



The Group for the digital and green transition

- Redelfi Group operates in the technological and green transition through three transversal and synergic business units, Green, MarTech and Green Tech, characterized by a highly innovative approach to products/ services and processes offered and a high focus on ESG principles and sustainability in business management.
- The Group, founded in Genova in 2008 by Davide Sommariva (Chairman) and Raffaele Palomba (CEO), counts a team of 28 resources and is currently active in the development of Green Energy (Green) and the development of innovative software platforms, IT products, and disruptive AI, AR and big data products for third parties (MarTech). In addition, based on the experience and the synergies with the first two BUs, the Group has created a third business unit that will use the blockchain to certify reforestation activities and/or generate timely and accurate data in the field of agriculture (Green Tech).
- The Group is developing new businesses with a strong focus on ESG criteria and product /process innovation by leveraging on Management's transversal industry know-how gained over more than 10 years of experience in the renewable energy and Martech industries.
- Redelfi's strength is represented by its team made up of resources with different and transversal skills, capable of identifying scalable business models and managing companies' life cycles. Management has a proven ability to fruitfully identify mega market trends and companies characterized by innovative elements in terms of technology, sustainability, and high growth potential to create value for shareholders.
- The Group operates in different reference markets all having in common high expected growth rates. The MarTech segment is expected to post a 2019-2025 CAGR of around 44% driven by a strategy aimed at the development of proprietary products, such as Adest and Jarions, with applications in the field of Big Data, Artificial Intelligence and Augmented Reality. Growth in the Green and GreenTech markets is expected to be driven by growing international requirements for the use of renewable sources and related technologies: by 2030, emissions must be cut by at least 55% compared to 1990 levels, and by 2050, 90% of energy must come from renewable sources and be climate neutral, according to the Paris Agreement (the first-ever universal, legally binding global climate change agreement adopted at the COP21 in December 2015).
- Group financials reflect the different stages of the Group companies. FY21 revenues were of 1.2 m of which >90% from the MarTech consultancy business. Over the next years, we expect the Group to be able to grow revenues at a 21-25 CAGR of 121% to Euro 32.4 m in FY25 thanks to the development of the single subsidiaries and consolidation of the business model. EBITDA margin is expected to reach 38% in FY25 (Euro 12.4 m).
- On June 8th 2022, Redelfi was admitted to trading on the Euronext Growth Milan (EGM) market managed by Euronext. The listing took place with the placement of a total of 2.760.000 ordinary shares, of which 2.400.000 newly issued and the IPO enabled Redelfi to raise around Euro 3.4 m, which further concretized its planned strategies aimed at consolidating all its business areas, speeding up the launch of the innovative platforms (Adest and Jarions), developing blockchain and NFT solutions, adding resources with specific skills for MarTech and GreenTech solutions.
- We initiate our coverage on IDNTT with a target price of Euro 2.70 p.s., obtained as the average between a DCF and multiple comparison analysis. Our target price represents a potential upside of 126% and an implicit 2022-2023 EV/SALES multiple of 6.0x and 2.9x respectively.

Target Price 2.70

Price (€ m) **1.19**

Market Cap (€ m) **10**

EV (€ m) **8.9**

As of 28th July, 2022

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	RDF:IM
ISIN	IT0005496101
N. of Shares	8,440,080
Free Float	33,31%
Chairman	Davide Sommariva

Financials

	2022E	2023E	2024E	2025E
Sales	3.7	8.2	21.2	32.4
YoY %	+217%	+123%	+155%	+53%
EBITDA	0.04	0.6	5.6	12.4
EBITDA %	1%	8%	26%	38%
EBIT	(0.5)	(0.4)	4.3	11.0
EBIT %	-14%	-5%	20%	34%
Net Income	(0.6)	(0.6)	4.1	10.2
Net Debt	(2.4)	(1.1)	(3.7)	(11.6)

Performance

	1M	3M	6M
Absolute %	-3.27	n.a.	n.a.
Relative (FTSE Italia Growth)	-5.34	n.a.	n.a.
52-week High/Low (Eu)	1.37	/	1.10

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REDELFI SNAPSHOT

Company description

Redelfi Group operates in the technological and green transition through three transversal and synergic business units (Green, MarTech and Green Tech) characterized by a highly innovative approach to the products/ services and processes offered and a high focus on ESG principles and sustainability in business management.

Through the different business lines, the Company is able to create and develop innovative projects.

Management

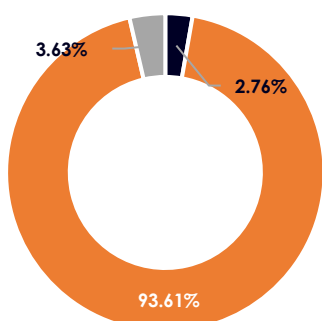
Davide Sommariva – President
Raffaele Palomba – Managing Director
Valentina Fistarol – Managing Director & CFO

Key Shareholders

Marinetta S.S. - 37%
Intersidera S.S. – 8%
Gieffe Holding – 7%
Others – 11%
Free Float - 33%

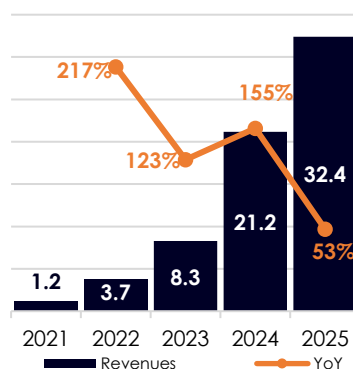
Revenue breakdown

by business lines – FY21



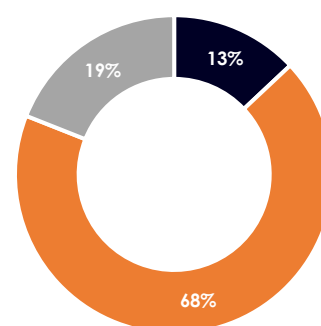
■ Green ■ MarTech ■ Other

growth FY21-25



■ Revenues — YoY

by business lines – FY25



■ Green ■ MarTech ■ GreenTech

Source: Group presentation

Investment highlights

Management experience and track record: Management's proven experience in identifying mega market trends and bringing management expertise with the aim of creating a growth boost for investee companies.

Sectors with high rate of innovation and growth: The Group's sectors, MarTech, Green and GreenTech, have high growth prospects in line with the expectations of the global green and digital transition.

Industrial integration and synergies between BUs: Green expertise, technological know-how and digital transformation are used to develop new business lines, generating economies of scale and internal synergies.

Esg embedded: Redelfi promotes corporate management and objectives in line with ESG principles. All industrial and business operations within the Group respect and aim to develop sustainable projects.

Disruptive solutions: Ability to propose disruptive solutions to bring innovation and added value to the sectors in question.

KEY FINANCIALS

	2021PF	2022E	2023E	2024E	2025E
Profit&Loss Statement					
Revenues (VoP)	1.2	3.7	8.3	21.2	32.4
EBITDA	(0.7)	0.0	0.6	5.6	12.4
EBIT	(1.0)	(0.5)	(0.4)	4.3	11.0
Financial Income (charges)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Pre-tax profit (loss)	3.5	(0.6)	(0.6)	4.2	10.9
Taxes	(0.0)	0.0	0.0	(0.2)	(0.7)
Net profit (loss)	3.4	(0.6)	(0.6)	4.1	10.2
Balance Sheet					
Net working capital (NWC)	(0.6)	(0.8)	(0.3)	1.5	7.0
Net fixed assets	5.5	7.3	7.7	7.5	4.7
M/L Funds	(0.3)	(0.4)	(0.5)	(0.7)	(1.0)
Net Capital Employed	4.6	6.1	6.9	8.3	10.7
Net Debt	(1.0)	(2.4)	(1.1)	(3.7)	(11.6)
Minorities	0.3	0.0	(0.6)	(0.1)	2.1
Equity	5.3	8.5	8.5	12.1	20.1
Cash Flow					
Net Profit	3.4	(0.6)	(0.6)	4.1	10.2
Non cash items	0.3	0.7	1.2	1.4	1.6
Change in Working Capital	0.0	0.2	(0.6)	(1.8)	(5.4)
Cash Flow from Operations	3.7	0.3	0.0	3.7	6.4
Net Investments	0.0	(2.4)	(1.4)	(1.0)	1.4
Operating Free Cash Flow	3.7	(2.1)	(1.4)	2.6	7.8
Dividend					
Other (equity)	0.0	3.5	(0.0)	0.0	0.0
Free Cash Flow	3.7	1.4	(1.4)	2.6	7.8
Ratios					
EBITDA margin	n.s.	1.2%	7.5%	26.2%	38.2%
EBIT margin	n.s.	n.s.	n.s.	20.3%	33.9%
Net Debt/Equity	-19.6%	-28.8%	-12.6%	-30.7%	-57.6%
Net Debt/(Net Debt + Equity)	-24.3%	-40.5%	-14.5%	-44.2%	-135.7%
Net Debt/EBITDA	n.s.	-56.73	-1.72	-0.67	-0.93
Interest cover EBIT	n.s.	n.s.	n.s.	55.14	191.18
ROE	65.4%	-7.1%	-6.5%	33.4%	50.8%
ROCE	-20.4%	-8.3%	-6.0%	54.0%	110.2%
Growth Rates					
Revenues (VoP)		208%	123%	155%	53%
EBITDA		106%	1348%	789%	123%
EBIT		47%	18%	1136%	156%
Net Profit		-118%	9%	833%	152%

Source: PMI Capital Research Estimates

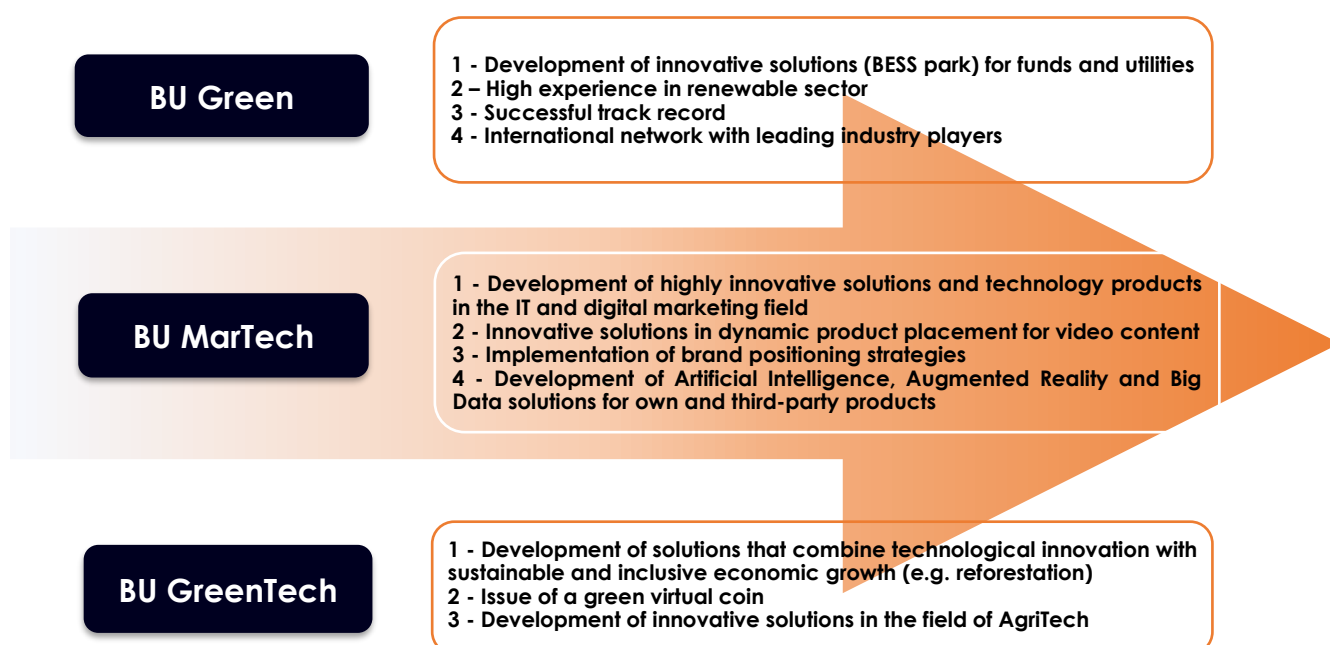
GROUP OVERVIEW

Redelfi SpA is a management company focusing on innovation and ESG criteria, active through three Business Units: MarTech, Green and Greentech.

Redelfi was founded in Genova in 2008 by Davide Sommariva (current Chairman) and Raffaele Palomba (current CEO) founding partner of Renergetica, an innovative SME active in the development of renewable energy projects and listed in 2018 on the AIM Italia market (currently Euronext Growth Milan), established and developed directly by them in US and Chile. This experience, which concluded with a successful exit in 2021, allowed Redelfi to acquire an in-depth know-how and expertise in the development and management of international clean energy development projects, an activity which the Group will continue to carry out through its Green BU.

With the acquisition of 55% of Engenius in 2021, the Group acquired important expertise in the MarTech sector, on which the whole Group can leverage.

Business Units



Source: Company presentation & PMI Capital Research Elaboration

Key Milestones

Redelfi has a proven ability to identify mega market trends with high growth potential and to develop and offer innovative solutions:

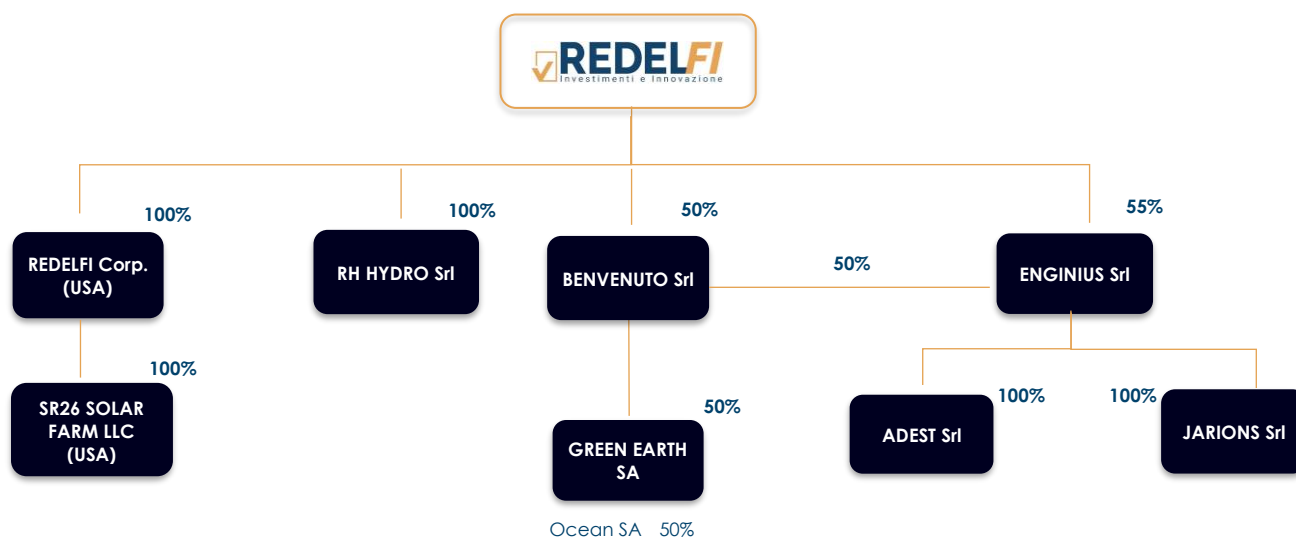
- **2008:** Establishment of Redelfi as an investment vehicle in Renergetica.;Creation of Renergetica [a company specialized in the development of large renewable source plants, in particular photovoltaic and wind, and solutions for the integration and control of hybrid networks.]
- **2016:** Acquisition of a majority stake in Renergetica
- **2017:** Start of the internationalization process in the Chile and US markets for Renergetica
- **2018:** Listing of Renergetica on the Euronext Growth Milan market
- **2019:** Participation in "RH Hydro", owner a mini-hydroelectric plant in Pomaro Monferrato (AL).
- **2020:** Relocation of headquarters to Milan, Group expansion strategy launched
- **2021:** Crowdfunding capital increase, Exit from Renergetica, Acquisition of 100% of RH Hydro; Acquisition of SR26 SOLAR FARM LLC, Acquisition of majority stake in Engenius
- **2022:** IPO on Euronext Growth Milan

The IPO of Redelfi on Euronext Growth Milan, with a Euro 3.45 m capital increase, is a key step in a strategic path. Strengthen the Group's competitive positioning in the renewable energies, digital marketing markets on an international level.

OFFER KEY POINTS	ISSUER	• Redelfi S.p.A.
	LISTING MARKET	• Borsa Italiana, Euronext Growth Milan
	OFFER STRUCTURE	• Capital increase of up to EUR 3.45 million • Warrant (1 compendium share for every 2 warrants held)
	LOCK-UP	• 36 months

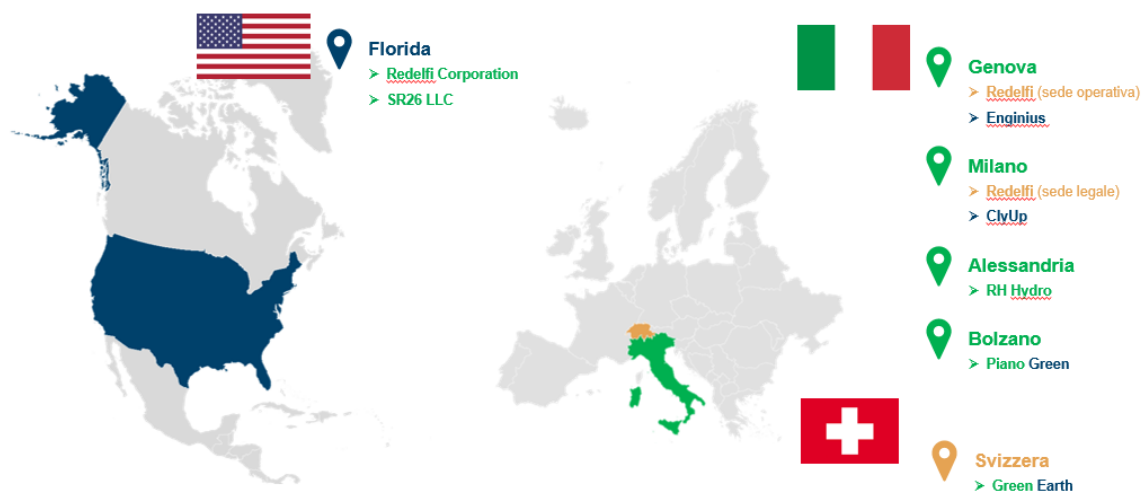
Source: PMI Capital Research Elaboration

Group Structure and international presence



Source: Group presentation & PMI Capital Research Elaboration

Redelfi has its registered office in Milan and its operational headquarters in Genoa, but the Group also has an international presence (with offices in Switzerland and the USA) as explained below:



- **Redelfi SpA**, the management company of the Group, headquartered in Genova and with legal office in Milan.
- **Redelfi Corporation**, a company incorporated under US law by Redelfi, to which the equity investment in SR26 Solar Farm LLC was sold;
- **SR26 Solar Farm LLC**, based in Lake Mary (Florida), is already the owner of a 120 MWp photovoltaic project in Florida.
- **RH HYDRO S.r.l.**, based in Milan, is the owner of a mini-hydroelectric plant in Pomaro Monferrato (AL).
- **Benvenuto S.r.l.**, based in Genova, is, moreover, founding partner of Green Earth SA and holds 50% of its capital.
- **Green Earth SA**, founded in November 2021, manages the Green BU, together with Benvenuto Srl.
- **Enginius S.r.l.**, with registered office in Ovada (AL), provides project-based consultancy services for the design and development of IT solutions.
- **Adest S.r.l.**, digital product company developed by Enginius.
- **Jarions S.r.l.**, digital product company developed by Enginius.

BUSINESS MODEL

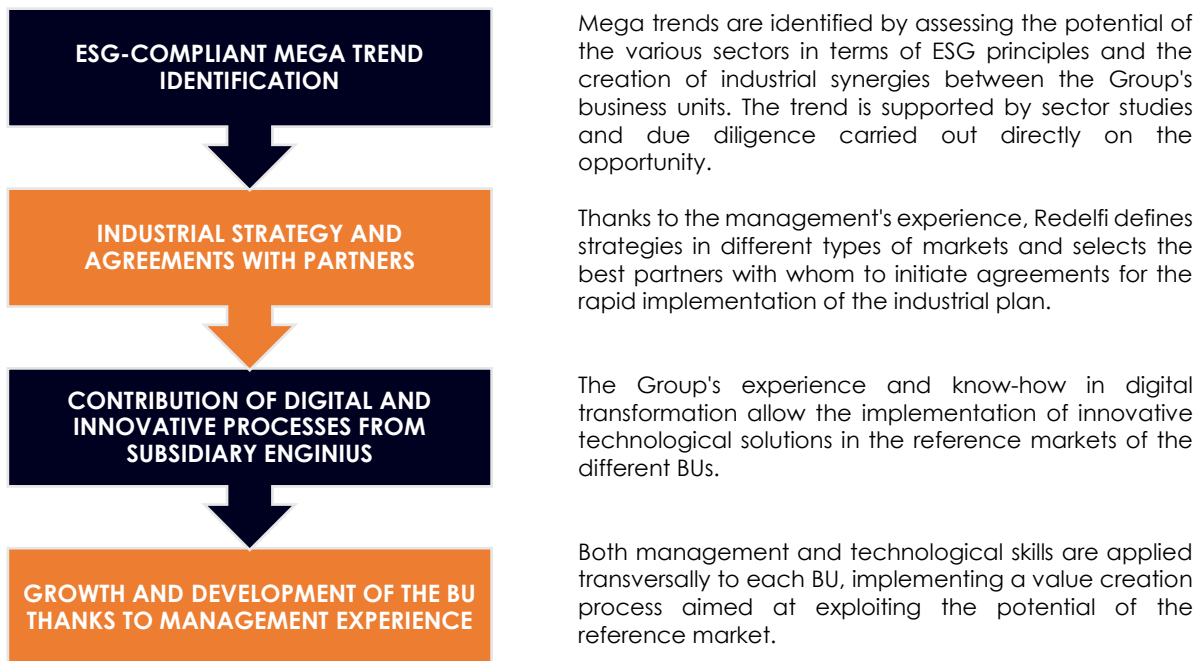
Redelfi Group operates in the technological and green transition through three transversal and synergic business units (Green, MarTech and Green Tech) characterized by a highly innovative approach to the products/services and processes offered and a high focus on ESG principles and sustainability in business management.

Through its subsidiaries the Group is currently active in the development of Green Energy through its Green business unit and the development of innovative software platforms, IT products and disruptive AI, AR and big data products for third parties through its MarTech business unit. In addition, based on the experience and synergies of the first two BUs, the Group has created a third business unit which will use the blockchain to certify reforestation activities and / or generate timely and accurate data in the field of agriculture (Green Tech).

The Group's mission is to continue to develop new businesses with strong focus on ESG criteria and product/process innovation by leveraging on Management's transversal industry know-how, capability of identifying scalable business models and experience in managing the life cycle of a company.

Since foundation, Redelfi has embraced the European Union's recommendations on sustainable investment and finance, aligning its investment policy with the pursuit of the 3 main objectives identified by the EU (directing capital flows towards sustainable investments, managing financial risks arising from climate change, resource consumption, environmental degradation and social inequalities and improving transparency and encouraging a long-term approach to economic and financial activities).

Value Chain



Source: Company presentation & PMI Capital Research Elaboration

REDELFI SPA

Operative holding company of the Group. Thanks to the experience of its top management, the company defines the Group's strategies according to a synergic approach of the business lines, provides administrative and coordination services to the subsidiaries and does not typically have direct commercial relationships with clients.

The activity of the team leader starts from the identification of mega trends through an assessment in terms of potential of the various sectors in compliance with ESG principles and the creation of industrial synergies between the Group's business lines.

The corporate structure of the Redelfi Group in the different business units is mainly dictated by the need to differentiate, also from a corporate point of view, the services and products offered for the different types of business lines, as well as the desire to seize new development and business opportunities in market sectors with high growth potential.

Business Unit GREEN

This business Unit is active in the development of innovative green energy solutions for funds and utilities with particular focus on the development of Battery Energy Storage System (BESS). The Green business line is currently active in the development of Green Energy and the Italian company, the Group owns a mini-hydroelectric plant with low environmental impact and, is developing projects involving the construction of areas dedicated to BESS in Florida, where Redelfi already owns an available land, with the relevant grid connection.

In this moment the BESS market is fundamental to the evolution of renewable energy in the grid. The increased penetration of energy produced from non-programmable sources implies an instability of the national/local grid with more and more frequent voltage drops. In this sector, worldwide, the grid operator's demand for any additional unplanned KW/h is covered by specific plants (e.g. turbo-gas) which are granted the so-called capacity payment, regardless of whether they produce or not.

Battery storage will have the same function of stabilising the grid with solutions distributed on the various grid nodes, and not centralised like turbogas, benefiting from lower CapEx for the same KW/h. The increase in renewables and in demand for green energy will find a need for balance on the grid before overall production from renewables alone.

The Business unit will hence continue to develop green energy project to be sold at the end of the authorization phase. The business model that the Group applies cover all development activities from identification of land to the sale of the project.

Business Model Green



Source: Company presentation & PMI Capital Research Elaboration

Companies

REDELFI CORPORATION

Redelfi Corporation, wholly owned by Redelfi, develops, through SR26 SOLAR FARM LLC, a BESS (Battery Energy Storage System) project.

SR26 SOLAR FARM LLC

SR26 SOLAR FARM LLC, is a SPV (Special Purpus Veichle) owner of a 130 MW of BESS project in Florida, with an option to connect to Duke Energy's [American electricity company, based in Charlotte, that owns 58'200 megawatts of base-load and peak generation in the US] grid.

The activities are focused on the development and execution of all the steps aimed at obtaining the final authorisation to build, with reference to the environmental part and the closing of a Power Purchase Agreement with off-takers. Following full authorization, expected in 2025, the project will be sold and the Group will start the development of new devilment project with similar characteristics in the same market (start-up and sale in 4/5 years).

RH HYDRO

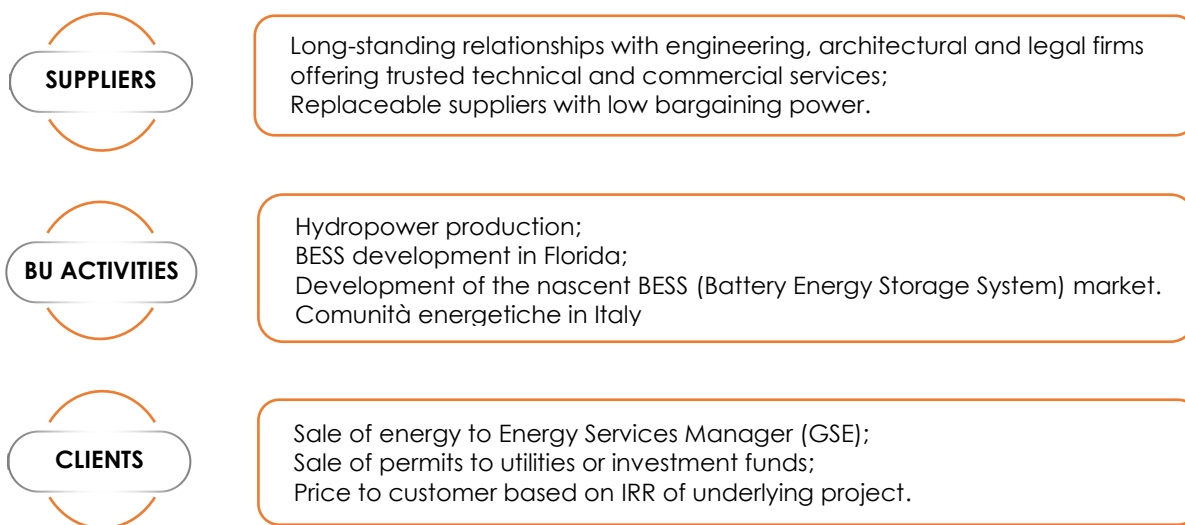
RH Hydro, incorporated in 2015 and 100% owned by Redelfi, is the owner of a mini-hydroelectric plant in Pomaro Monferrato (AL): through the low environmental impact run-of-river plant, it produces and sells clean energy at an all-inclusive Energy Services Manager (GSE) tariff.

RH Hydro,'s revenues, which in 2021 amounted to Euro 24 k, derive from two different types of activities:

1. Sale of the energy produced by the mini-hydroelectric plant. Revenues (already present in the 2021 Budget) derive from the agreement with the GSE, i.e. all-inclusive tariff multiplied by kWh deriving from the hydro study submitted also to the Province at the time of authorisation. The revenue will be recurrent for the next 15 years.
2. Revenues from energy assessment consultancy currently provided to Conserve Generali SpA (known by the brand "AS.DO.MAR").

RH is waiting the legislative decree of "Comunità Energetiche" to start with new revenue business line, into BU Green, as the investor roles.

Green Energy Industry Business System



Source: Company presentation & PMI Capital Research Elaboration

Business Unit MARTECH

The MarTech business line is currently active, through its subsidiary Enginius, in consultancy relating to the development of innovative software platforms and IoT products. Over the next years the Group intends to integrate the consultancy offering by implementing a strategy aimed at the development of proprietary MarTech products. In particular, through Enginius the Group has already developed two products Jarions and Adest with applications in the field of Big Data, Artificial Intelligence and Augmented Reality, which are expected to be launched at the end of 2022 and 2023 respectively.

Companies

ENGINIUS

Enginius is a software house, acquired on April 13, 2021, that develops innovative and scalable solutions using its expertise in Big Data, Artificial Intelligence and Augmented Reality. With its 12 employees, the company recorded FY21 sales of Euro 1.1 m and has over the last 7 years been supporting its clients, mainly innovative startups, by designing and implementing various platforms in different areas.

From analysis and consultancy to the development and release of scalable, high-performance platforms, Enginius' ability to design and develop innovative, high-performance client-server platforms and the expertise in Big Data make the Company the ideal technology partner for companies that need to process large volumes of data in real time or provide high-performance services.

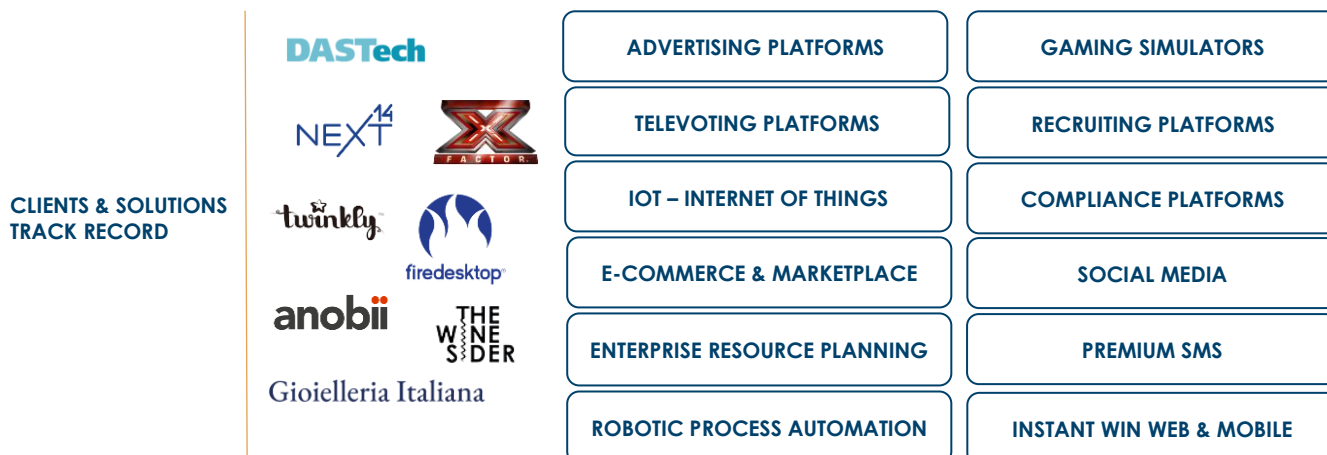
The experience in digital advertising and content marketing, including the design and development of a Data Management Platform (DMP) and a multi-channel traffic conversion attribution model, enables the Company to support agencies and companies that need to develop proprietary technology solutions or integration with external systems.

Its proactive and results-oriented approach has made the ideal partner for companies and start-ups to develop new products or optimise existing solutions.

As well as continuing to support customers in the creation and optimisation of innovative services, Enginius using its skills acquired to create innovative new products that will bring directly to market.

In addition to the traditional consultancy services offered to its clients, Enginius is developing and managing its own products (**ADEST** and **JARIONS**), which will constitute a new revenue line in the MarTech BU that will be distributed in Software As A Service mode through subscriptions and revenue sharing.

Enginius: developed technological solutions



Source: Company presentation & PMI Capital Research Elaboration

ADEST

The software owned and developed by Enginius consists of a platform for positioning brands and products within standard and on-demand videos using Augmented Reality elements and deep fake technologies. The advertising content will be personalised according to users' interests, geographical location and variable over time.

Specifically, Adest is an innovative technology that according to Management will revolutionise the world of advertising in standard and on-demand videos through dynamic product placement, using augmented reality elements.

It is a solution capable of personalising a video, modifying its contents in real time, in order to create immersive advertising campaigns that can be varied on the basis of preferences (defined by cookies), online behaviour, culture or geographical location of the recipient/user.

The purpose of Adest is to harmonise a product (for commercial purposes) into video content (for entertainment purposes) to ensure a natural and pleasant effect for the user watching the video content. The company that wants to advertise its product will be able to increase its sales by directly addressing an audience close to its target audience, identified by artificial intelligence as a possible customer.

Advertising will no longer target a mass market but will be customised and harmonised using different distribution platforms, so as not to disturb the user and to optimise costs for the brand.

The product will be targeted at media agencies, influencers and film production companies, and the technology can be applied to the nascent development of the Metaverse.

The development costs of the Adest software amounted to Euro 2.4 m and are related to software creation.

Below the MarTech landscape categories identified about Adest:



Application example: video with the possibility of modifying the product placement dynamically and in real time according to the profiling of the video user.

Business Model: ADEST

- 1 - **MEDIA AGENCY-INFORMER AGREEMENT:** Agreements with media agencies and influencers via web marketing and internal sales network.
- 2 - **VIDEO RECEPTION FROM THIRD PARTIES AND USER PROFILING ANALYSIS:** Media agencies and influencers prepare videos suitable for virtual product placement.
- 3 - **CUSTOMIZED VIDEO EDITING WITH DYNAMIC PRODUCT PLACEMENT:** The video is processed by automatically inserting products that are consistent with the context.
- 4 - **DIFFUSION AND BROADCASTING ON SOCIAL CHANNELS:** The video is distributed on social channels with different products according to the different audience segments.
- 5 - **VERIFICATION OF VIEWINGS AND REVENUES SHARING:** Revenue sharing is based on the number of views.
- 6 - **DYNAMIC POSITIONING OF NEW PRODUCTS OVER TIME:** Adest's innovation is the possibility of positioning different products and promotions over time without changing the initial footage.

Source: Company presentation & PMI Capital Research Elaboration

JARIONS

The software was developed by Enginius in order to aggregate, categorise and organise content from various social channels and formats, making it easily accessible through a single platform and with advanced search and organisation capabilities. The solution is part of the software tools dedicated to the management of business flows.

Jarions project stems from the need of companies and freelancers to aggregate the various communication channels, so as to efficiently manage corporate flows. The product aims to facilitate the flow of information and its management in companies through in-depth semantic analysis provided by artificial intelligence.

The target market will mainly involve those who use e-mail, messaging tools and data sharing on a daily basis and who need a collector of information that enables them to retrieve and prioritise it quickly. [considering as a first segment, only freelancers present on the Italian territory, they count a pool of 1.5 million].

Below the MarTech landscape categories identified about Jarions:

Social & Relationship

Data

Management

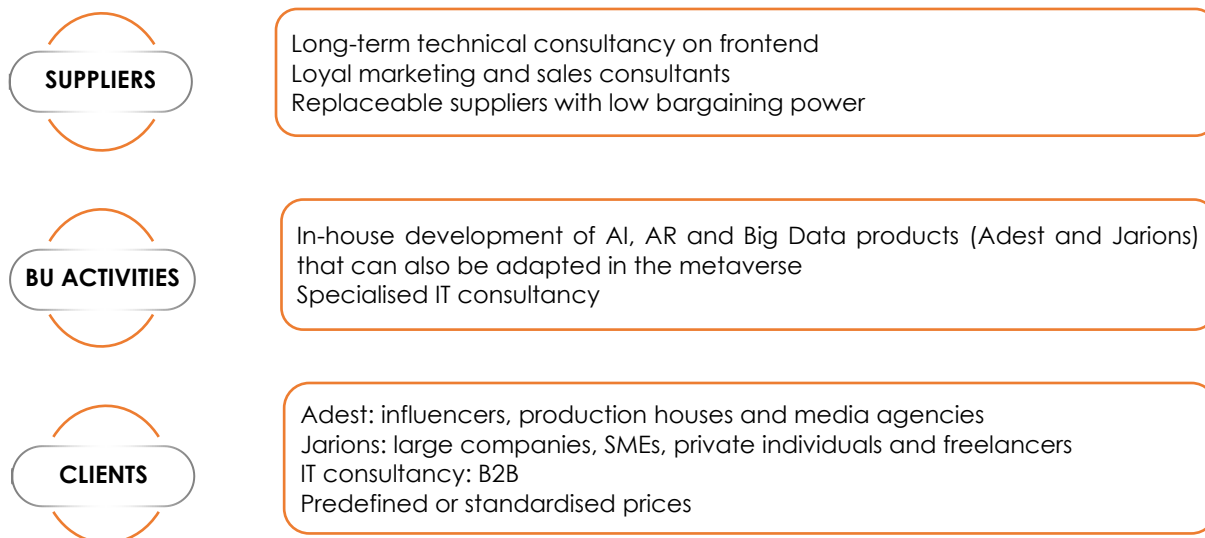
Application example: multinational company with the need to manage several digital communication channels (WhatsApp, e-mail, Slack,...) optimising the flow of information internally or with third parties

Business Model: JARIONS

- 1 - **USER ACQUISITION WITH REGISTRATION ON THE PLATFORM:** User acquisition is done through web marketing campaigns. A commercial network acquires B2B customers.
- 2 - **INTEGRATION OF DIFFERENT COMMUNICATION CHANNELS AND FORMATS:** The user sets up accounts in the tool and tests the free functions.
- 3 - **USER CONVERSION TO PREMIUM PACKAGES:** Each user chooses to upgrade to the premium functionality that meets their needs.
- 4 - **USER RENEWAL OF SUBSCRIPTIONS:** Users renew packages annually or monthly.

Source: Company presentation & PMI Capital Research Elaboration

MarTech Industry Business System



Source: Company presentation & PMI Capital Research Elaboration

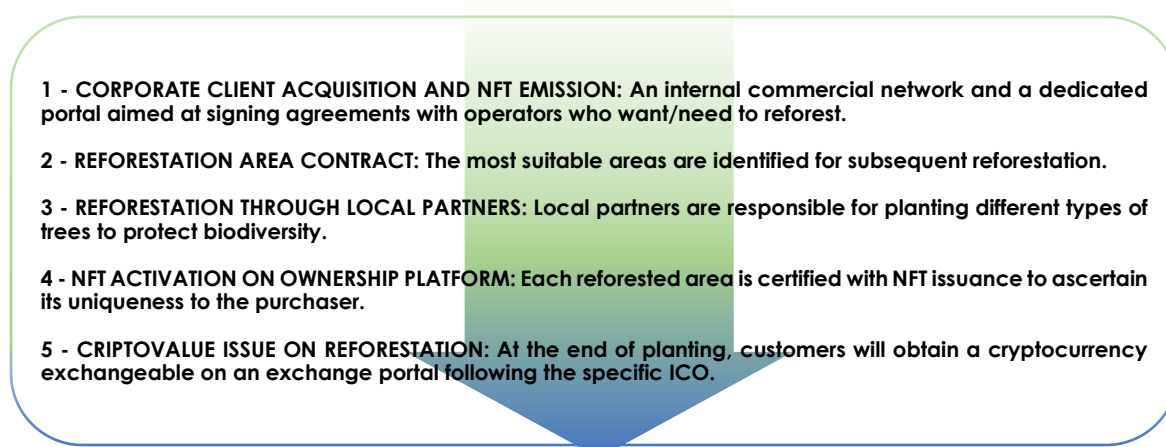
Business Unit GREENTECH

By leveraging on the experience and know-how gained through the activities in the other two business units, the Group is currently developing the Green-Tech business unit. At the moment the BU aims at developing innovative technological solutions for sustainable economic growth. Through the GreenTech business line, the Group intends to exploit a connection between green and IT skills, developing innovations both in support of biodiversity protection and in the AgriTech field. The commercialization phase of the above described products is expected to start from the end of 2022.

Through its subsidiary Green Earth, the Group engages in:

- Development of a token platform linked to reforestation;
- Development of innovative products in the AgriTech sector for data collection and analysis to support the transition to 4.0 agriculture.

Business Model Greentech



Source: Company presentation & PMI Capital Research Elaboration

Companies

Green Earth

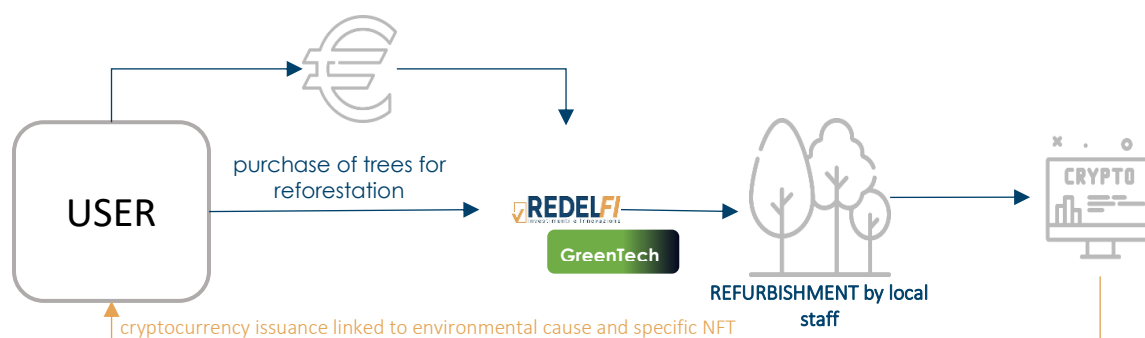
GreenTech startup founded in November 2021, Green Earth's core business is reforestation through NFT technology and the issuance of cryptocurrencies with the aim of offering the market a new tool for the protection of biodiversity.

After analysing land and conducting environmental feasibility studies on behalf of clients, entire geographical areas will be reforested with the aim of balancing CO2 emissions. Green Earth uses blockchain technology to create associated cryptocurrencies and NFTs (Non-Fungible Tokens) to certify the service.

Thanks to partnerships with companies operating in the Green sector, Redelfi provides new innovative technologies to support Agriculture 4.0 [a term for the next big trends facing the industry, including a greater focus on precision agriculture, the internet of things (IoT) and the use of big data to drive greater business efficiencies in the face of rising populations and climate change].

Green Earth is a company that is entering the B2B market, engaging in environmental projects by combating deforestation and biodiversity loss by including cryptocurrencies as an element of innovation. Through a specially created portal, the user can invest in a reforestation project, acquiring at the same time an amount of cryptocurrency.

The cryptocurrency is intended to support the reforestation project. The coins issued will then be interchangeable on an exchange to promote awareness of the issue of biodiversity protection.



Source: Company presentation

Green-Tech Industry Business System



The main supplier is the subsidiary Enginius, which provides technological expertise;
Other non-strategic suppliers with low bargaining power



Reforestation with related token and NFT issuance;
AgriTech technology solutions



Reforestation: institutional funds, energy users and polluting companies
AgriTech: research institutes, laboratories and farms
Predefined or standardised prices

Source: Company presentation & PMI Capital Research Elaboration

RESEARCH & DEVELOPMENT

The activities of the Redelfi group are characterised by high technological innovation. In the MarTech and GreenTech BUs resources in terms of capital, people, knowledge and tools are invested for the “in house” development of innovative solutions and technologies able to offer answers to the needs of customers, B2B or B2C.

The Group's R&D focuses on the following areas of expertise:

- Efficient, modern and interfaced backend and frontend architectures and development for the creation of functioning and well-positioned products;
- UX solutions to ensure products are easily navigable by any user;
- Development of Machine learning, Artificial Intelligence, Virtual Reality and Big Data solutions;
- Development of Blockchain and NFT solutions to certify the originality and uniqueness of products.

In the last three years, R&D investments in the different BUs were as follows:

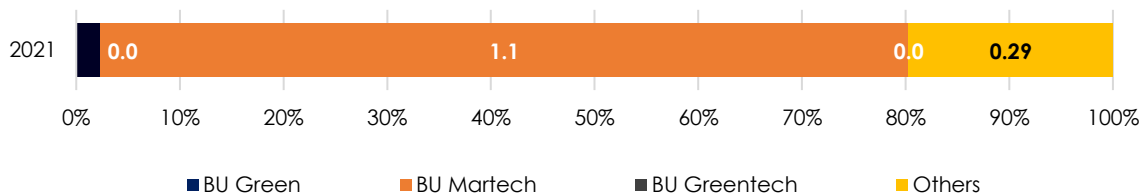
- Green: SR26 SOLAR FARM LLC incurred costs for the impact study and feasibility study on the sizing of the plant, based on the electrical flows of the national grid, as well as the drawing of the layout. Including goodwill, it was paid by Redelfi 2.2 million in April 2021 without mounting the individual costs within the SPV;
- MarTech: Euro 211 k
- GreenTech: a new BU, so it has no R&D history.

In general, the average percentage of turnover reinvested in R&D will be more than 10% (investments in MarTech and GreenTech products/total revenues), in particular, it will focus for each BU on:

- a) Green: creation of a softwares that manage the uploading and downloading of electricity in storage (currently not reflected in Bp);
- b) MarTech: development of the Adest and Jarions products;
- c) GreenTech: creation of the token platform and relative blockchain for reforestation.

The R&D division will be a single one for the Group and will be carried out by the Enginius team, as innovation has an IT underpinning and as such will be carried out by the technical team on the ideas of the management of the specific BUs and/or Redelfi.

Revenues breakdown by business – FY21 – Eur m



Source: Consolidated Group data & PMI Capital Research Elaboration

Main Customers



Source: Company presentation & PMI Capital Research Elaboration

REFERENCE MARKET

Battery Energy Storage System

As renewable energy production continues to grow, the Battery Energy Storage System (BESS) market is becoming increasingly important and valuable; several reports have analysed the strong growth this market has taken and will continue to take as a result of the Covid-19 pandemic and global governmental guidance. As proof, large-corp investments in the Energy Storage Market have tripled in the last four years.

The LDES Council is a global, CEO-led organization that strives to accelerate decarbonization of the energy system at lowest cost to society by driving innovation and deployment of long duration energy storage. Launched at COP26, the LDES Council provides fact-based guidance to governments and industry, drawing from the experience of its members, which include leading energy companies, technology providers, investors and end-users.

LDES is defined as any technology that can be deployed competitively to store energy for prolonged periods and that can be scaled up economically to sustain electricity provision, for multiple hours, days, or even weeks, and has the potential to significantly contribute to the decarbonization of the economy. Energy storage can be achieved through very different approaches, including mechanical, thermal, electrochemical, or chemical storage.

Long Duration Energy Storage technologies (LDES) can play a crucial role in helping create the system flexibility and stability required by an increasing renewable share in power generation, alongside other technologies such as Lithium-ion (Li-ion) batteries and hydrogen turbines.

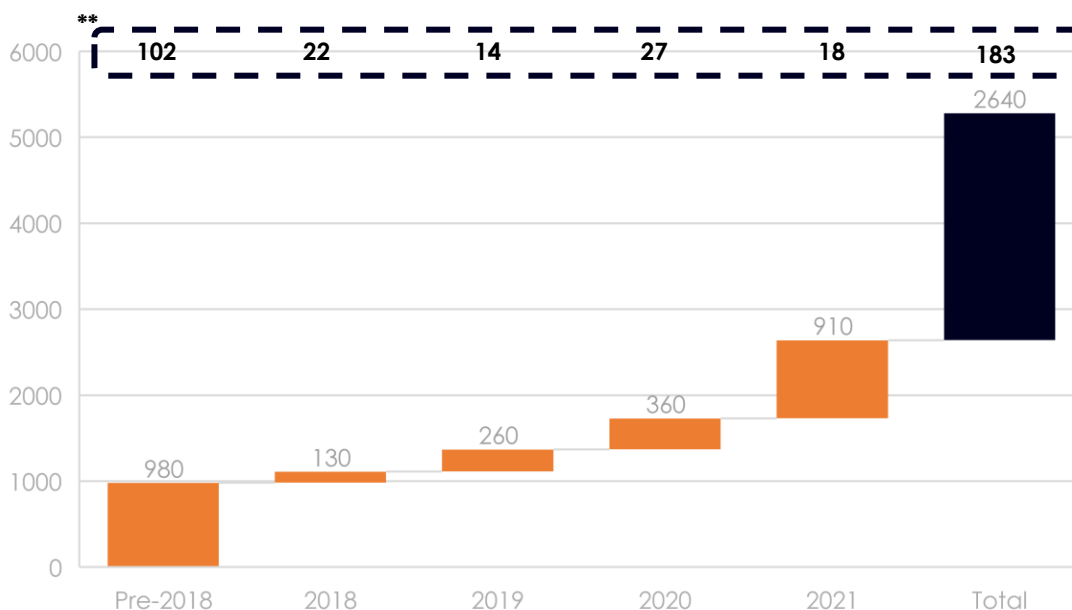
The term LDES is used to encompass a wide technology family with various levels of technological maturity and market readiness. While this class does not exclude Lithium-ion (Li-ion), hydrogen turbines, or large-scale, aboveground pumped storage hydropower (PSH), in this research we focus on novel technologies that can fulfill the flexibility space beyond Li-ion batteries and other short-duration solutions.

These technologies are herein referred to as "LDES", and do not include hydrogen, Li-ion, or large-scale aboveground PSH. Novel LDES can be broadly classified into: mechanical, thermal, electrochemical, and chemical storage.

Investor interest in LDES has increased in recent years, with more than USD 2.5 b. invested in LDES companies; the potential of LDES technologies to increase the integration of low-cost wind and solar resources, while reducing the cost of decarbonized power systems, has prompted a surge of new commercial initiatives and research and development (R&D) efforts.

Cumulative investment in major LDES companies exceeded USD 2.5 b. in 2021, having nearly tripled in the last four years.

Global deals* in the LDES industry



*Based on public investments, VC, PE, corporate and debt investments of 25 major LDES companies.

**Number of deals

Source: McKinsey & Co. (2021) - Net-zero power, Long duration energy storage for a renewable grid

Over 260 LDES projects have been announced worldwide at different commercial stages. These projects total 5 GW and 65 GWh, with roughly 230 projects and 75% of the capacity already contracted, under construction, or operational. This capacity does not include large-scale aboveground PSH projects, which represent more than 95% of all LDES capacity installed globally today.

However, the majority of the capacity is associated with traditional molten salts and CAES technologies, which have some deployment limitations compared to novel LDES (such as their large footprint and limited modularity). Thermal LDES accounts for the largest share of the total announced capacity (60%), attributable primarily to a number of molten salt storage facilities for concentrated solar power (CSP) in the megawatt (MW) scale. Traditional CAES holds the second-largest capacity share (around 30%) and the largest average plant size (80 MW).

Flow batteries account for the highest number of projects (over 100), but their average announced capacity is significantly lower at around 4 MW. This means that, while the potential of other LDES technologies is high, their widespread adoption is dependent on their commercial demonstration and cost developments.

The US, Spain, and Germany have the largest reported capacities and projects in terms of regions. The capacity in the US is balanced between mechanical, thermal, and electrochemical projects, accounting for roughly 30% of global capacity. Most LDES projects in Spain, which account for 20% of global announcements, are thermal LDES. Germany also has two CAES projects with more than 200 MW, accounting for 10% of the total announced capacity globally. In Asia, Japan and China have announced at least 30 electrochemical projects, combining both flow and metal anode batteries.

In a net-zero scenario, the total addressable market (TAM) for LDES has the potential to reach between 1.5 and 2.5 TW scale by 2040. Energy shifting, capacity provision and optimization of T&D applications will account for the vast majority of deployments. This is true across markets.

The estimated value of this market could reach over USD 1 trillion by 2040. LDES can create value in a range different on-grid and off-grid applications not accounted in the modeling and which could increase the cumulative value creation to around USD 1.3 trillion by 2040

LDES plays a significant role in all modeled scenarios but the precise uptake is sensitive to cost, the performance of alternative technologies and to the pace of decarbonization broadly. Under alternative assumptions, deployments could be up to 40% lower.

LDES economic and environmental benefit in the energy system

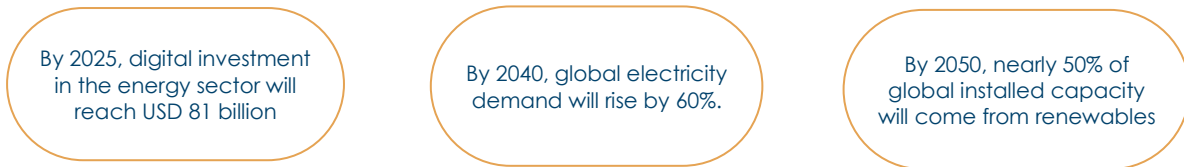
Achieving the optimal LDES capacity deployment through 2040 will require significant investments; overall, using LDES to upgrade electric power systems in the most cost-effective manner will necessitate significant private investment.

Cumulative capex investments of USD 50 billion are likely to be required to deploy the projected capacity until 2025, with USD 1.5 trillion to USD 3 trillion needed globally until 2040 to realize progressive cost projections.

LDES technologies would also benefit from government support to kick-start the market as quickly as the net-zero transition demands. Short-term funding for these technologies can be viewed as a long-term investment that will pay off in the form of a lower-cost power system and a de-risked transition.

A supportive ecosystem with concrete actions would be beneficial for the prompt development of the market. In particular, 3 key areas for action have been identified:

1. Long-term system planning could help attract adequate levels of private investment:
 - a. National upfront planning to optimize the capacity mix, grid infrastructure, and storage;
 - b. Clear RE targets to create demand for energy storage and provide visibility to investors;
 - c. International coordination to enhance efforts across markets and regions.
2. Support for first deployments and scaling-up capabilities to lower investors' barrier of entry and risk:
 - a. Dedicated support programs to reach cost cutting potential and test new market mechanisms;
 - b. Targeted support schemes such as RE and LDES tenders to incentivize take-up by sector players;
 - c. Support for manufacturing and supply chain improvement to increase scale and reduce capex.
3. Market creation to ensure financial returns during the lifetime of the assets:
 - a. Market mechanisms and designs to ensure compensation for flexibility provision;
 - b. Enabling regulation to facilitate LDES uptake (e.g. safety standards, market rules that capture LDES value).



Source: Company presentation & PMI Capital Research Elaboration

Martech: growing investments and solutions

The MartTech landscape is changing rapidly, with new tech solutions constantly coming into the market. Tech that was previously considered innovative or experimental is reaching the point where it reliably delivers a return on investment and has become essential for companies to remain competitive.

The adoption of new tech has often been around innovation and experimentation, but it is now at the very core of marketing; for example, the use of artificial intelligence (AI) and machine learning (ML) in many tech solutions can optimise and automate marketing in ways that humans simply cannot match. With the acceleration of digital transformation during the pandemic, and in an increasingly digital-first

world, marketing technology has become more essential than ever, for commerce, for virtual events, and simply to keep up with the channel preferences of customers.

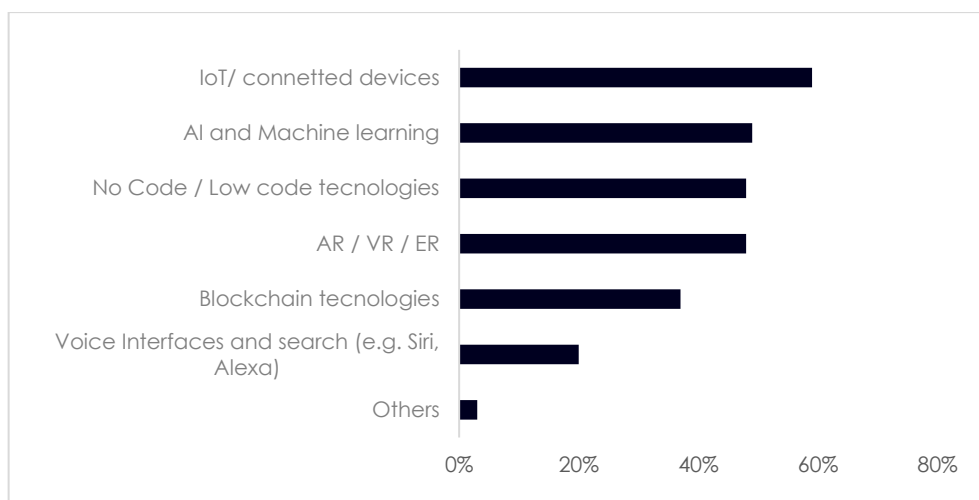
The development of MmartTech strategy and business intelligence are the two MmartTech functions which organisations most intend to focus on improving: the two go together well, with business

intelligence and competitor research being fundamental to the planning of marketing strategy, and with planning and strategy being one of the key areas for improvement in terms of MMartTech maturity.

According to data from the MarTech Alliance's "The MarTech Report 2021/2022", the global market in 2021 was worth around USD 345 b., confirming the importance of digital technologies within businesses; market growth is driven by changing user behaviour, evolving technology, data security and privacy, investment in marketing automation and digital transformation.

Predictive personalisation in Marketing Automation, including the use of Machine Learning and Artificial Intelligence, will be the key to creating hyper-personalised customer experiences. Today's increased focus on data security and privacy brings a greater focus on backend code development and the creation of data-driven platforms. An example of this is the increasing use of blockchain, a technology in which unique, one-of-a-kind and unchangeable data is stored.

Assessment of LDES-driven business cases



Source: Market Alliance "The MarTech Report 2021/2022"

In 2021, 46% of users used Augmented and Virtual Reality and their use is expected to increase during 2022 (i.e. with Metaverso).

GreenTech: technologies to support green

The term 'GreenTech' refers to 'sustainable technology' and in particular to the use and contribution of technology to protect the environment. To combat climate change and reduce the impact of the population on the Earth, "green" increasingly requires the support of emerging technologies such as IoT, Big Data analytics, Artificial Intelligence, Cloud Computing, Blockchain, etc.

According to MarketsandMarkets' "Green Technology and Sustainability Market" report published in December 2020, the global size of the green technology market will grow from USD 11.2 b in 2020 to USD 36.6 b. by 2025 at a CAGR of 26.6% during the forecast period, with particular emphasis on blockchain which is expected to grow at the highest rate compared to the multiple technologies applied to green. Several startups, the report says, are in fact already using blockchain as a tool to make energy networks more accessible and sustainable by promoting real-time data sharing.

With respect to the wide range of applications covered by the GreenTech sector, the Redelfi Group is focused on the development of solutions to support reforestation through the use of cryptocurrencies and blockchain and on the development of solutions to support agriculture ("Agritech").

Reforestation

The UN and FAO report "The UN Decade on Ecosystem Restoration 2021-2030", analyses the rate of deforestation and forest expansion and decrees a net loss of forest area. The area of new forests in the world fell from 7.8 million hectares per year between 1990 and 2000 to 4.7 million hectares per year in the period 2015-2020, while the area of deforestation fell from 16 million hectares lost per year between 1990 and 2000 to 10 million hectares lost in the period 2015-2020.

In absolute terms, the global forest area decreased by 178 million hectares between 1990 and 2020. One of the main causes of deforestation (accounting for about 80% of all deforestation) is the creation of new areas for crops.

Soils require urgent restoration to combat deforestation and protect biodiversity, and this will require investments of USD 1 t. to restore 350 million hectares. This may sound high, but it represents only 0.1% of global economic output by 2030.

Cryptocurrencies

The cryptocurrency market was valued at \$674.5 million in 2019 and is expected to reach \$5,493.3 million by 2027, growing at a 2020-2027 CAGR of 32.35% (Source: Verified Market Research 2021- "Global Cryptocurrency Market Size"). Today, it is developing in favour of sustainable issues, seeking to create alternative solutions that will have less impact on the environment by reducing CO2 and wasted electricity.

Closely related to the world of cryptocurrencies, according to Technavio, the global blockchain market is expected to grow at a CAGR 2021-2025 of 32.39%, increasing by 6.25 billion over the period (Source: Technavio -2021), "Blockchain Technology Market by End-user and Geography - Forecast and Analysis 2021-2025").

The economic sector is benefiting from many digital innovations. One of the most important innovations resulting from the combination of business and technology is the cryptocurrency market. A cryptocurrency is a digital resource placed on a decentralised network, i.e. not controlled by a central authority. For this reason, cryptocurrencies that are traded are subject to more drastic price fluctuations than traditional stocks. In recent years, this sector has found a strong place in the free economy.

The growing demand for secure online data dissemination and the certification of true and unique information is behind the rise of blockchain technology, which is the technical support for all types of cryptocurrency. According to the composite index compiled by the company ChainAnalysis between the end of 2019 and the middle of 2021, the use of digital currencies increased 25-fold, reaching a peak of USD 2.3 t. in November 2021.

The cryptocurrency market is growing rapidly and is becoming increasingly scalable. In emerging economies, cryptocurrencies are a substitute for deposit accounts; in economically advanced countries, there is a rapid integration of digital currencies into investment portfolios, comparing their value to traditional currencies and even allowing them to be exchanged as payment.

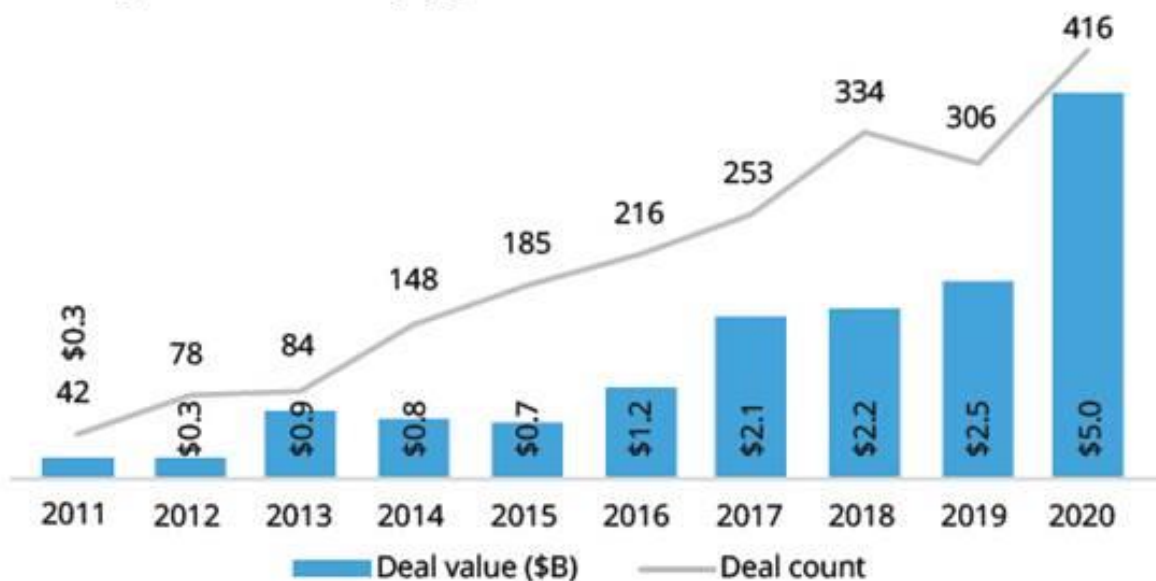
The sustainability of cryptocurrencies is difficult to define because there are many different parameters to consider, but certainly the environmental issue is mainly about the energy used to process them.

The sector has set itself the goal of becoming greener, thus generating tools to support sustainable and responsible economic growth. The main issues are the waste of electricity and the production of CO2, linked to the use of machines associated with the creation and exchange of cryptocurrencies. Among the different cryptocurrencies that exist today, ours will be differentiated by its reduced energy use and an underlying based on reforestation projects.

AgriTech

The strong impacts of industrial agriculture on the environment have necessitated a new collaboration between sustainable agriculture and emerging technologies. New technologies applied to sustainable agriculture have created the new AgriTech (or AgTech) market. AgriTech is the industry that harnesses technology to improve efficiency and sustainability in the production, selection, delivery and consumption of food. Globally, PitchBook estimates (in its 2021 report "Emerging Tech Research: Agtech") that venture capital investment in agri-tech will reach \$5.0 billion in 2020 (deal disclosed), growing steadily from previous years and by nearly 100% from 2019, despite the challenging macroeconomic environment created by the COVID-19 pandemic, confirming the positive momentum and investor interest in the AgTech ecosystem. This value is given by the sum of 416 completed funding rounds. It also includes almost a third of the USD 15.9 b. raised in total in sub-sectors such as indoor agriculture since the beginning of 2010. This trend also continued in the following year, with an additional \$7.8 billion invested in the first 9 months of 2021 (already higher than the entire 2020).

Global agtech VC deal activity by year

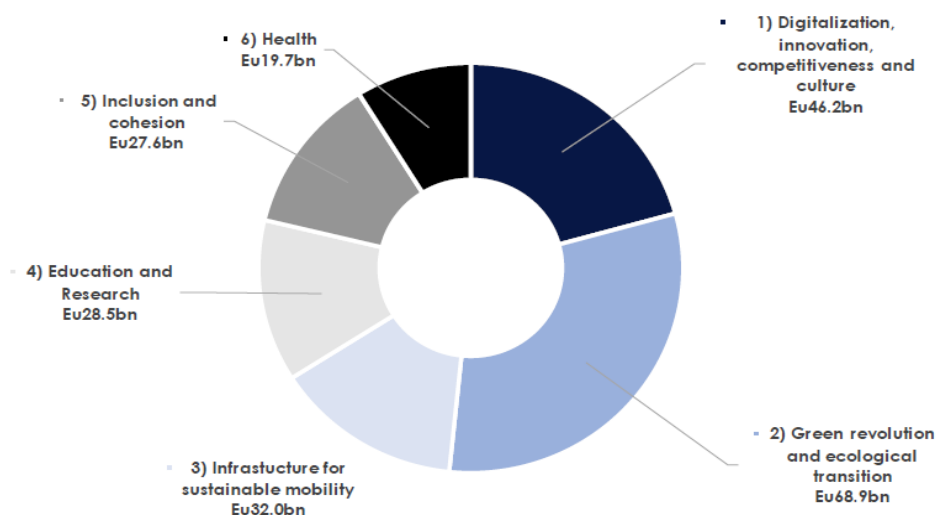


Source: PitchBook (2021), "Emerging Tech Research: Agtech"

NRRP DIRECTIVE

The overall value of the National Recovery Plan is Euro 222.9 b., as on top of the initial Euro 29 b of NGEU funds there is the Euro 13 b. European ReactEu programme. The plan consists of six missions with 47 lines of action for different projects, with the largest shares for the digital and green transition, respectively 20.7% and 30.9% of the total. The problem of the governance for the plan remains to be resolved and this will be tackled via a new decree.

Missions and figures for the National Recovery and Resilience Plan



Source: NRRP

The total amount for the first mission: Digitalisation, innovation, competitiveness and culture (Euro 46.2 b), c.21% of total funds, is divided into three lines with different related projects, as outlined in the chart below:

The first mission of the NRRP: Components and Figures

Components	Funds (Eu bn)
Digitalization, innovation, competitiveness and culture	46.2
1. Digitalization, innovation and security in public administration	11.5
2. Digitalization, innovation and competitiveness in production system	26.7
3. Tourism and culture	8.0

Source: NRRP

The first component is divided into several lines:

- 1) **Public sector digitalization (Euro 7.95 b)**, with the following proposed projects:
 - a) **Digital infrastructure and cybersecurity (Euro 1.25 b)** – investments in developing highly reliable and efficient infrastructure for the provision of cloud services to the public sector.
 - b) **Data and interoperability (Euro 1.13 b)** – interventions to make databases interoperable and accessible through an API catalogue that allows central and local public bodies to draw data down from the cloud, process it and provide services to citizens and companies, in line with the EU Data Strategy.
 - c) **Digital citizenship, services and enabling platform (Euro 5.57 b)** – interventions for promoting the use of electronic identity verification (SPID and CIE), digital signatures and certified e mail; legally-binding notification of acts, resolutions, notifications and communications from public sector bodies; full public sector digitalisation; the creation of a cashless community (Euro 5.57 b, of which Euro 4.7 b already allocated for the Italia Cashless project).

- 2) **Public sector modernisation (Euro1.50 b)**
- 3) **Innovation in the organisation of the justice system (Euro 2 b).**

The second component is divided into the following line:

- 1) **Transition 4.0 (Euro 18.98 b):** CapEx incentives for digital and green transition. The project is based on a tax credit for expenditure on capital goods (tangible and intangible 4.0), for investments in R&D, in innovation and development processes oriented towards environmental sustainability and in digital evolution. Disbursement of the tax break benefits from simplified and accelerated procedures. This extension, starting from 2021, should allow greater involvements of SMEs that have to close a historical gap in terms of basic digitalisation. In addition, the plan, which will again benefit SMEs provides a wider pool of facilitated intangible capital goods and simplified and accelerated compensation mechanisms for the benefits accrued for companies with an average annual turnover of less than Euro 5 m.
- 2) **SME financing and guarantee fund (Euro 0.80 b);**
- 3) **Broadband, 5G and satellite monitoring (Euro 4.20 b);**
- 4) **Microprocessor innovation and technology (Euro 0.75 b);**
- 5) **Industrial supply chain and internationalisation policy (Eu2.00bn).**

Despite it being too early to assess the potential impact from the introduction of these measures, it is clear that this could significantly boost digital spending in the next few years, benefitting companies directly involved in this field such as Redelfi.

COMPETITIVE POSITIONING

The competitive context has to be analysed for each of Redelfi's BUs, as they operate in very different sectors and market segments. At Group level, however, Redelfi has several competitive advantages over other companies operating in different sectors, first of all the experience and credibility of the team both in Italy and abroad for both the Green BU and the MarTech BU, as they have been operating in the sector for many years and have a proven ability to pursue new trends and opportunities, such as BESS and the new products under development Adest and Jarions.

Business Unit GREEN

Generally speaking, the renewables sector today boasts a high degree of concentration, with the presence of large companies and high access difficulties and barriers to entry for new players, as it is a very capital-intensive sector that requires a large production structure and support from technical and engineering studies to obtain authorisations.

In this sense, the traditional market can be considered almost saturated, although the reference segment for Redelfi and in particular for the Green BU is the BESS market, which represents the evolution of renewable energy in which there are very few operators. This is especially true in Italy, which has a context that is developing in line with the new regulations planned for the second half of 2022.



Source: Group Presentation

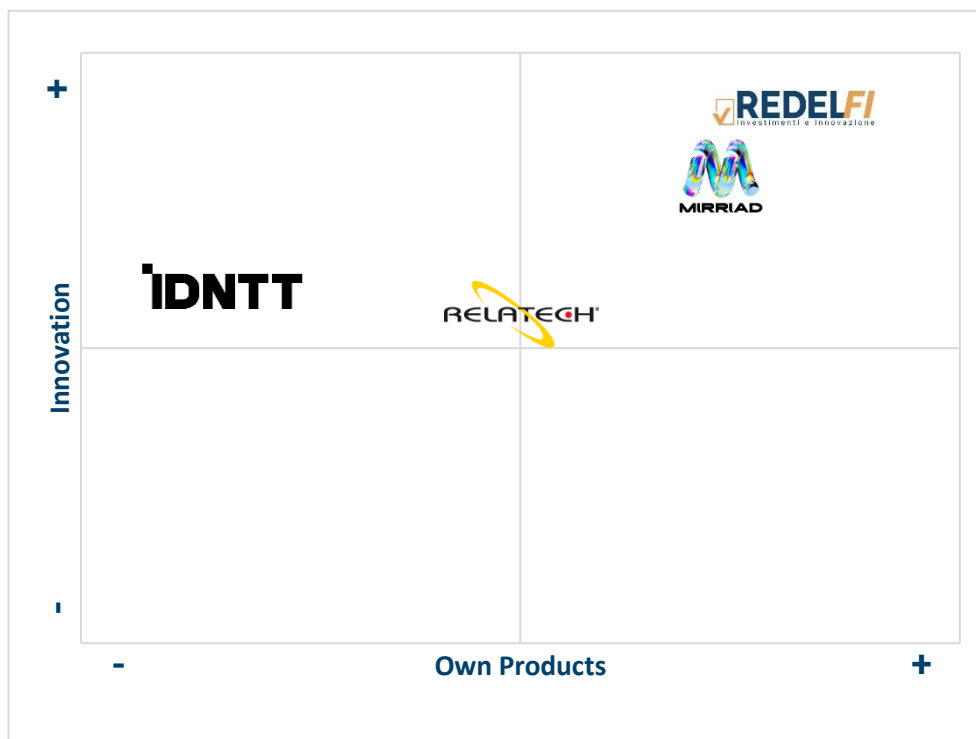
- **Ameresco**: renewable energy operator present in the US and UK, which positions itself as a clean energy integrator and developer, owner and operator of energy resources, while Redelfi has only the role of developer;
- **Enlight**: global renewable energy developer and independent power producer in the traditional and wind power sectors. It is present in 12 countries, but does not operate in the BESS;
- **Iniziativa Bresciana**: an Italian operator that produces energy from hydroelectric sources, not pursuing storage solutions.

Amaresco alone operates in the BESS market and aims at a growth increase.

Business Unit MARTECH

The main expertise, Big Data, AR and advertising make the MarTech BU highly competitive in the markets, because it is able to develop unique and disruptive products in synergy with the other BUs of the Group. MarTech is defined by a fragmented market, where the multiple applications in the technology field open the way to new opportunities and new sub-sectors.

Technology today has reached such a level of maturity that a high degree of market concentration can be imagined, but the change in mentality and the use of digital on a daily basis leads to the constant generation of new demand, to which an increasingly wide range of products and services must respond. This versatility leads the market itself to be highly pursuable in terms of opportunities and growth.



Source: Group Presentation

- **ID-Entity** is an advertising content creation company in Europe, unlike Enginius which currently operates only in Italy;
- **Relatech** develops technological products and innovative solutions for third parties in Italy, carrying out an activity consistent with that of the MarTech BU;
- **Mirriad** is an international operator that is positioned in the same reference market as Adest, a product under development, as it deals with content with music video production companies and advertising content; it is currently one of Adest's few direct competitors.

Business Unit GREENTECH

Green-Tech is an innovative, fast-growing but not yet defined sector. The GreenTech BU has developed transversal competences internally and with different partners to invest in the main market trends. From reforestation, to AgriTech, to blockchain, the market is moving towards innovative solutions with the aim of pursuing sustainable goals.

It is a new and fragmented market, with the presence mainly of startups with a strong inclination towards sustainable growth in environmental, social and economic terms. The competitive arena of the GreenTech market shows low sector concentration and wide future growth prospects. The players present are not large and do not hold significant market shares.



Source: Group Presentation

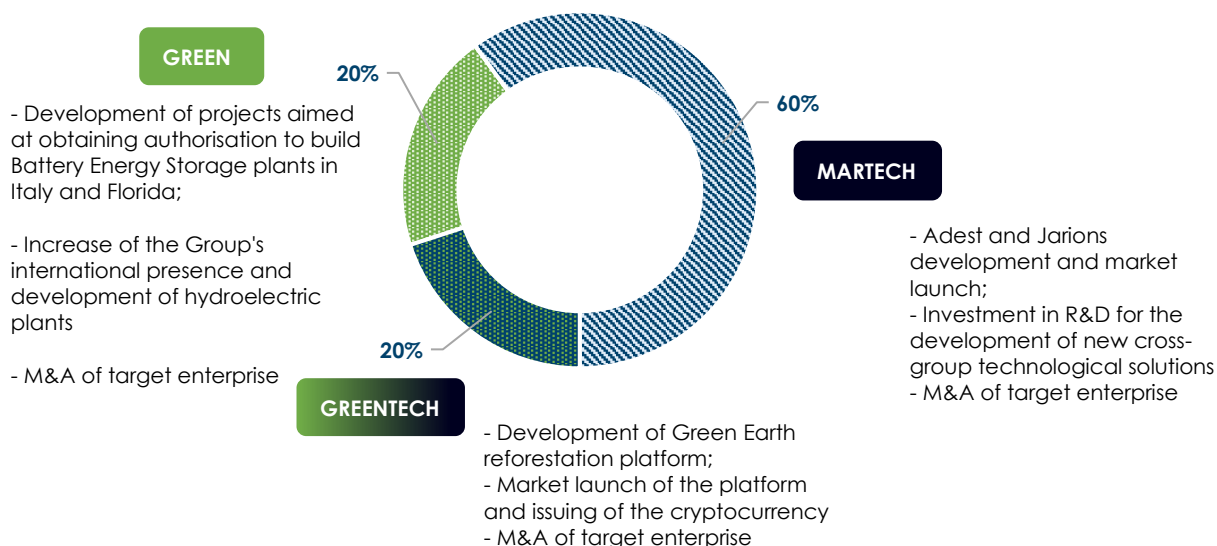
- **Groupe Exel:** operates in the AgriTech innovation sector, with an international presence in 27 countries. Redelfi GreenTech is only present in Italy and Switzerland, but aims to operate in different sectors applying technology to the theme of sustainability;
- **Treedom:** is an Italian e-commerce service committed to reforestation with the support of digital skills, although the token component is not present;
- **IXO:** is an open source operator specialised in blockchain, it measures any environmental impact by evaluating the actions of different projects.

STRATEGY AND ACTION PLAN

Redelfi is proceeding to invest the funds collected in order to accelerate its organic growth path based on 4 strategic guidelines:

- **Boost for the development of innovative solutions in the 3 BUs:** Development of technological solutions in the MarTech sphere and ongoing projects in both the Green and GreenTech BUs. Continuous investments in R&D are also expected
- **Strengthening of the organisational structure:** Inclusion of figures with specific market skills for MarTech and GreenTech solutions.
- **Scouting new projects:** Continuous research and evaluation of market opportunities for the consolidation of the 3 BUs.
- **Marketing and brand awareness:** MarTech and GreenTech: investments in marketing and communication for the market introduction of IT solutions and the diffusion of the Green Earth platform.

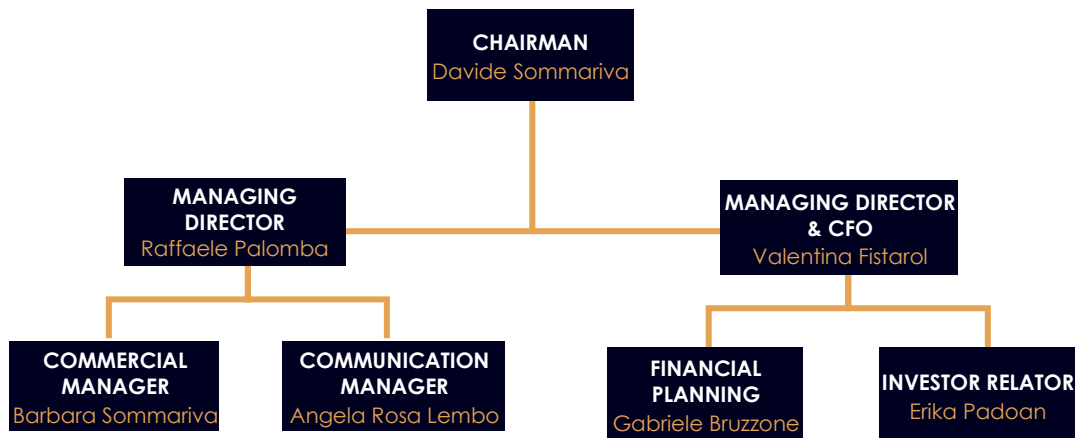
Use Of Proceeds



Source: PMI Capital Research Elaboration

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

Organizational chart



Source: Group presentation

Key Managers

Davide Sommariva – Chairman

He holds a Bachelor's degree in Economics and a Master's degree in Finance. After an experience in investment banking, he has been working for more than 14 years in the field of renewable energy. He founded Renergetica S.p.A. by listing it on the EGM market (formerly AIM Italy) in 2018. He was Chairman of Renergetica S.p.A, Member of the Board and CFO of Renergetica USA Corp. and Member of the Board of RSM Chile S.p.A.

Raffaele Palomba – Managing Director

Managing Director of Redelfi and Sole Director of RH Hydro S.r.l.

Among his experiences, he has created and managed a commercial network in the national territory in the retail sector. For over 14 years he has been working in the field of renewable energies, developing business in Italy and abroad with particular focus on the South and North American markets. He has been a member of the Board of Directors of Renergetica S.p.A, and Chairman of RSM Chile S.p.A..

Alessandro Ivaldi – Counselor

Director of Redelfi and CEO of Enginius S.r.l.

After graduating in Electronic Engineering he has held roles with increasing responsibility. In 2013 he is coFounder of Talent Garden Genova, in 2014 he founded Enginius S.r.l., holding the position of CEO, and in 2019 he is coFounder and CTO of Gioielleria Italiana S.r.l.

Valentina Fistarol – Managing Director & CFO

Managing Director and CFO of Redelfi with 20 years of experience in accounting and taxation.

She has been Administrative Manager of Renergetica S.p.A. managing all the accounting and tax aspects of the group both in Italy and in all its foreign subsidiaries.

She fully followed the listing process of Renergetica S.p.A. on EGM (formerly AIM Italy) in 2018.

Angela Rosa Lembo – Communication Manager

Head of Communications at Redelfi. After a degree in Communication and a master in International Communication and Marketing, she worked in this sector and in digital with increasing responsibilities.

Expert in SEO and data analysis, innovation, augmented reality and gesture tracking, she has worked as press officer in ANCI Umbria, project manager in IT area in Vodafone Italia and IT manager in TWOW, web marketing agency.

Gabriele Bruzzone – Financial Planner

Financial Planner at Redelfi and for 10 years in the working world as an administrative accountant. In his previous work experience in Renergetica S.p.A. he was responsible for the preparation of the consolidated financial statements during the listing process on EGM (formerly AIM Italy) and in the following years.

Governance

Redelfi's subscribed and paid-up share capital at 31/12/2021 is Euro 284 k.

Following the full exercise of the greenshoe option and pursuant to Article 26 of the Issuers' Regulations Euronext Growth Milan, the Company announces that, from the latest results in its possession, its shareholding structure is composed as follows:

Shareholder	%
Marinetta s.s.	37.1%
Intersidera s.s.	7.52%
Gieffe	6.73%
Davide Sommariva	1.98%
Alessandro Ivaldi	1.10%
Domenico Giacobino	1.06%
Others members (with lock-up)	11.19%
Free float	33.31%
Total	100.00%

Source: Group presentation

Board of Directors

- **Davide Sommariva** – Chairman
- **Raffaele Palomba** – Managing Director
- **Valentina Fistarol** – Managing Director & CFO
- **Alessandro Ivaldi** - Councilor
- **Silvia De Simone** - Councilor
- **Paolo Siniscalco** - Independent Councilor

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Technological know-how and speed in identifying and developing innovative disruptive solutions • Consolidated management experience • In-depth knowledge of the green market • Transversality and integration of Business Units thanks to digital skills • Diversification of the business model • Financial solidity • Attention to sustainability and ESG issues 	<ul style="list-style-type: none"> • Start-up phase for some Group companies • Lack of historical financials for some Group companies • Evolving organisational structure
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Markets with a low degree of concentration and strong growth opportunities • Market niches without dominant players • Integration of new skills and qualified resources • Ability to adapt to market changes with a strong innovation bias 	<ul style="list-style-type: none"> • Regulations concerning the most advanced technologies (e.g. NFT) still under development • Need for significant investments for the development of innovative solutions of the various BUs

Source: PMI Capital Research Elaboration

FINANCIALS AND ESTIMATES

Prior to 2021, Redelfi operated as non-operative holding company. With the exit from the investment in Renergetica in 2021, and investments in RH HYDRO, Enginius and Benvenuto in 2021, the Group has started to implement its current business model. Our estimates include the raising realized through IPO.

Redelfi Group presented its first consolidated financial statements with FY21 results (for now unaudited). FY20 results refer to Redelfi standalone, whereas FY21PF represent consolidated financials assuming the acquisition of Enginius (April 2021) and Benvenuto (September 2021) as of 1 January 2021 (FY21A represent consolidated as of official financial statements). The results reflect the different stages of the Group companies. We highlight the following:

- Consolidated Value of Production FY21 of Euro 0.9 m largely (Euro 0.8 m) related to the IT consulting activity of Enginius
- Financial income of Euro 5.1 m from the sale of a 21.15% stake in Renergetica
- Negative profitability due to the start-up nature (EBITDA of Euro -0.9 m) of the Group, which has not yet reached full operation. The most important cost items were represented by services cost (Euro 0.8 m Board and Group set-up) and personnel (Euro 0.7 m)
- Net Profit of Euro 3.5 m thanks to the sale of Renergetica, Net of which the Group would have generated a Net Loss of approximately Euro 1.5 m.
- Euro 0.1 m of Net Cash position following the sale of Renergetica shares.
- Fixed assets OF Euro 5.5 m mainly referring to Goodwill from the consolidation of Enginius (Euro 1.2 m) and receivables from subsidiaries for Euro 2.25 m. (financial receivable claimed by Redelfi from Redelfi Corporation).
- Consolidated Net Equity stood at Euro 5.6 m (Group's Net Equity Euro 5.3 m)

Key Financials – Euro k

Income Statement	2022	2023	2024	2025
Sales	3.716	8.295	21.157	32.408
Other revenues	0.024	0.028	0.028	0.02
Value of Production	3.740	8.323	21.185	32.436
<i>yoy</i>	208%	123%	155%	53.1%
Operating Costs	1.128	4.266	10.930	14.443
Personnel Costs	2.194	2.722	3.636	4.206
Other Operating Costs	0.374	0.709	1.067	1.397
EBITDA	0.43	0.625	5.552	12.391
<i>margin %</i>	1.2%	7.5%	26.2%	38.2%
D&A	(0.259)	(0.549)	(1.040)	(1.246)
EBIT	(0.506)	(0.416)	4.306	11.003
<i>margin %</i>	-13.5%	-5%	20.3%	33.9%
Financial Income/Charges	(0.1)	(0.137)	(0.078)	(0.058)
Extraordinary Income/Charges	-	-	-	-
EBT	(0.606)	(0.553)	4.228	10.946
Taxes	-	-	-0.176	-0.741
Net profit (loss)	(0.606)	(0.553)	4.052	10.204
<i>Of which third parties</i>	<i>(0.288)</i>	<i>(0.589)</i>	<i>0.450</i>	<i>2.245</i>
Balance Sheet	2022	2023	2024	2025
Fixed Net Assets	7.310	7.683	7.485	4.657
Net Working Capital	(0.847)	(0.258)	1.542	6.652
Funds	(0.391)	(0.536)	(0.729)	(0.952)
Net Invested Capital	6.072	6.889	8.298	10.657
Net Financial Position	(2.447)	(1.077)	(3.721)	(11.565)
Equity	8.519	7.966	12.018	22.222
<i>Of which third parties</i>	<i>0.027</i>	<i>(0.562)</i>	<i>(0.112)</i>	<i>2.133</i>
Sources	6.072	6.889	8.298	10.657

Source: PMI Capital Research estimates

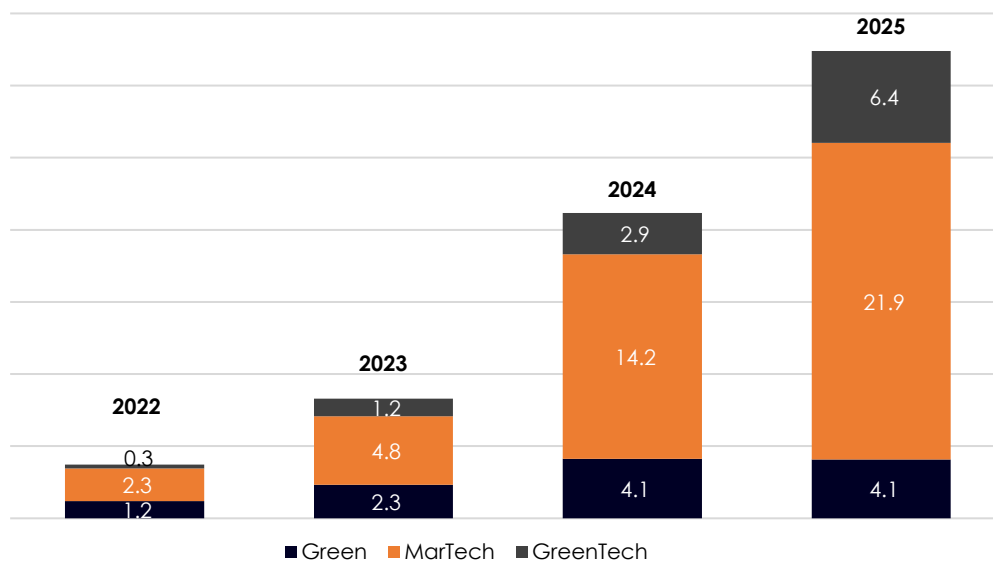
Over the next years Management intends to implement an ambitious strategic plan based on the development of the individual subsidiaries of the three business units. **We forecast 127% CAGR in 2021-2025E to Euro 32.4 m**, as the new businesses start to generate revenues and margins. We expect growth to be driven by Management's ability to exploit underlying market megatrends by leveraging on their combined expertise in the different areas in which the group is active.

Green: FY22-25 CAGR of 194%, in FY21 the BU does not produce any revenues, (13% on total revenues in FY25) to Euro 4.1 m driven by the trend of increasing importance of ESG principles aiming at reducing environmental impact and strong development potential for the BESS sector to support large renewable energy parks: the development of a pipeline of storage parks in Italy is also underway and is expected to have broad growth and development prospects. Beyond that, also the partnership with green companies and entry into the AgriTech market will be a very good prospects for this BU.

MarTech: FY21-25 CAGR of 110% to Euro 21.94 m (67.6% on total revenues) mainly driven by revenues from the two start-ups Adest and Jarion which we expect to reach revenues of Euro 10.9 m and Euro 7.8 m respectively in FY25 after their respective launches in FY22 and FY23. This BU will be the one with the highest weighting on turnover for all plan years, mainly due to the success of the two start-ups project; we hence expect total weight of this segment to increase to about 67.7% of total sales.

GreenTech: FY22-25 CAGR of 194% (19.7% on total revenues) to Euro 6.4 m driven by growth in the AgriTech market and expected exponential growth of blockchain and NFT solutions.

Business line total weight – Euro m / % on total



Source: PMI Capital Research estimates

Thanks to Redelfi's Management capabilities and market growth prospects, when all investment plans will be completed, high margins would be achieved (as early as 2024): profitability should improve from 2022 levels, going from a negative value of Euro -0.694 m in FY21 to a slightly positive value of Euro 0.43 m in FY22 and reaching Euro 12.39 m in FY25.

Redelfi will continue, over the course of its plan and especially in the next two or three years, to make continuous investments in the development and promotion of its products, especially in terms of research and development.

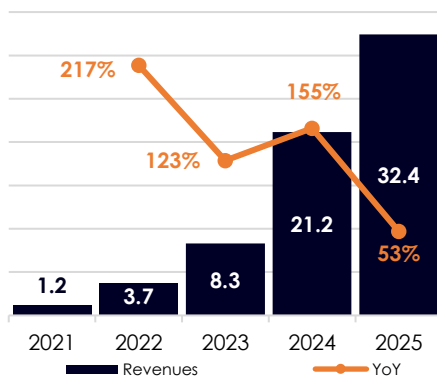
These investments will be aimed at speeding up the launch of the innovative platforms (Adest and Jarions), developing blockchain and NFT solutions, adding resources with specific skills for MarTech and GreenTech solutions.

We assumed that trade receivables and trade payables should improve as percentage of sales from 37 to 25% and from 15-10% respectively and our estimates include the sale of 21.15% of Renergetica, with total cash-in of Euro 5.1 m.

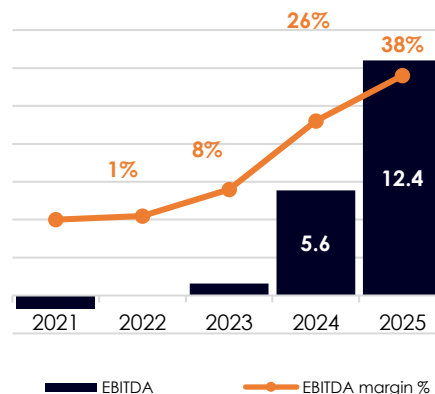
Consequently, net working capital is expected to decrease as percentage of revenues to 16% in 2023E from 9% in 2020.

Given the high expected profitability and relatively low capital requirements our estimates imply very good cash generation with a Net Cash position of Euro 7.9 m, which we believe could be used to develop new projects or products.

Revenue Evolution FY21-25

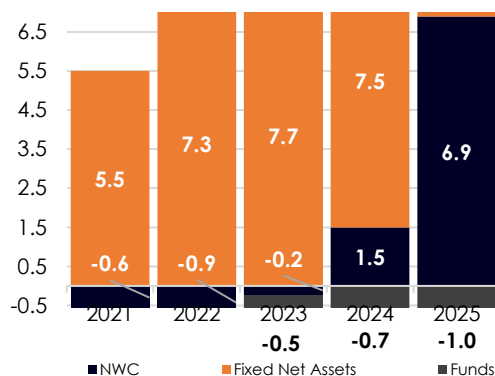


EBITDA Evolution FY21-25

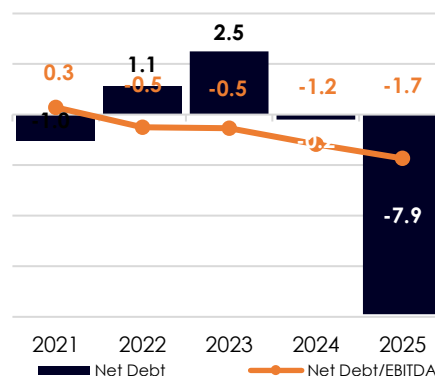


Source: PMI Capital Research estimates for FY22-25

Assets Evolution FY21-25



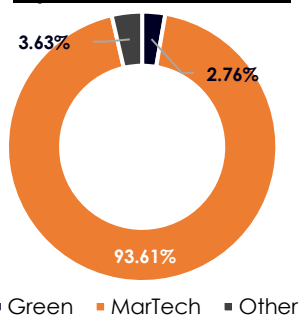
Net Cash Evolution FY21-25



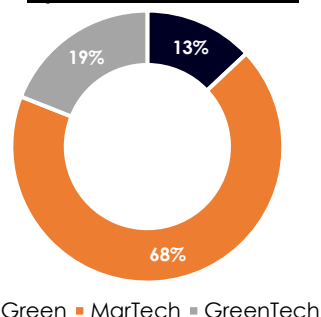
Source: PMI Capital Research estimates for FY22-25

Revenue breakdown

by business lines – FY21



by business lines – FY25



Source: PMI Capital Research and Group presentation

VALUATION

The stock valuation was obtained by weighting equally a DCF and the multiple comparison analysis. At our TP, our valuation offers implicit FY 22-23 EV/Sales multiples of 6.0x and 2.9x respectively.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, P/E 22/23 Technology (@ 30% discount) and EGM Peers	50%	2.49	21.0
DCF (WACC 7% and g 1.0%)	50%	2.86	24.2
Target Price	100%	2.7	22.6

DCF model

The WACC was determined considering the fact that expected Cash flow is generated partially by a consolidated business but partly by businesses that still have not generated revenues and/or profitability. We used a WACC of 15% obtained by weighting equally a WACC of 6%, estimated for the consolidated business, and one of 25% which we believe better reflects the risk profile of the businesses still in a start-up phase.

WACC assumptions	
Perpetual growth rate	1.00%
WACC	6.09%
Risk free rate (BTP 10Y 24 months average)	1.00%
β levered	0.778
Equity risk premium	6.42%
Additional Small Cap Risk Premium	0%
Ke	6.00%
Target Leverage	10.0%

Source: PMI Capital Research Estimates

Our DCF model yields a fair value of Euro 24 m and was run using our FCF estimates for the 2022E-25E explicit period and a WACC of 15%.

DCF Valuation		
Euro m		
Sum of PV 2022-25 FCFs	3.59	13.1%
Discounted terminal value	23.80	86.9%
Enterprise Value	27.4	
Net Debt / (Net Cash)	(1.103)	
Minorities	0.30	
Equity Value	28.2	

Source: PMI Capital Research Estimates

Multiples Comparison

In order to capture the diversification of the Group, we used two different peer Groups when determining the Fair Value of Redelfi Group: i) companies active in the green and renewable energy market and ii) companies operating in the MarTech field. We weighted the results 40% Green and 60% MarTech based on expected future contribution to sales. In terms of multiples, we used EV/Sales for 2022-2023-2024. We also applied a 30% discount to reflect the smaller size, lower liquidity, and risk profile of the Group when compared to peers. Our relative valuation yields a Fair Value of Redelfi Group of approximately Euro 19 m.

EV/SALES	2022	2023	2024
Enterprise value post discount	7.0	14.2	34.5
Equity value post discount	9.4	15.3	38.2

Source: PMI Capital Research Estimates

MarTech	Ticker	Market Cap	Sales 2022E	EBITDA 2022E %	2021-2024E CAGR			
					Sales	EBITDA %	EBIT %	Net Income
Be Shaping the Future	BEST-IT	453.9	254.0	16.8%	3.7%	23.2%	26.7%	31.0%
Relatech	RLT-IT	95.5	61.6	19.6%	44.7%	86.4%	-7.4%	53.4%
IDNTT	IDNTT-IT	24.4	11.2	29.5%	11.3%	42.0%	48.6%	53.5%
Next Fifteen Comun.	NFC-GB	1,193.4	664.4	23.2%	14.0%	45.5%	78.9%	-340.7%
Mirriad	MIRI-GB	28.2	2.4	-772.7%	23.1%	20.9%	20.9%	19.2%
Average		359	199	-137%	19.4%	43.6%	33.5%	-36.7%
Median		96	62	20%	14.0%	42.0%	26.7%	31.0%
REDELFI			3.74	1.15%	159.00%	100.00%	65.00%	6.00%

Source: Factset Data as of 27th July, 2022

Green & Energy Renewables	Ticker	Market Cap	Sales 2022E	EBITDA 2022E %	2021-2024E CAGR			
					Sales	EBITDA %	EBIT %	Net Income
Innergex Renewable	INE-CA	2,906.7	695.3	76.2%	14.3%	15.3%	28.6%	-195.6%
Boralex Inc	BLX-CA	3,520.9	590.0	77.4%	12.0%	13.5%	23.2%	107.0%
PNE WIND AG	GFF-US	1,537.0	2,831.2	14.8%	19.1%	30.9%	33.4%	56.1%
Voltaia	VLTA-IT	2,079.2	437.9	44.3%	8.4%	34.6%	43.5%	-474.9%
Exelon Corporation	EXC-US	43,238.1	18,955.8	36.7%	-15.3%	-8.8%	-6.8%	20.8%
Duke Energy Corp.	DUK-US	81,309.2	19.4	40.8%	13.8%	24.5%	33.1%	32.4%
Ameresco	AMRC-US	1,515.7	1,831.2	11.1%	19.5%	28.6%	31.3%	30.2%
Renergetica	REN-IT	61.5	12.8	44.0%	9.2%	7.1%	11.0%	24.5%
Ferroamp Elektronik	FERRO-SE	89.7	22.9	n.a.	76.2%	n.a.	-176.8%	n.a.
Invinity Energy System	IES-GB	53.9	16.1	-127%	165.7%	-39.8%	-36.2%	-33.9%
Average		13,631	2,541	24%	32.3%	11.8%	-1.6%	-48.2%
Median		1,808	514	41%	14.1%	15.3%	25.9%	24.5%
REDELFI			3.74	1.15%	159.00%	100.00%	65.00%	6.00%

Source: Factset Data as of 27th July, 2022

PEERS DESCRIPTION

MarTech

Be Shaping the Future provides information and communications technology consulting services in the financial services sector. It operates through the following business units: Business Consulting, ICT Solutions, and Digital. The Business Consulting unit supports the financial services industry in the implementation of strategies and programs for improvement.

Relatech SpA engages in the provision of digital solutions. The firm offers services/solutions on the RePlatform cloud-based platform in the Cloud areas (hybrid, public and private), AI, Blockchain, IoT, Cybersecurity, Virtual & Augmented Reality. The company was founded by Pasquale Lambardi in 2001 and is headquartered in Milan, Italy

ID-Entity SA provides content solutions for marketing technology. The firm produces data-driven, omnichannel, and multimedia content as well as develops and integrates Through The Line, Above The Line and Below The Line communication strategies to optimize brand management and advertising. It also operates through the following business segments which are the main client sectors of the company: SME or Small and Medium Enterprises, Major Clients, and Public Administrations. The company was founded by Christian Traviglia in 2010 and is headquartered in Balerna, Switzerland.

Next Fifteen Communications Group Plc provides communications services. The firm includes agencies, spanning digital content, marketing, PR, consumer, technology, marketing software, market research, public affairs and policy communications. The company was founded by Thomas W. Lewis and Mark Adams on August 12, 1981 and is headquartered in London, the United Kingdom.

Mirriad Advertising Plc engages in the development of technology platform for advertising. The firm uses proprietary technology stack and associated methodologies, such as machine learning, to create advertising inventory from eligible video content and then digitally embeds branded ad units into the content. It operates through the following geographical segments: China, India, United Kingdom, United States of America, and Brazil. The company was founded by Mark Popkiewicz in 2006 and is headquartered in London, the United Kingdom.

Green & Energy Renewables

Innergex Renewable Energy, Inc. engages in the development, acquisition, and operations of run-of-river hydroelectric facilities, wind farms, solar photovoltaic farms, and geothermal power generation plants. It operates through the following segments: Hydroelectric Generation, Wind Power Generation, and Solar Power Generation. The Hydroelectric Generation, Wind Power Generation, and Solar Power Generation segments sells electricity products to publicly owned utilities and other creditworthy counterparties. The company was founded in 1990 and is headquartered in Longueuil, Canada.

Borex, Inc. engages in the developing and building renewable energy power facilities. It operates through the following business segments: Wind Power Stations, Hydroelectric Power Stations, Thermal Power Stations, and Solar Power Stations. The company was founded on November 9, 1982 and is headquartered in Kingsey Falls, Canada.

Griffon Corp. is a diversified management and holding company, which conducts business through its subsidiaries. It provides direction and assistance to its subsidiaries in connection with acquisition and growth opportunities. It operates through the Consumer and Professional Products and Home and Building Products segments. The company was founded on May 18, 1959 and is headquartered in New York, NY.

Voltalia engages in the provision of renewable energy. The firm's activities include production of electricity and development of renewable sources such as wind, hydro as well as biomass and solar. It also provides carbon trading services. The company was founded by Robert Dardanne and Xavier Dejardins on November 28, 2005 and is headquartered in Paris, France.

Exelon Corp. operates as a utility services holding company, which engages in the energy generation, power marketing, and energy delivery business. It operates through the following

segments: Mid Atlantic, Midwest, New York, Electric Reliability Council of Texas (ERCOT) and other Power Regions.

Duke Energy Corp. engages in the distribution of natural gas and energy related services. It operates through the following segments: Electric Utilities and Infrastructure, Gas Utilities & Infrastructure and Commercial Renewables. The company was founded on April 30, 1904 and is headquartered in Charlotte, NC.

Ameresco, Inc. engages in the provision of energy services, including energy efficiency, infrastructure upgrades, asset sustainability, and renewable energy solutions for businesses and organizations throughout North America and Europe. It operates through the following segments: U.S. Regions, U.S. Federal, Canada, Non-Solar Distributed Generation (DG), and All Other.

Reenergetica SpA engages in the design of engineering solutions for the renewable energy sector. It specializes in the development of renewable energy plants, hybrid power generations systems and hybrid grids. The company was founded by Davide Sommariva on July 8, 2008 and is headquartered in Genoa, Italy.

Ferroamp Elektronik AB offers a new technology to improve the benefits of local energy production. It develops and sells power electronics and energy storage solutions that optimize energy utilization for consumers, facility owners and new stakeholders such as energy service providers. The company was founded by Björn Jernström in 2010 and is headquartered in Spanga, Sweden.

Invinity Energy Systems Plc manufactures vanadium flow batteries for the large-scale energy storage requirements of businesses, industry and electricity networks. It is developed specifically for high-utilization applications that make low-carbon renewable generation. The company serves off-grid energy, commercial and industrial and grid services industries. Invinity Energy Systems was founded in April 2020 and is headquartered in St. Helier, Jersey.

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RESEARCH TEAM:

Edoardo Fumagalli (Analyst, AIAF Associated)

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