FY22A

Company	Country	Market Cap	EV	NFP	EV/EBITDA	P/E	NFP/EBITDA
Marriott Vacations Worldwide Corp.	USA	4,137.6	6,734.1	2,596.5	7.5 x	11.1 x	2.9 x
Hilton Grand Vacations Inc.	USA	4,554.5	6,980.0	2,425.6	8.2 x	13.6 x	2.9 x
Hyatt Hotels Corp.	USA	11,036.3	13,230.3	2,193.9	13.7 x	25.5 x	2.3 x
Wyndham Hotels & Resort Inc.	USA	5,445.4	7,216.6	1,771.1	11.9 x	16.1 x	2.9 x
Melia Hotels International, S.A.	Spain	1,350.0	4,058.0	2,708.0	8.3 x	12.2 x	5.6 x
InterContinental Hotels Group PLC	UK	10,402.1	12,197.3	1,795.2	17.0 x	29.2 x	2.5 x
Peer median		4,999.9	7,098.3	2,309.7	10.1 x	14.9 x	2.9 x
Emma Villas SpA*	Italy	N/A	N/A	(1.8)	N/A	N/A	N/A

Source: Bloomberg

*Pro-forma data

TABLE 11 – FINANCIAL HIGHLIGHTS FY22A

Company	VoP	EBITDA	EBIT	Net Profit	EBITDA Margin	EBIT Margin	Net Profit Margin
Marriott Vacations Worldwide Corp.	4,430.3	901.1	746.0	372.0	20.3%	16.8%	8.4%
Hilton Grand Vacations Inc.	3,649.1	849.7	581.4	334.9	23.3%	15.9%	9.2%
Hyatt Hotels Corp.	5,605.5	964.9	378.7	432.9	17.2%	6.8%	7.7%
Wyndham Hotels & Resort Inc.	1,425.4	608.0	531.0	337.8	42.7%	37.3%	23.7%
Melia Hotels International, S.A.	1,692.0	486.0	201.1	110.7	28.7%	11.9%	6.5%
InterContinental Hotels Group PLC	3,703.4	718.4	653.7	356.8	19.4%	17.7%	9.6%
Peer median	3,676.3	784.1	556.2	347.3	21.8%	16.4%	8.8%
Emma Villas SpA*	28.3	1.3	0.7	0.2	4.4%	2.6%	0.8%

Source: Bloomberg

*Pro-forma data

6.2.2 Market Multiples Valuation

TABLE 12 – MARKET MULTIPLES (SHORT TERM RENT)

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Booking Holding Inc.	15,2 x	13,2 x	11,9 x	16,5 x	14,3 x	12,7 x	21,0 x	17,8 x	15,1 x
eDreams Odigeo SA	11,8 x	7,2 x	5,7 x	22,1 x	8,6 x	5,8 x	39,9 x	11,3 x	8,0 x
TripAdvisor Inc.	6,6 x	5,4 x	4,6 x	14,1 x	9,0 x	6,3 x	16,9 x	11,7 x	9,7 x
Expedia Group Inc.	5,9 x	5,2 x	4,6 x	10,7 x	7,9 x	6,0 x	10,5 x	8,4 x	6,8 x
Airbnb Inc.	21,7 x	19,0 x	16,1 x	39,3 x	31,8 x	27,1 x	31,5 x	27,7 x	23,4 x
Lastminute.com N.V.	3,8 x	3,1 x	2,9 x	7,4 x	5,9 x	5,7 x	13,6 x	10,3 x	10,2 x
Peer median	9,2 x	6,3 x	5,2 x	15,3 x	8,8 x	6,2 x	18,9 x	11,5 x	9,9 x

Source: Bloomberg

TABLE 13 – MARKET MULTIPLES (LUXURY TOURISM)

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Marriott Vacations Worldwide Corp.	7,3 x	6,9 x	6,2 x	8,4 x	7,4 x	6,5 x	9,8 x	9,0 x	8,6 x
Hilton Grand Vacations Inc.	6,5 x	6,3 x	5,8 x	8,3 x	7,5 x	5,5 x	10,1 x	9,0 x	7,9 x
Hyatt Hotels Corp.	11,9 x	11,0 x	10,1 x	27,2 x	20,6 x	17,7 x	41,0 x	29,6 x	22,4 x
Wyndham Hotels & Resort Inc.	11,7 x	11,4 x	10,7 x	14,3 x	13,5 x	13,0 x	17,1 x	15,8 x	14,2 x
Melia Hotels International, S.A.	8,3 x	8,0 x	7,6 x	17,7 x	16,4 x	14,0 x	12,3 x	11,0 x	8,6 x
InterContinental Hotels Group PLC	13,4 x	12,5 x	11,7 x	14,5 x	13,3 x	12,1 x	20,3 x	18,3 x	16,6 x
Peer median	10,0 x	9,5 x	8,9 x	14,4 x	13,4 x	12,6 x	14,7 x	13,4 x	11,4 x

Source: Bloomberg

TABLE 14 – MARKET MULTIPLES VALUATION

€/mln	FY23E	FY24E	FY25E
Enterprise Value (EV)			
EV/EBITDA	47,6	44,8	49,5
EV/EBIT	63,8	53,3	58,0
P/E	50,4	39,2	44,9
Equity Value			
EV/EBITDA	53,9	55,2	65,1
EV/EBIT	70,1	63,6	73,7
P/E	50,4	39,2	44,9
Equity Value post 25% discount			
EV/EBITDA	40,4	41,4	48,8
EV/EBIT	52,6	47,7	55,2
P/E	37,8	29,4	33,7
Average	43,6	39,5	45,9

Source: Integrae SIM

Using the average between the EV/EBITDA, EV/EBIT and P/E market multiples, the equity value of Emma Villas amounts to approximately € 57.3 million. To this value, we have applied a discount of 25% so as to include in the price the lower liquidity that will presumably characterise the Emma Villas stock compared to its peers: **this results in an equity value of € 43.0 million.**

7. Equity Value

TABLE 15 – EQUITY VALUE

Average Equity Value (€/mln)	48,1
Equity Value DCF (€/mln)	53,1
Equity Value multiples (€/mln)	43,0
Target Price (€)	6,90

Source: Integrae SIM

Consequently, looking at the values obtained based on the DCF method and those obtained with the multiples method, we arrive at an average equity value of € 48.1 mln. **The target price is therefore equal to € 6.90, rating BUY and risk MEDIUM.**

TABLE 16 – IMPLIED SENSITIVITY ANALYSIS

Equity Value (€/mln)	EV/EBITDA			EV/EBIT			P/E		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
45,1	7,8 x	6,9 x	5,5 x	9,0 x	8,1 x	6,3 x	15,0 x	14,3 x	10,7 x
46,1	8,0 x	7,0 x	5,6 x	9,3 x	8,3 x	6,4 x	15,4 x	14,6 x	11,0 x
47,1	8,2 x	7,2 x	5,8 x	9,5 x	8,5 x	6,6 x	15,7 x	14,9 x	11,2 x
48,1	8,4 x	7,4 x	5,9 x	9,7 x	8,7 x	6,7 x	16,0 x	15,3 x	11,4 x
49,1	8,6 x	7,6 x	6,1 x	10,0 x	8,9 x	6,9 x	16,4 x	15,6 x	11,7 x
50,1	8,8 x	7,8 x	6,2 x	10,2 x	9,1 x	7,1 x	16,7 x	15,9 x	11,9 x
51,1	9,1 x	7,9 x	6,4 x	10,4 x	9,3 x	7,2 x	17,0 x	16,2 x	12,2 x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR \geq 7.5%	ETR \geq 10%	ETR \geq 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR \leq -5%	ETR \leq -5%	ETR \leq 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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The methods that INTEGRÆ SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integræ SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies).

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- It operates or has operated in the past 12 months as the entity responsible for carrying out the activities of Euronext Growth Advisor of Emma Villas S.p.A.;
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- In the IPO phase, Integræ SIM played the role of global coordinator.