

Company Note

Cellularline

Esprinet Launches Bid on Cellularline

Esprinet has announced that it has completed the limited confirmatory due diligence activities on certain areas relating to the Cellularline group that started following the submission to the Board of Directors of Cellularline of a non-binding letter of intent intended at launching a voluntary public tender offer concerning all the ordinary shares of Cellularline, aimed at its delisting. As a result of the due diligence activities, Esprinet resolved to launch the offer at a consideration of EUR 3.75/share.

The offering price cut to EUR 3.75/share

As a result of the due diligence activities, the Board of Directors of Esprinet confirmed its interest in the completion of the transaction. Consequently, the Board of Directors of Esprinet resolved to launch the offer at a consideration of EUR 3.75/share, calculated as the difference between the price of EUR 4.41/share contained in the Letter of Intent and i) the amount of EUR 0.16/share corresponding to the value (at the moment of its proposal by the BoD) of the dividend in kind and cash paid by Cellularline on May 25, 2022, as well as ii) the amount of EUR 0.50/share referred to a potential risk of impairment of some working capital asset items revealed by the due diligence, according to Esprinet. As regards the latter, we underline that Cellularline's BoD published a press release in which it contested Esprinet's assessment. The maximum disbursement in the event that all the shares are tendered to the offer, including treasury shares held by the Issuer from time to time (currently around 4.6% of the group's share capital according to our calculation), would be around EUR 82M.

The offer is aimed at the delisting of Cellularline

We underline that the offer is subject to a 'Threshold Condition' that envisages that Esprinet needs to hold a direct or indirect stake in Cellularline higher than 66.67% (that can be reduced to 50% plus one share at Esprinet's discretion). However, the offer is aimed at the delisting of Cellularline; consequently, if at the outcome of the offer the conditions for the delisting of Cellularline's shares are not met, Esprinet will proceed once the offer is concluded with the merger by incorporation of Cellularline, subject to the relevant approval by the competent corporate bodies.

Valuation considerations

While during the offering period we align our target price to the bid price (TP at EUR 3.75/share; HOLD rating), we highlight that if we re-run our DCF-based valuation model this would return a fair value of EUR 5.0/share, thus around 33% above of the offering price.

21 July 2022: 12:24 CET
Date and time of production

HOLD
(from BUY)

Target Price: EUR 3.75
(from EUR 5.3)

Italy/Consumer Services
Update

MTA-STAR

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



Cellularline - Key Data

Price date (market close)	20/07/2022
Target price (EUR)	3.75
Target upside (%)	1.88
Market price (EUR)	3.73
Market cap (EUR M)	81.57
52Wk range (EUR)	4.65/3.46

Price performance %	1M	3M	12M
Absolute	-8.8	3.7	-7.3
Rel. to FTSE IT All Sh	-6.4	20.3	4.8

Y/E Dec (EUR M)	FY21A	FY22E	FY23E
Revenues	110.6	135.0	155.0
Adj. EBITDA	16.12	20.52	25.58
Adj. EBIT	10.74	15.12	20.18
Adj. Net income	7.45	11.70	15.19
EPS (EUR)	0.34	0.53	0.69
Net debt/-cash	37.40	37.10	33.77
Adj P/E (x)	12.6	7.0	5.4
EV/EBITDA (x)	8.1	5.8	4.5
EV/EBIT (x)	Neg.	23.2	11.3
Div ord yield (%)	3.7	1.9	3.2

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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Contents

Esprinet Launches Bid on Cellularline at EUR 3.75/sh	3
1H22 Preliminary Results and Estimates Recap	5
1H22 preliminary top-line and NFP	5
Estimates Recap	5
Valuation Considerations	6
Company Snapshot	9

Esprinet Launches Bid on Cellularline at EUR 3.75/sh

Esprinet has announced that it has completed the limited confirmatory due diligence activities on certain areas relating to the Cellularline group that started following the submission to the Board of Directors of Cellularline of a non-binding letter of intent intended at launching a voluntary public tender offer concerning all the ordinary shares of Cellularline, aimed at its delisting.

As a result of the due diligence activities, the Board of Directors of Esprinet confirmed its interest in the completion of the transaction. Consequently, the Board of Directors of Esprinet resolved to launch the offer at a consideration of EUR 3.75/share, calculated as the difference between the price of EUR 4.41/share contained in the Letter of Intent and i) the amount of EUR 0.16/share corresponding to the value (at the moment of its proposal by the BoD) of the dividend in kind and cash paid by Cellularline on 25May, 2022, as well as ii) the amount of EUR 0.50/share referred to a potential risk of impairment of some working capital asset items revealed by the due diligence, according to Esprinet. As regards the latter, we underline that Cellularline's BoD published a press release in which it contested Esprinet's assessment.

The maximum disbursement in the event that all the shares are tendered to the offer, including treasury shares held by the Issuer from time to time (currently around 4.6% of the group's share capital according to our calculation), would be around EUR 82M.

The current outstanding Warrants are not subject of the offer and in the event of a delisting, the Warrants would be delisted by delisting the underlying assets.

We also underline that the offer is subject to the following conditions:

- A Threshold Condition that envisages that Esprinet needs to hold a direct or indirect stake in Cellularline higher than 66.67%. In the event that the Threshold Condition is not fulfilled, Esprinet reserves the right to waive, at any time, the Threshold Condition and to purchase a smaller number of shares, provided that – upon completion of the offer - Esprinet comes to hold in aggregate more than 50% plus one Cellularline shares;
- Antitrust condition: the obtainment of antitrust and golden power authorizations required by the competent authorities;
- MAC Condition (Material Adverse Change clause): the non-occurrence of circumstances that could adversely affect Cellularline's equity, economic, financial and/or operating position.

As previously mentioned, the offer aims at the delisting of Cellularline. However, Esprinet specifies that if the delisting conditions are not reached upon completion of the offer:

- There in any case could be a lack of free float so as to not ensure the regular course of trading of Cellularline's shares, and Borsa Italiana may order the suspension and/or delisting of the issuer's ordinary shares pursuant to Article 2.5.1 of the Stock Exchange Regulations; in such case, Esprinet declared its intention not to restore a sufficient free float to ensure the regular course of trading of Cellularline's ordinary shares;
- If at the outcome of the offer the conditions for the delisting of Cellularline's shares are not met, Esprinet will proceed once the offer is concluded with the merger by

incorporation of Cellularline (for an exchange ratio pursuant to Article 2501-ter of the Italian Civil Code, which therefore may not contain any premium), subject to the relevant approval by the competent corporate bodies. In the event of a merger by incorporation, Cellularline's shareholders who did not take part in the resolution approving the merger would be entitled to the right of withdrawal pursuant to Article 2437-quinquies of the Civil Code, as they would receive in exchange shares not listed on a regulated market. In the event that the right of withdrawal is exercised, the liquidation value of the shares will be determined pursuant to Article 2437-ter, paragraph 3, of the Civil Code, making exclusive reference to the arithmetic average of the closing prices during the six months preceding the publication of the notice of the meeting called to approve the merger.

1H22 Preliminary Results and Estimates Recap

1H22 preliminary top-line and NFP

On 13 July, Cellularline released 1H22 preliminary sales and NFP. In particular:

- **Revenues were EUR 54.6M, up by 37.4% yoy** (+36% on a like-for-like basis, thus excluding the contribution of the newly-acquired company Coverlab, and +35.3% in 2Q). The good performance was achieved thanks to the recovery of demand in both the domestic and international markets. International revenues also benefitted from the strong rebound registered by Worldconnect, thanks to the increase in traffic recorded in the Airport Travel Retail channel vs. last year;
- The **net financial position was EUR 40.2M** (EUR 35.2M excluding IFRS 16 liabilities) vs. a net debt of EUR 37.4M at YE21A (EUR 35.6M excluding IFRS 16 impact).

We believe that the figures disclosed increase the visibility on the ongoing recovery in the group's sales. Indeed, we underline that the level of sales achieved in 1H21 is almost in line with the pre-Covid level (1H19 sales were EUR 55.3M).

Definitive results are due on 8 September.

Estimates Recap

While awaiting 1H22 definitive results we confirm our current estimates.

Cellularline – Estimates Recap

EUR M	FY21A	FY22E	YoY %	FY23E	YoY %
Revenues	110.6	135.0	22.1	155.0	14.8
Adj. EBITDA	16.1	20.5	27.5	25.6	24.6
margin on revenues (%)	14.6	15.2		16.5	
Reported EBIT	-5.2	5.1	NM	10.2	NM
Adj. net income	7.4	11.7	58.1	15.2	29.8
Reported net income	-3.8	5.2	NM	8.7	NM
NFP	37.4	37.1		33.8	

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

Valuation Considerations

While during the offering period we now align our target price to the bid price (TP at EUR 3.75/share; HOLD rating), we highlight that if we re-run our DCF-based valuation model this would return a fair value of EUR 5.0/share, thus around 33% above of the offering price.

We use the following key assumptions in our valuation:

- An 8.0% WACC, incorporating a risk-free rate of 2.5% (vs. 1.75% used in our previous report), an equity risk premium of 6.5% (vs. 6.25%), a re-levered beta of 1.2x (source: Intesa Sanpaolo Research elaboration on Refinitiv) and a long-term target gearing ratio of 30%;

Cellularline - WACC calculation (%)

Risk-free rate	2.50
Equity risk premium	6.50
Beta (x)	1.2
Cost of equity	10.3
Net cost of debt	2.5
Gross cost of debt	3.5
Tax rate	30
Gearing	30
WACC (%)	8.0

Source: Intesa Sanpaolo Research estimates

- Terminal value growth is prudentially set at 0% while, in calculating the LT, we apply the same level of revenues and EBIT margin we expect in 2023E. As usual, LT depreciation equals capex;
- Lastly, we highlight that, differently from our previous reports, we did not adjust the number of shares to include the effects arising from the potential conversion of warrants to obtain a fair value more comparable with the offering price (we recall that the warrants have a strike price of EUR 9.5 and a mandatory exercise price of EUR 13.0 and will expire in 2023).

Cellularline - DCF model

EUR M	2022E	2023E	LT
Sales	135.0	155.0	155.0
yoy %	22.1	14.8	40.2
Adj. EBIT	15.1	20.2	20.2
Adj. EBIT margin (%)	11.2	13.0	13.0
Taxes	0.0	0.0	-6.0
NOPAT	15.1	20.2	14.1
Non-cash items	5.0	5.0	
Investments	-3.5	-3.5	
NWC changes	-12.8	-11.2	
Others	-2.5	-4.1	
FCF	1.3	6.4	14.1
Discounted FCF	1.2	5.5	11.2
WACC (%)	8.0		
Perpetuity growth rate (%)	0.0		
NPV of cash flows	6.7		
NPV of terminal value	141.0		
EV	147.7		
Net debt @ 2021A	37.4		
Equity value	110.3		
No. of shares (M)	21.9		
Value per share (EUR)	5.0		

E: estimates; Source: Intesa Sanpaolo Research estimates

Cellularline – Sensitivity analysis

EUR/share WACC (%)	-1.0	-0.5	Growth (%) 0	0.5	1.0
7.0	5.2	5.7	6.2	6.8	7.5
7.5	4.7	5.1	5.6	6.1	6.7
8.0	4.3	4.7	5.0	5.5	6.0
8.5	3.9	4.2	4.6	5.0	5.4
9.0	3.6	3.9	4.2	4.5	4.9

Source: Intesa Sanpaolo Research estimates

Cellularline – Key Data

Rating HOLD	Target price (EUR/sh) 3.75	Mkt price (EUR/sh) Ord 3.73	Sector Consumer Services	Free float (%) 73.8	Reuters Code CELL.MI
Values per share (EUR)					
	2019A	2020A	2021A	2022E	2023E
No. ordinary shares (M)	21.87	21.87	21.87	21.87	21.87
Total no. of shares (M)	21.87	21.87	21.87	21.87	21.87
Market cap (EUR M)	152.26	107.60	93.75	81.57	81.57
Adj. EPS	1.07	0.24	0.34	0.53	0.69
CFPS	1.4	1.5	0.80	0.94	1.1
BVPS	9.3	9.5	9.4	9.6	9.8
Dividend ord	0.33	0	0.16	0.07	0.12
Income statement (EUR M)					
	2019A	2020A	2021A	2022E	2023E
Revenues	140.4	104.5	110.6	135.0	155.0
EBITDA	33.06	15.10	16.12	20.52	25.58
EBIT	20.26	-3.41	-5.16	5.12	10.18
Pre-tax income	20.08	-2.40	-6.56	3.62	8.68
Net income	18.21	13.90	-3.85	5.20	8.69
Adj. net income	23.31	5.30	7.45	11.70	15.19
Cash flow (EUR M)					
	2019A	2020A	2021A	2022E	2023E
Net income before minorities	18.2	13.9	-3.8	5.2	8.7
Depreciation and provisions	12.8	18.5	21.3	15.4	15.4
Others/Uses of funds	-5.7	-24.3	-3.0	-3.0	-3.0
Change in working capital	-4.9	3.2	7.4	-12.8	-11.2
Operating cash flow	20.4	11.3	21.8	4.8	9.9
Capital expenditure	-3.4	-33.5	-7.4	-3.5	-3.5
Financial investments	0	0	0	0	0
Acquisitions and disposals	-4.9	0	0	0	0
Free cash flow	12.1	-22.2	14.4	1.3	6.4
Dividends	-6.1	-7.2	0	-1.0	-1.6
Equity changes & Non-op items	-8.7	5.0	-2.8	0	-1.5
Net cash flow	-2.7	-24.4	11.6	0.3	3.3
Balance sheet (EUR M)					
	2019A	2020A	2021A	2022E	2023E
Net capital employed	227.1	257.5	242.8	246.6	248.9
of which associates	0	0	0	0	0
Net debt/-cash	24.6	49.0	37.4	37.1	33.8
Minorities	0	0	0	0	0
Net equity	202.5	208.5	205.4	209.5	215.2
Minorities value	0	0	0	0	0
Enterprise value	176.9	156.6	131.1	118.7	115.3
Stock market ratios (x)					
	2019A	2020A	2021A	2022E	2023E
Adj. P/E	6.5	20.3	12.6	7.0	5.4
P/CFPS	4.9	3.3	5.4	4.0	3.4
P/BVPS	0.75	0.52	0.46	0.39	0.38
Payout (%)	31	0	47	13	17
Dividend yield (% ord)	4.7	0	3.7	1.9	3.2
FCF yield (%)	8.0	-20.6	15.4	1.6	7.8
EV/sales	1.3	1.5	1.2	0.88	0.74
EV/EBITDA	5.3	10.4	8.1	5.8	4.5
EV/EBIT	8.7	Neg.	Neg.	23.2	11.3
EV/CE	0.78	0.61	0.54	0.48	0.46
D/EBITDA	0.74	3.2	2.3	1.8	1.3
D/EBIT	1.2	Neg.	Neg.	7.2	3.3
Profitability & financial ratios (%)					
	2019A	2020A	2021A	2022E	2023E
EBITDA margin	23.5	14.4	14.6	15.2	16.5
EBIT margin	14.4	-3.3	-4.7	3.8	6.6
Tax rate	9.3	NM	41.3	NM	NM
Net income margin	13.0	13.3	-3.5	3.9	5.6
ROCE	8.9	-1.3	-2.1	2.1	4.1
ROE	9.2	6.8	-1.9	2.5	4.1
Interest cover	76.5	3.4	-3.7	3.4	6.8
Debt/equity ratio	12.1	23.5	18.2	17.7	15.7
Growth (%)					
		2020A	2021A	2022E	2023E
Sales		-25.6	5.8	22.1	14.8
EBITDA		-54.3	6.8	27.3	24.6
EBIT		NM	-51.5	NM	98.7
Net income		-23.7	NM	NM	67.1
Adj. net income		-77.3	40.7	57.0	29.8

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

Company Snapshot

Company Description

Cellularline is the European market leader in the design, manufacturing and distribution of accessories for connectivity devices. Leveraging on more than 5,000 points of sales, the company reaches more than 60 countries in the world and covers all the major distribution channels (CE, Telco, Travel Retail, Mass Merchandise, Sport stores as well as other retailers). Cellularline has a wide product portfolio composed of three major categories: (i) Protection & Style (cases and screen protectors); (ii) Charge & Utilities (battery chargers, powerbanks, car accessories and cables); and (iii) Voice & Sport (earphones and sports accessories). Moreover, the company recently launched the AQL brand (AudioQuality Lab), the product line dedicated to the world of music.

Key Risks

Company specific risks:

- Global logistics issues might affect cost base;
- A resurgence of Covid 19 infections;
- Still small contribution from the e-commerce channel.

Sector generic risks:

- An increase in competition from the main competitors and a potentially higher penetration of private labels and online competitors;
- Potentially rapid changes in consumer trends and needs, also given the fast-technological evolution of electronics' components and accessories, with a possible impact on the group's strategy and brand awareness.

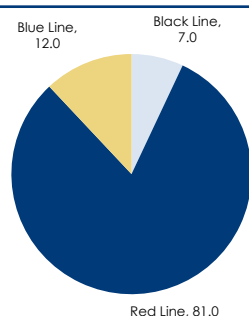
Key data

Mkt price (EUR)	3.73	Free float (%)	73.8
No. of shares	21.87	Major shr	S.L.M.K. SA
52Wk range (EUR)	4.51/3.36	(%)	8.5
Reuters	CELL.MI	Bloomberg	CELL IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-8.8	-1M	-6.4
-3M	3.7	-3M	20.3
-12M	-7.3	-12M	4.8

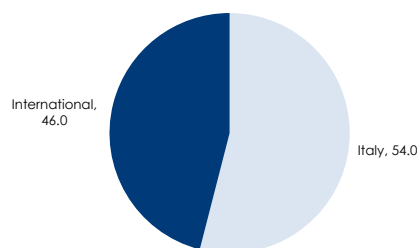
Estimates vs. consensus

EUR M (Y/E Dec)	2021A	2022E	2022C	2023E
Sales	110.6	135.0	135.5	155.0
EBITDA	16.12	20.52	20.50	25.58
EBIT	-5.16	5.12	5.10	10.18
Pre-tax income	-6.56	3.62	NA	8.68
Net income	-3.85	5.20	8.35	8.69
EPS	0.34	0.53	NA	0.69

FY21A revenues by product line (%)



FY21A revenues by geography (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 20/07/2022)

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 below EUR 1Bn.

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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)

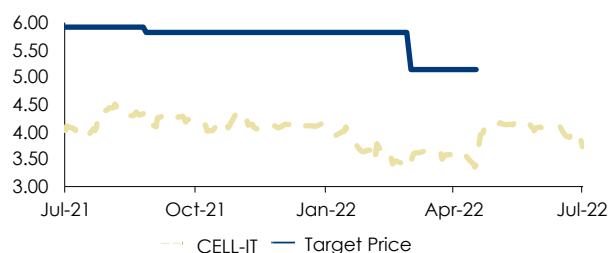
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

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

Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% 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 for determining an investment rating or target. 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 one-year 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

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->. Note: please also refer to <https://group.intesasanpaolo.com/it/research/equity-credit-research/equity> in applicable cases for the ISP-UBI Equity Ratings Reconciliation Table, the archive of ex-UBI's previously published research reports and 12M historical recommendations.

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

Date	Rating	TP (EUR)	Mkt Price (EUR)
09-May-22	Under Review	Under Review	3.9
21-Mar-22	BUY	5.3	3.5
15-Sep-21	BUY	5.8	4.1

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at July 2022)**

Number of companies considered: 127	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	58	25	17	0	0
of which Intesa Sanpaolo's Clients (%)**	84	44	57	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

Valuation methodology (short-term horizon: 3M)

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

Equity rating key (short-term horizon: 3M)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

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 Cellularline in the next three months
- One or more of the companies of the Intesa Sanpaolo Banking Group are one of the main financial lenders to Cellularline and its parent and group companies
- Intesa Sanpaolo acts as Specialist relative to securities issued by Cellularline

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