

Company Note

# Rosetti Marino

## FY22 Results

We appreciate that after the weak results reported in FY20 and FY21 the company was able to return to profit, confirming the positive trend already seen in 1H22, mainly thanks to the Energy business, on which the company is focusing to boost growth from FY23 onwards (and expects to gather further large-sized orders), also after the sale of one of its three shipyards.

### FY22 results

Results outperformed our estimates from the EBITDA level. The key points were: i) total revenues of EUR 316.5M (vs. EUR 330M in our projections), almost doubling vs. FY21 turnover. EUR 297M came from the Energy sector (vs. EUR 139M in FY21), despite the downsizing of the scope related to the order destined to Russia; the Naval sector recorded a decrease from EUR 22M in FY21 to EUR 19M; ii) EBITDA was EUR 30.1M vs. EUR -56.6M in FY21; iii) net result was a EUR 4.6M profit (EUR 0.7M in our projections) vs. a EUR 54.7M net loss in FY21; and iv) the (short-term) net cash position stood at EUR 35.4M vs. EUR 83.2M at YE21.

### Outlook and estimates

The Energy business is going to represent the main driver in FY23 as well, and we recall that Rosetti Marino recently sold one of its three owned yards to better focus its resources on Energy and Carbon Neutrality market, on which they are gathering several requests. The order backlog at 31 December 2022 was EUR 307M (vs. EUR 469M as at YE21), with the Energy division order backlog amounting to EUR 298M (vs. EUR 431M at YE21). The company recently collected an EUR 75M order, driving the order backlog to EUR 373M. It also disclosed that it expects to collect further orders shortly (over EUR 400M). The order backlog of shipbuilding activities amounted to EUR 9M (vs. EUR 38M at YE21).

### Valuation

In view of Rosetti Marino's stable shareholding structure and limited trading volumes, we do not assign a rating or target price to the company.

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## No Rating

Italy/Oil Equipment & Services  
Results

### EGM

Price Performance  
(RIC: YRM.MI, BB: YRM IM)



### Rosetti Marino - Key Data

<b>Price date (market close)</b>	<b>27/04/2023</b>
Market price (EUR)	34.00
Market cap (EUR M)	136.00
52Wk range (EUR)	34.8/33.2

Price performance %	1M	3M	12M
Absolute	2.4	2.4	-2.3
Rel. to FTSE IT All Sh	-1.0	0.0	-13.2

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	316.5	455.0	470.0
EBITDA	30.07	21.00	32.00
EBIT	18.75	14.00	24.60
Net income	4.64	8.05	15.47
EPS (EUR)	1.16	2.01	3.87
Net debt/-cash	-35.41	-45.55	-61.37
Adj P/E (x)	29.8	16.9	8.8
EV/EBITDA (x)	3.6	4.3	2.3
EV/EBIT (x)	5.8	6.5	3.0
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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## FY22 Results

Results outperformed our estimates from the EBITDA level. The key points were:

- **Total revenues of EUR 316.5M** (vs. EUR 330M in our projections), almost doubling vs. FY21 turnover. The performance was driven by the Energy sector (EUR 297M vs. EUR 139M in FY21), despite the downsizing of the scope related to the order destined to Russia (EUR -56M vs. the amount originally set); the Naval sector recorded a decrease from EUR 22M in FY21 to EUR 19M;
- **EBITDA was EUR 30.1M** vs. EUR -56.6M in FY21. According to the company, the Energy sector experienced a strong recovery in margins, while the Naval sector's profitability reported heavy losses that continued to erode financial resources;
- **Net result was a EUR 4.6M profit** (EUR 0.7M in our projections) vs. a EUR 54.7M net loss in FY21;
- **The (short-term) net cash position stood at EUR 35.4M** vs. EUR 83.2M at YE21.

### Rosetti Marino – FY22 results

EUR M	2H21A	2H22A	yoy %	FY21A	FY22A	yoy %	FY22E	A/E %
Turnover	88.9	165.5	86.1	161.2	316.5	96.3	330	-4.1
EBITDA	-22.9	24.0	NM	-56.6	30.1	NM	9	NM
EBITDA margin (%)	Neg.	14.5		Neg.	9.5		3.1	
EBIT	-27.0	16.2	NM	-64.8	18.7	NM	1.2	NM
EBIT margin (%)	Neg.	9.8		Neg.	5.9		0.4	
Net profit	-26.0	3.5	NM	-54.7	4.6	NM	0.7	NM

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Recent Events and Outlook

Last March, Rosetti Marino announced the sale of the San Vitale shipyard, one of its three owned yards, located in the Port of Ravenna, to a leading operator in the shipbuilding sector. The sale was closed at approx. EUR 40M, according to the press release. The transaction is aimed at focusing resources on Energy and Carbon Neutrality market (The Energy sector represents approx. 92% of the company's value of production), on which Rosetti Marino is gathering several requests, according to the company.

Indeed, the order backlog was EUR 307M (vs. EUR 544M as at YE21) and reflects a buoyant Energy market:

- The Energy division order backlog amounted to EUR 298M (vs. EUR 431M at YE21), still not incorporating orders related to some tenders, which would be awarded in 1H23. The company received an EUR 75M order in 1Q23, leading to an EUR 373M order backlog, and should also collect two further contracts for over EUR 400M, bringing the consolidated order backlog up to EUR 773M, according to the company, which would affect results from FY23 onwards;
- The order backlog of shipbuilding activities amounted to EUR 9M (vs. EUR 38M at YE21), and underperformed company's expectations. During 2023, no further order intake is expected (no commercial activity is planned).

### Sale of San Vitale shipyard

### Solid order backlog, with Energy division representing 98% of total

### 2023E-25E estimates

We revise our FY23E estimates, embedding a solid performance in the Energy market and the weak results of the Naval sector. We now see: i) EUR 455M revenues; ii) EUR 21M EBITDA; iii) EUR 8.1M net profit; iv) EUR 45.6M net cash, including EUR 30M net cash-in we estimate from the sale of the San Vitale shipyard.

On the back of the solid order backlog with reference to the Energy sector, and a positive outlook in terms of orders acquisition in the same field:

- **For FY24E** we now project: i) EUR 470M revenues (+4.4% vs. previously); ii) EBITDA margin at 6.8% leading to EUR 32M EBITDA; iii) EUR 15.5M net profit; v) EUR 61.4M net cash;
- **For FY25E**, based on the same drivers as for FY24E, we see: i) EUR 500M revenues (+6.4% yoy); ii) EUR 38M EBITDA; iii) EUR 19.1M net income; iv) EUR 80.8M net cash.

### Rosetti Marino – FY23E-25E estimates revision

EUR M	2023E Old	2023E New	chg %	2024E Old	2024E New	chg %	2025E New	vs. FY24E %
Revenues	460	455.0	-1.1	450	470.0	4.4	500.0	6.4
EBITDA	27.5	21.0	-23.6	27	32.0	18.5	38.0	18.8
EBITDA margin (%)	6	4.6		6	6.8		7.6	
EBIT	19.7	14.0	-28.9	19.2	24.6	28.1	30.2	22.8
Net profit	13.7	8.1	-41.2	13.4	15.5	15.4	19.1	23.5
Net debt (- cash)	-53.6	-45.6	-15.0	-65.5	-61.4	-6.3	-80.8	31.6

E: estimates; Source: Intesa Sanpaolo Research

We highlight that the company operates in some markets (e.g. Kazakhstan) characterised by social instability, which could lead to possible negative effects on financials.

## Valuation

We based our valuation of Rosetti Marino on a multiples' comparison and DCF model.

### Multiples comparison

In our multiples' comparison, we identified a sample of comparable companies as shown in the following tables.

We highlight that the profitability of Rosetti Marino, in terms of EBIT margin and net income margin, is below the peers' average in FY23E-24E. If looking at the peers' median, Rosetti Marino is below in terms of FY23E EBIT margin but slightly higher in terms of FY24E EBIT margin and FY23E-24E net income margin.

#### Rosetti Marino - Margin comparison (2023E-24E)

EUR M, %	Mkt cap (EUR M)**	EBIT margin FY23E %	EBIT margin FY24E %	Net income margin FY23E %	Net income margin FY24E %
Tenaris SA	14,981	27.3	23.7	22.4	20.2
Tecnicas	674	3.6	3.8	2.0	2.2
Reunidas SA					
Petrofac	386	2.4	4.7	-1.4	1.5
<b>Average</b>		<b>11.1</b>	<b>10.7</b>	<b>7.7</b>	<b>7.9</b>
Rosetti Marino*	136.0	3.1	5.2	1.8	3.3

Source: Note: (\*\*) data priced at market close on 27/04/2023. Source: FactSet and (\*) Intesa Sanpaolo Research

In terms of FY23E EV/EBIT, the multiples of the selected companies are between 3.6-14.5x, with an average of 7.3x, while the FY24E EV/EBIT multiples are between 2.8-5.6x, with an average of 4.0x.

Regarding the FY23E P/E, the peers' multiples are within a 5.0-6.3x range, with an average of 5.6x, while the FY24E P/E multiples are between 3.0-8.9x, with an average of 6.9x.

#### Rosetti Marino - Multiples Comparison (2023E-24E)

x	Price (EUR)**	EV/EBIT FY23E	EV/EBIT FY24E	P/E FY23E	P/E FY24E
Tenaris	21.7	3.6	3.7	5.0	5.9
Tecnicas Reunidas	8.3	3.7	2.8	6.3	5.8
Petrofac	0.7	14.5	5.6	NA	8.9
<b>Average</b>		<b>7.3</b>	<b>4.0</b>	<b>5.6</b>	<b>6.9</b>
Rosetti Marino*	34.0	6.5	3.0	16.9	8.8

Note: (\*\*) data priced at market close on 27/04/2023; Source: FactSet and (\*) Intesa Sanpaolo Research

Applying the EV/EBIT average to Rosetti Marino's FY23E/24E estimates, we obtain equity values of EUR 147.8M and EUR 159.8M.

#### Rosetti Marino - Multiples comparison results

EUR M	2023E	2024E
EBIT	14.0	24.6
EV/EBIT avg (x)	7.3	4.0
EV	102.2	98.4
Net debt/-cash	-45.6	-61.4
Equity value	<b>147.8</b>	<b>159.8</b>

Source: Source: FactSet and Intesa Sanpaolo Research estimates

Nevertheless, in view of Rosetti Marino's stable shareholding structure and limited trading volumes, **we do not assign a rating or target price to the company.**

#### DCF model

We also ran a valuation on a DCF model, which points to an equity value range of EUR 120.7M to EUR 152.7M, in order to better reflect the company's specific long-term prospects.

Our key DCF assumptions are:

- Explicit forecasts through 2025E;
- An equity risk premium at 6.5%;
- A risk-free rate at 4% (3% previously);
- A gearing ratio (D/invested capital) of 0.0%;
- We derived a WACC at 10.5%.

To calculate the terminal value, we used two approaches:

- We discount to perpetuity the 2025E FCFO at a WACC of 10.5%;
- We discount to perpetuity the EBIT mid-cycle 2010A-25E, excluding 2020A and 2021A that we deem as extraordinary, at a WACC of 10.5%.

## Rosetti Marino – Key Data

Rating No Rating	Mkt price (EUR/sh) Ord 34.00					Sector Oil Equipment & Services
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	4.00	4.00	4.00	4.00	4.00	4.00
Total no. of shares (M)	4.00	4.00	4.00	4.00	4.00	4.00
Market cap (EUR M)	145.79	146.71	138.37	136.00	136.00	136.00
Adj. EPS	-8.15	-13.68	1.16	2.01	3.87	4.78
BVPS	45.2	31.2	36.6	44.8	48.7	53.4
Dividend ord	0	0	0	0	0	0
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	205.0	161.2	316.5	455.0	470.0	500.0
EBITDA	-32.67	-56.64	30.07	21.00	32.00	38.00
EBIT	-40.42	-64.81	18.75	14.00	24.60	30.20
Pre-tax income	-40.87	-65.70	12.84	11.50	22.10	27.70
Net income	-32.60	-54.73	4.64	8.05	15.47	19.11
Adj. net income	-32.60	-54.73	4.64	8.05	15.47	19.11
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	-33.8	-56.9	9.8	8.1	15.5	19.1
Depreciation and provisions	7.8	8.2	11.3	7.0	7.4	7.8
Others/Uses of funds	23.6	0	0	0	0	0
Change in working capital	-17.3	41.2	-23.1	-25.8	0	0
Operating cash flow	-20.8	-9.7	3.3	-10.8	22.9	26.9
Capital expenditure	-10.0	-7.2	15.5	20.9	-7.1	-7.5
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	-30.8	-16.9	18.8	10.1	15.8	19.4
Dividends	0	0	0	0	0	0
Equity changes & Non-op items	-27.5	30.7	-56.2	0	0	0
Net cash flow	-58.3	13.9	-37.4	10.1	15.8	19.4
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	117.0	43.8	105.7	133.6	133.3	133.0
of which associates	0	0	0	0	0	0
Net debt/-cash	-65.1	-83.2	-35.4	-45.6	-61.4	-80.8
Minorities	-1.1	-2.1	5.2	0	0	0
Net equity	182.1	127.0	141.1	179.2	194.7	213.8
Minorities value	0	0	0	0	0	0
Enterprise value	79.8	61.0	107.9	90.4	74.6	55.2
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	Neg.	Neg.	29.8	16.9	8.8	7.1
P/CFPS	Neg.	Neg.	8.7	9.0	5.9	5.1
P/BVPS	0.81	1.2	0.95	0.76	0.70	0.64
Payout (%)	0	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	-19.6	-8.6	6.1	7.5	11.6	14.3
EV/sales	0.39	0.38	0.34	0.20	0.16	0.11
EV/EBITDA	Neg.	Neg.	3.6	4.3	2.3	1.5
EV/EBIT	Neg.	Neg.	5.8	6.5	3.0	1.8
EV/CE	0.68	1.4	1.0	0.68	0.56	0.42
D/EBITDA	2.0	1.5	Neg.	Neg.	Neg.	Neg.
D/EBIT	1.6	1.3	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	-15.9	-35.1	9.5	4.6	6.8	7.6
EBIT margin	-19.7	-40.2	5.9	3.1	5.2	6.0
Tax rate	17.4	13.4	23.4	30.0	30.0	31.0
Net income margin	-15.9	-33.9	1.5	1.8	3.3	3.8
ROCE	-34.5	-148.0	17.7	10.5	18.5	22.7
ROE	-17.1	-35.4	3.5	5.0	8.3	9.4
Interest cover	-77.9	-73.0	3.2	5.6	9.8	12.1
Debt/equity ratio	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)	2021A	2022A	2023E	2024E	2025E	
Sales	-21.4	96.3	43.7	3.3	6.4	
EBITDA	-73.4	NM	-30.2	52.4	18.8	
EBIT	-60.3	NM	-25.3	75.7	22.8	
Pre-tax income	-60.8	NM	-10.5	92.2	25.3	
Net income	-67.9	NM	73.3	92.2	23.5	
Adj. net income	-67.9	NM	73.3	92.2	23.5	

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

## Company Snapshot

### Company Description

Rosetti Marino is the operating parent company of a leading group whose core business is designing and building off-shore oil and gas platforms under EPC (engineering, procurement and construction) contracts, designing and building service and work vessels and building processing plants. The company has two construction yards in the Port of Ravenna while the third is located a few km away from the city of Aktau, on the Kazakh shore of the Caspian Sea. Its main clients include major oil companies and the leading international contractors active in the industry, in addition to Europe's main builders of service vessels

### Key Risks

#### Company specific risks:

- The small size of the company, compared to that of its peers, could be a risk in the presence of competitive pressure
- Customers' concentration
- The company operates in some markets characterised by social instability, which could lead to possibly negative effects on financials

#### Sector generic risks:

- Oil price fluctuations

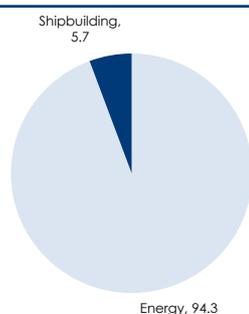
### Key data

Mkt price (EUR)	34.00	Free float (%)	NA
No. of shares	4.00	Major shr	Rosfin
52Wk range (EUR)	34.8/33.2	(%)	56.0
Reuters	YRM.MI	Bloomberg	YRM IM
<b>Performance (%)</b>	<b>Absolute</b>	<b>Rel. FTSE IT All Sh</b>	
-1M	2.4	-1M	-1.0
-3M	2.4	-3M	0.0
-12M	-2.3	-12M	-13.2

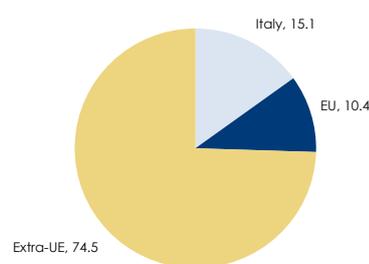
### Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	316.5	455.0	NM	470.0	NM	500.0	NM
EBITDA	30.07	21.00	NM	32.00	NM	38.00	NM
EBIT	18.75	14.00	NM	24.60	NM	30.20	NM
Pre-tax income	12.84	11.50	NM	22.10	NM	27.70	NM
Net income	4.64	8.05	NM	15.47	NM	19.11	NM
EPS (EUR)	1.16	2.01	NM	3.87	NM	4.78	NM

### FY22A Sales Breakdown by BU (%)



### FY22A Revenues Breakdown by Geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 27/04/2023)

## Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation around EUR 1Bn.

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The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Intesa Sanpaolo SpA acts as listing agent or specialist or other regulated roles are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. In the Equity Daily note and Weekly Preview report the Research Department reconfirms the previously published ratings and target prices on the covered companies (or alternatively such ratings and target prices may be placed Under Review). Research qualified as a minor non-monetary benefit pursuant to provisions of Delegated Directive (EU) 2017/593 is freely available on the IMI Corporate & Investment Banking Division web site ([www.imi.intesasanpaolo.com](http://www.imi.intesasanpaolo.com)); all other research is available by contacting your sales representative.

### Equity Research Publications in Last 12M

The list of all recommendations on any financial instrument or issuer produced by Intesa Sanpaolo Research Department and distributed during the preceding 12-month period is available on the Intesa Sanpaolo website at the following address:

<https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest0>

### Valuation methodology (long-term horizon: 12M)

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

### Equity rating key: (long-term horizon: 12M)

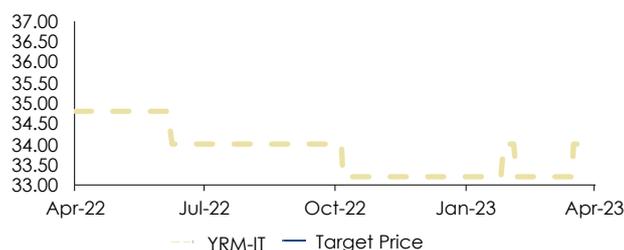
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

**Equity Rating Key (long-term horizon: 12M)**

Long-term rating	Definition
BUY	If the target price is 10% higher than the market price.
HOLD	If the target price is in a range 10% below or 10% above the market price.
SELL	If the target price is 10% lower than the market price.
RATING SUSPENDED	The investment rating and target price for this stock have been suspended as there is not a sufficient fundamental basis to determine an investment rating or target price. The previous investment rating and target price, if any, are no longer in effect for this stock.
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
Note	Intesa Sanpaolo assigns ratings to stocks on a 12M horizon based on a number of fundamental drivers including, among others, updates to earnings and/or valuation models; short-term price movements alone do not imply a reassessment of the rating by the analyst.

**Historical recommendations and target price trends (long-term horizon: 12M)**

The 12M rating and target price history chart(s) for the companies currently under our coverage can also be found at Intesa Sanpaolo's website/Research/Regulatory disclosures: <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/tp-and-rating-history-12-months->. Intesa Sanpaolo changed its long-term 12M horizon rating key on 3 April 2023; please refer to the ISP Equity Rating Reconciliation Table for further details at the following link: <https://group.intesasanpaolo.com/it/research/equity-credit-research>.

**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
02-Apr-15	No Rating		

**Equity rating allocations (long-term horizon: 12M)****Intesa Sanpaolo Research Rating Distribution (at April 2023)**

Number of companies considered: 131	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	63	11	21	0	0
of which Intesa Sanpaolo's Clients (%)**	75	45	43	0	0

\* Last rating refers to rating as at end of the previous quarter; \*\* Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

**Company-specific disclosures**

Intesa Sanpaolo S.p.A. and the other companies belonging to the Intesa Sanpaolo Banking Group (hereafter the "Intesa Sanpaolo Banking Group") have adopted written guidelines "Organisational, Management and Control Model" pursuant to Legislative Decree 8 June 2001 no. 231 (available at the Intesa Sanpaolo website, <https://group.intesasanpaolo.com/en/governance/leg-decree-231-2001>) setting forth practices and procedures, in accordance with applicable regulations by the competent Italian authorities and best international practice, including those known as Information Barriers, to restrict the flow of information, namely inside and/or confidential information, to prevent the misuse of such information and to prevent any conflicts of interest arising from the many activities of the Intesa Sanpaolo Banking Group, which may adversely affect the interests of the customer in accordance with current regulations.

In particular, the description of the measures taken to manage interest and conflicts of interest – related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241, as well as the Financial Conduct Authority Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial

instruments, and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research " and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A.

At the Intesa Sanpaolo website, webpage <https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest> you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

Furthermore, we disclose the following information on the Intesa Sanpaolo Banking Group's conflicts of interest.

- One or more of the companies of the Intesa Sanpaolo Banking Group plan to solicit investment banking business or intends to seek compensation from Rosetti Marino in the next three months
- Intesa Sanpaolo acts as Specialist relative to securities issued by Rosetti Marino

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