

Casta Diva Group

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Rating
BUY

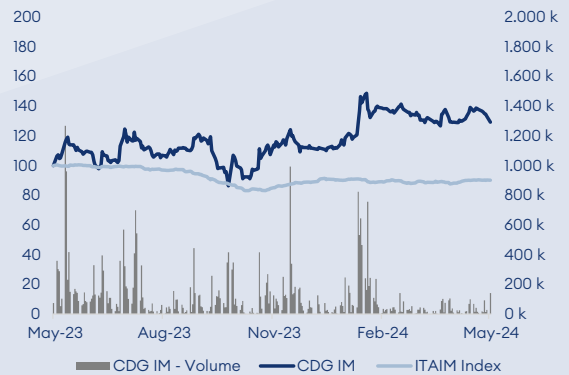
Target Price
€ 3,20



Risk
Medium

Upside potential
115,6%

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 1,48
Target price	€ 3,20
Upside/(Downside) potential	115,6%
Ticker - Bloomberg Code	CDG IM
Market Cap (€/mln)	€ 29,75
Enterprise Value (€/mln)	€ 26,97
Free Float	41,80%
Shares Outstanding	20.044.719
52-week high	€ 1,80
52-week low	€ 0,95
Average Daily Volumes (3 months)	35.254

Key Financials (€ mln)	FY22A	FY23E	FY24E	FY25E
Revenues	83,62	111,00	120,50	135,80
EBITDA	6,26	10,05	12,10	14,50
EBIT	3,87	6,15	8,20	10,60
Net Income	1,81	3,10	4,20	5,50
Net Financial Position	(2,78)	5,51	0,39	(3,99)
EBITDA margin	7,5%	9,0%	10,0%	10,7%
EBIT margin	4,6%	5,5%	6,8%	7,8%
Net income margin	2,2%	2,8%	3,5%	4,0%

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1. *Company Overview*

1.1 Business Activity

Casta Diva Group SpA (hereinafter “Casta Diva Group” or “the Company”) is a company specialized in the design and management of corporate events and the production of commercials, viral videos, digital content, and short films. It was founded in 2005 by Andrea De Micheli and Luca Oddo. The Company is the parent company of the eponymous Group (hereinafter “the Group”) and operates through two divisions. The Creative Content Production division focuses on the production of commercials, TV programs, digital and viral videos, films, branded content, web series, and TV series. In this area, Casta Diva Group operates through its subsidiaries Casta Diva Pictures, headquartered in Milan and present in various countries, Akita Film, and the to-be-acquired E-Motion. The Live Communication division, on the other hand, primarily deals with the planning and management of corporate events, conventions, online events, roadshows, trade show booths, team-building activities, product launches, press conferences, motivational experiences, festivals, and concerts (both in-person and digital). Casta Diva Group operates in this area in both the B2B and B2C markets through its subsidiaries G.2 Events, Casta Diva Ideas, Genius Progetti, and Blue Note, a famous restaurant and jazz club in Milan.

Over the last two decades, Blue Note alone has organized over 6,000 live concerts, hosting more than 10,000 artists and welcoming over one million visitors, while Casta Diva has produced more than 1,000 commercials and organized at least 3,000 events. Through the “Blue Note Off” brand, the Company organizes proprietary and musical events in various locations. In collaboration with the Teatro dell’Arte and Ponderosa Music & Art, Casta Diva Group has created the “Jazzmi” festival, which in each of its last eight editions has organized over 200 events, including concerts, exhibitions, seminars, and presentations, in more than 100 locations in Milan and surrounding municipalities, attracting approximately 50,000 participants each year.

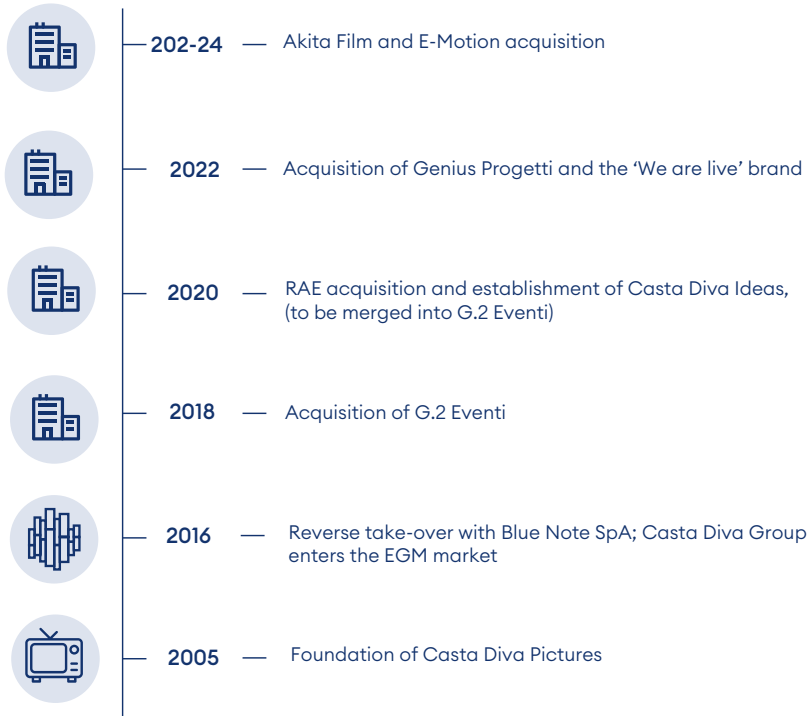
Casta Diva Group is present in various countries and has an extensive global advertising production network. This wide network allows the Group to leverage opportunities with great flexibility and expertise, having completed projects for over 100 international brands in more than 30 countries. It is noted that Casta Diva Entertainment, part of Casta Diva Pictures, produces television programs for Italian and foreign broadcasters and for OTT platforms, which offer streaming content through internet-connected devices. The production of commercials is one of the flagship products of the advertising market, with clients investing significant resources to create short-duration commercials and often even more for television advertising spaces. Finally, the Group produces branded content to expand the reach of commercials on social media platforms.



Source: Casta Diva Group

1.2 Company Story

CHART 2 – COMPANY STORY



Source: Casta Diva Group

- **2005:** In January 2005, Casta Diva Pictures began its operations in Milan, under the leadership of founders Andrea De Micheli and Luca Oddo. Initially focused on developing video and film productions, both local and international, the Company served multinational clients and advertising agencies. At the same time, it launched a significant geographical expansion plan, transforming from a traditional advertising film production house into a multimedia company offering comprehensive services in the communication sector;
- **2005-2006:** Between the end of 2005 and the beginning of 2006, Casta Diva Group opened an office in Prague (Czech Republic) to offer cost-effective but highly efficient productions, leveraging the presence of major American production companies;
- **2009:** In February 2009, a branch was opened in Buenos Aires (Argentina), allowing the company to extend its services throughout Latin America, from Mexico to Chile. Simultaneously, in 2007, Casta Diva Group acquired EGG

Events, a renowned company specializing in event organization and PR campaigns. In 2009, Rhea Vendors Group SpA became a partner of EGG Events, a stake that would later be converted into shares of Reload Srl before exiting the partnership in 2021. This partnership significantly accelerated the business development of EGG Events. On May 12, 2009, the founding partners established Casta Diva Group SpA, contributing their shares in Casta Diva Pictures to better manage the different areas of activity with autonomous structures. This marked the beginning of a clear distinction between the creative content production division and the live communication division, both growing through international expansion and entry into new markets;

- **2010-2013:** The subsequent openings of international offices in Manchester (2010), Istanbul and Mumbai (2011), New York (2012), and Cape Town (2013) further consolidated the company's global presence;
- **2016:** On March 30, 2016, a reverse take-over led Casta Diva Group to be listed on the stock exchange through the acquisition of Blue Note, owner of the eponymous jazz club in Milan. Reload SpA, with Andrea De Micheli and Luca Oddo as majority shareholders, together with Blue Note, led by majority shareholder Paolo Colucci, concluded a Framework Agreement for the reverse take-over operation, which resulted in the incorporation of Casta Diva Group into the Blue Note structure. Following its entry into the public capital market, Casta Diva Group launched a significant development plan through strategic acquisitions, aiming to consolidate its position as a dominant player in the national sector with a significant market share. These acquisitions were crucial in expanding the Group's business, decisively shaping its path towards corporate success. In the same year, the Beirut office was also inaugurated, aiming to establish itself in the market as a "glocal" operator—locally aligned culturally but international in its scope of operations. Below, we outline the track record of mergers and acquisitions (M&A) operations carried out by the Casta Diva Group since its listing on the stock exchange;
- **2017:** Monaco Growth Forums Ltd, specialized in organizing financial events, particularly related to the cryptocurrency sector and emerging trading platforms, was fully acquired by Casta Diva Group;
- **2018:** Casta Diva Group reached a binding agreement with Matteo Valcelli, the key shareholder of G.2 Eventi Srl and attorney for the shareholders of MeTe Travel & Events Srl. The agreement provides for the establishment of the sub-holding District Srl. In this new entity, Casta Diva Group will contribute 100.0% of the shares in Casta Diva Events Srl, while Valcelli, through a newly established company that already holds the total shares in G2 and MeTe, will contribute 100.0% of these latter entities. Casta Diva Group consolidated its leadership position by acquiring a majority (51.0%) of District Srl. Subsequent-

ly, through the exercise of put and call options, the Group increased its stake to hold 100.0% of the shares in G.2 Eventi Srl and MeTe Travel and Events Srl. Subsequently, through a reverse merger operation, District Srl will merge into G.2 Eventi. The latter, G.2 Eventi, will proceed with the integration of Casta Diva Ideas through a merger by incorporation in the course of 2024, marking another step forward in the Group's rationalization and consolidation strategy;

- **2020:** Casta Diva Group announces the conclusion of a binding agreement for the lease of the Events Business Unit (RAE) of Over Seas Srl, part of the HDRÀ Group. The agreement, which has a three-year validity, also includes several contracts with major Italian and international clients operating in the ideation and organization of events. Casta Diva Group has further consolidated its internal structure with the creation of Casta Diva Ideas, following the acquisition of the remaining 49.0% of the shares of District Srl, a sub-holding specialized in the Live Communication sector. This operation is part of the Group's strategy to simplify its structure, with a subsequent phase foreseeing the integration of Casta Diva Ideas into G.2 Eventi. The Group will then choose, in the last months of 2023, to exercise the option to purchase the Events Business Unit, which will be incorporated into the scope of Casta Diva Ideas;
- **2022:** In February 2022, Casta Diva Group announced the acquisition of 90.0% of Genius Progetti SpA, an events company specializing in organizing luxury events, led by Federica Morini and headquartered in Sassuolo (MO). The transaction was completed at the end of March. In July 2022, the Group acquired the rights to use the "We Are Live" brand. Founded in 2019 by Attilio Manassero, the "We Are Live" brand specializes in planning and executing events for the luxury sector and multinational companies. Since its launch, the brand has organized events for prestigious names such as Moncler, Bulgari, Fendi, and Zegna.;
- **2023:** In November 2023, Casta Diva Group announced the closing of the acquisition of Akita Film Srl, one of the largest and most prestigious advertising production companies in Italy (100.0% controlling shareholder of Akita Off Srl). Founded in 2004 and currently led by Paolo Zaninello and Davide Rizzi, Akita has established itself as a leader in the advertising production sector thanks to the artistic sensitivity and organizational skills of its managers. Specializing in the production and organization of commercials globally for major brands in the fast-moving consumer goods, automotive, telecommunications, and entertainment sectors, Akita boasts a well-established structure with creative, technical, and logistical expertise. These capabilities have enabled the company to successfully produce commercials for nearly twenty years. Over time, Akita has developed preferential relationships with renew-

ned directors, both Italian and international, and has established strategic partnerships with other European production companies, further strengthening its expertise in the advertising field;

- **2024:** In December 2023, following the approval of the New Business Plan 2023-2026, the Group announced that it had signed a Letter of Intent (LoI) for the acquisition of 70.0% of the share capital of E-Motion Srl, a production company based in Genoa specializing in industrial and event videos. E-Motion stands out as one of the first production companies in Italy, and among the first worldwide, to adopt the Red Digital Cinema-based filming system. This company is also specialized in the creation of corporate and event videos, distinguishing itself for its capability in technological integration and innovation in video production. The acquisition is expected to be completed within the first half of 2024.

1.3 Shareholders and Group Structure

TABLE 1 – SHAREHOLDERS

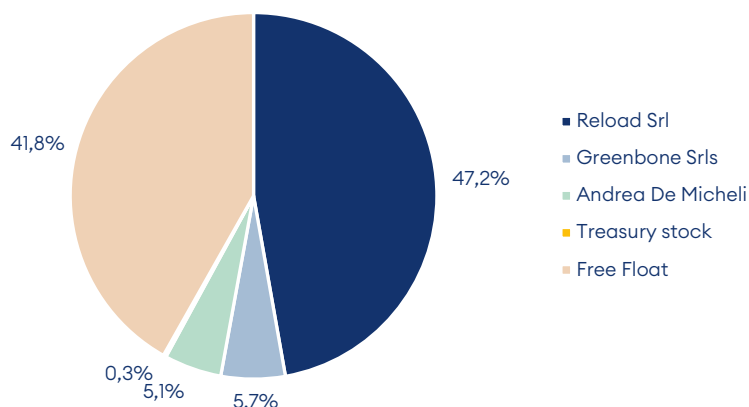
Shareholders	# Ordinary Shares	# Multiple Voting Shares	# Total Shares Issued	# Voting Rights	% on Ordinary Shares	% on Total Shares Issued	% on Voting Rights
Reload Srl	94.431	9.369.695	9.464.126	28.203.516	1,0%	47,2%	68,3%
Greenbone Srls	554.085	580.000	1.134.085	2.294.085	5,9%	5,7%	5,6%
Andrea De Micheli	657.400	357.000	1.014.400	1.728.400	7,0%	5,1%	4,2%
Treasury Stocks	50.860	-	50.860	50.860	0,5%	0,3%	0,1%
Free Float	8.071.944	309.304	8.381.248	8.999.856	85,6%	41,8%	21,8%
Total Ordinary Shares	9.428.720			9.428.720	100,0%	47,0%	22,8%
Total Multiple Voting Shares		10.615.999		31.847.997		53,0%	77,2%
Total Shares Issued			20.044.719	41.276.717		100,0%	100,0%

Source: Casta Diva Group

With regard to Casta Diva Group's shareholding structure, it should be noted that the share capital amounts to € 9,785,898.50, divided into 20,044,719 shares with no face value, of which 10,615,999 shares with multiple voting rights.

Taking into account the ordinary and multiple voting shares, 47.2% of the share capital is currently held by Reload Srl, 5.7% by Greenbone Srls and 5.1% by Andrea de Micheli, with the remainder represented by the free float capital on the market (41.8%). The Group holds 50,860 treasury shares (0.3%).

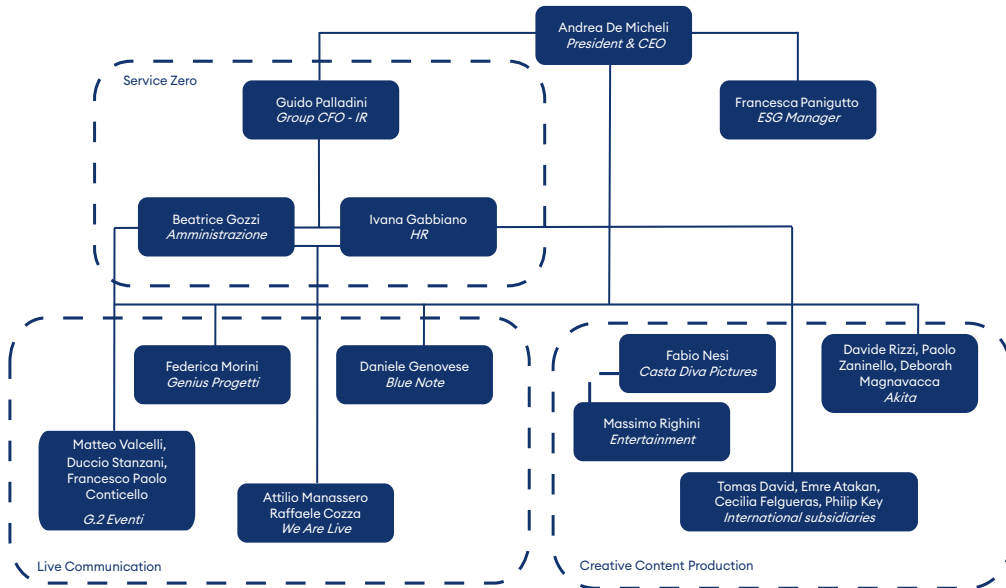
CHART 3 – SHAREHOLDER STRUCTURE



Source: Casta Diva Group

1.4 Corporate Governance

CHART 4 - CORPORATE GOVERNANCE¹



Source: Casta Diva Group

The Board of Directors is composed of 6 members and will remain in office until the approval of the financial statements for the fiscal year ending on December 31, 2025. Specifically:

- Andrea de Micheli is the Chairman and Chief Executive Officer;
- Pietro Candela, Vittorio Meloni, Francesco Savelli, Mauro Lorini, and Andrea Conso serve as Independent Directors;

The Company has adopted a single-tier governance system and therefore has an Internal Management Control Committee chaired by Mauro Lorini and attended by Andrea Conso and Francesco Savelli.

¹

The chart represents Casta Diva Ideas as an entity already incorporated within G.2 Eventi.

1.5 Key People

Andrea De Micheli – Founder, Chairman and CEO

The operating chairman has produced over a thousand commercials for more than one hundred top brands in thirty countries. He has been mentored by Martin Scorsese, Dante Ferretti, Nestor Alemandros, Peppuccio Tornatore, Stu Hagmann, as well as Jean Jacques Beneix, Dario Argento, John Landis, and numerous creative agencies that believed in him. He founded the two largest corporate web TVs in Italy, for Enel and Intesa. He holds three master's degrees, in cinema, film finance, and multimedia production. He is the co-author of the book “La fabbrica degli spot” published by Lupetti Editori di Comunicazione (Milan 2007). He is also the co-founder and president of the Web3 Alliance consortium, which focuses on Artificial Intelligence and new technologies enabled by Web 3.0.

Guido Palladini – CFO

Chief Financial Officer with over 15 years of experience in financial management, accounting, and reporting, primarily in the media sector. Since January 2020, he has served as the CFO of Casta Diva Group.

Francesca Panigutto – ESG Manager

After completing her economic studies, she joined healthcare companies such as Artsana and Bayer, where she focused on marketing and communication. She joined Casta Diva Group in January 2020. After an initial phase dedicated to the development of the then newly formed Casta Diva Ideas, she became part of the Group's production company, serving as Chief Marketing Officer and Branded Content & Sponsorship Manager. As of January 2023, she is also the ESG Manager of Casta Diva Group.

1.6 Benefit Company and ESG Pact

Casta Diva's social commitment was further strengthened in December 2023² when it achieved Benefit Corporation status. As a Benefit Corporation, Casta Diva Group is committed to pursuing one or more objectives of common benefit, operating responsibly, sustainably, and transparently towards individuals, communities, territories, and various cultural, social, and environmental entities, as well as towards organizations, associations, and other stakeholders.

President Andrea De Micheli enthusiastically announced the achievement: *"I am truly pleased to announce that our company has successfully completed the process to obtain Benefit Corporation status, and I am thrilled to lead an organization that promotes a corporate culture inspired by ESG criteria, demonstrating a tangible commitment to responsibility, inclusivity, sustainability, and transparency"*. This important milestone demonstrates Casta Diva's continuous commitment to promoting fundamental values for sustainable and responsible economic growth, marking a significant step in their mission to integrate social responsibility and environmental sustainability into their corporate strategy. This new status not only reflects their dedication to operating ethically and transparently but also amplifies the impact of their initiatives on communities and the environment.

Casta Diva Group has further consolidated its proactive stance on sustainability by recently promulgating the ESG Pact, an initiative aimed at improving the well-being of employees and protecting the environment. Through the implementation of this pact, Casta Diva Group actively contributes to the achievement of the UN Sustainable Development Goals outlined in the 2030 agenda. This pact reflects the company's commitment to sustainable and responsible management.

² Through the press release of December 22, 2023, the Group announced that following the meeting of the extraordinary and ordinary shareholders' assembly of the company, convened on December 7 through a publication in the newspaper "Italia Oggi," the statutory amendments necessary for obtaining Benefit Corporation status were approved.



Source: Casta Diva Group

In 2023, Casta Diva Group presented its first Sustainability Management Report, a document that extends the provisions of the traditional management report, in accordance with Article 2428 C.c., enriching it with detailed information on social and environmental sustainability. Aware of the significant impact that sustainability can have on broad issues such as social inequalities and climate change, the Group actively promotes Sustainable Development. This commitment is manifested in the support of the Ten Principles of the United Nations Global Compact and the Seventeen Sustainable Development Goals of the 2030 Agenda, focusing particularly on Human Rights, Labor, and the Environment.

In this context, Casta Diva Group has integrated a crucial role within its organizational structure: the ESG Manager. This professional role is strategically positioned at the intersection of emerging needs in the fields of Human Resources and Corporate Social Responsibility, facilitating an effective integration of business requirements with sustainability goals. The establishment of this role underscores the Group's commitment to sharing its fundamental ethical values with collaborators and partners through targeted projects and concrete initiatives.

As part of its activities, Casta Diva Group is dedicated to the following common benefit objectives:

- **Promoting a corporate culture centered on inclusion and the appreciation of individual talents**, with the aim of developing the full potential of each person within the organization. The Group is passionately dedicated to inclusion and diversity projects, such as the PRIDE Project, aimed at creating a welcoming work environment for everyone. Casta Diva Group has also launched an in-depth course on the LGBTQIA+ world, led by Florencia Di Stefano-Abichain, which enhances understanding and respect for diversity within the company.

- **Focusing on innovation through digitalization**, not only to optimize internal processes but also to generate a positive environmental impact. This approach supports a progressive evolution of the business model in line with the climate neutrality goals outlined by the European Union and national ecological transition policies.

The Group's sustainability plan translates into a series of initiatives regarding ESG (Environmental, Social, and Governance) issues. Specifically:

Environmental:

- A plan is underway to implement various measures and technological solutions aimed at reducing CO2 emissions, including the potential annual offsetting of residual emissions;
- All Group offices have appropriate bins for recycling;
- Casta Diva Group is actively reducing water resource waste through the introduction of water dispensers and providing employees with recyclable metal bottles, constant monitoring of water systems to reduce leaks, replacing old faucets with low-flow devices, and providing information and training to employees;
- The use of plastic has been eliminated in the offices.

Social:

- Workers are guaranteed access to occupational health services. In particular, a competent doctor collaborates with the employer and the prevention and protection service to assess risks, visits work environments at least once a year, provides workers with information on the meaning of health surveillance and, where necessary, on the need for medical examinations, and schedules and conducts health surveillance;
- A free psychological support service is available through an online help desk for issues related to work-life balance, stress management, and improving well-being at work and in private life;
- A Parenting Help Desk has been introduced to help employees with children navigate the bureaucracy related to parental leave, permits, allowances, etc;
- A physical trainer is available for muscle awakening activities, postural and functional respiratory gymnastics, yoga, and Pilates;
- A corporate welfare plan is being developed, consisting of a credit allocation

for the use of goods and services, focusing on personal services;

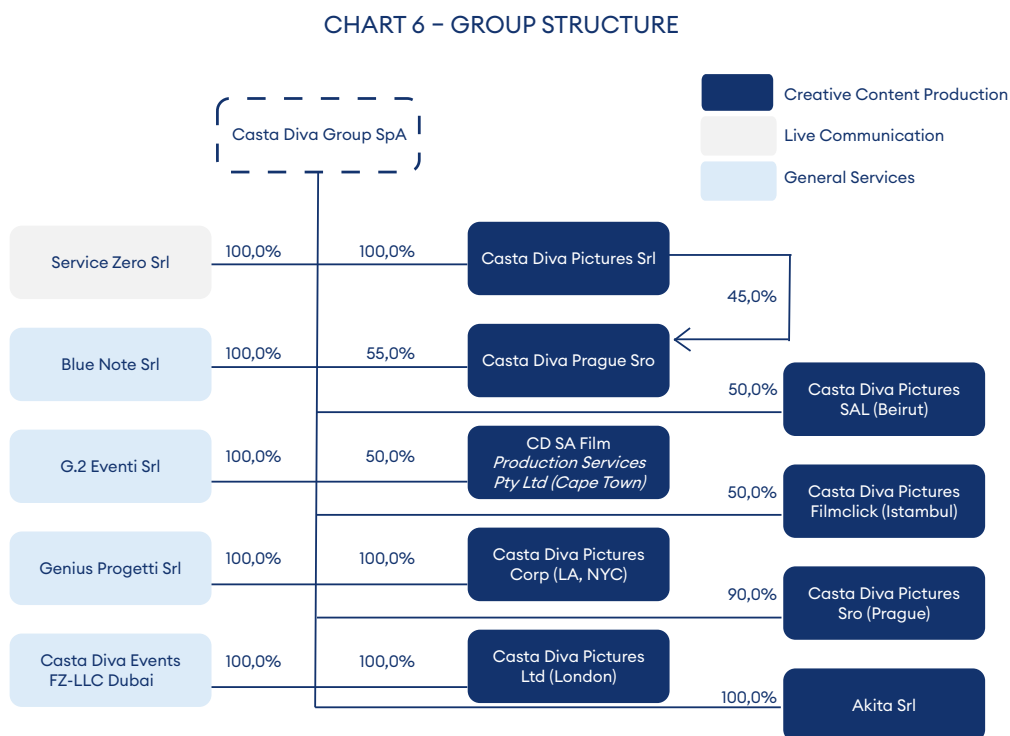
- The process for UNI/PdR 125:2022 certification is underway to promote and monitor gender equality through specific KPIs;
- Casta Diva Group supports the launch of Viola, an app against gender violence, with a charity project that includes an integrated communication plan and an advertising campaign announcing support for Viola and Donnex-Strada. Blue Note and the Group's street-level offices have become Viola Points.

Governance:

- The Board of Directors is composed of six directors, five of whom are independent, who are constantly committed to certification according to ISO9001, ISO14001, and ISO20121 standards, encouraging staff to achieve ESG goals. It is noted that the roles of Chairman of the Board and Chief Executive Officer are held by different individuals;
- A code of ethics has been published.

2. Business Model

2.1 Group Structure³



Source: Casta Diva Group

The Casta Diva Group is organized according to a holding structure. The parent company defines strategic directives and provides services to its subsidiary operating companies, which are organized into two main divisions, depending on the business sector:

- Live Communication Division:** This division is dedicated to the design and management of a wide range of activities, such as conventions, conferences, online events, promotional tours, trade show booths, team-building initiatives, product launches, press conferences, experiential events, concerts, and festivals;

³ The graphic represents Casta Diva Ideas as a reality already incorporated within G.2 Events

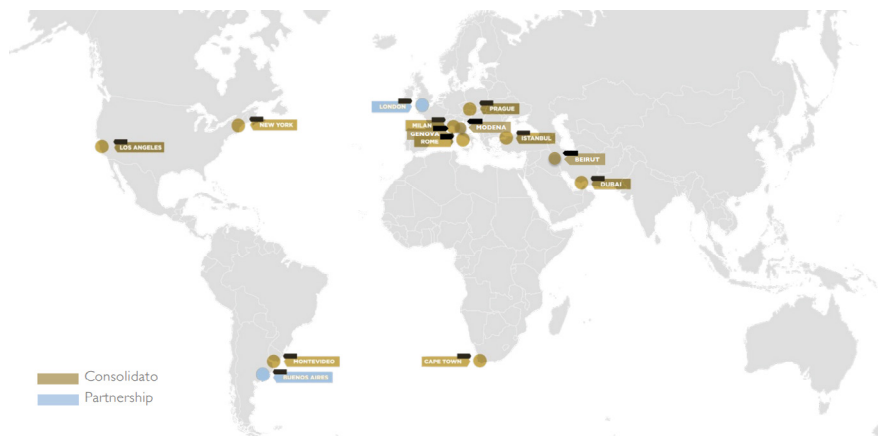
- **Creative Content Production Division:** This division specializes in the production of commercials, digital videos, corporate videos, TV formats and programs, documentaries, and films.

2.2 Business Model Overview

The Group is present in 15 cities across 4 continents (Milan, Rome, Genoa, Modena, London, Prague, Beirut, Istanbul, New York, Los Angeles, Buenos Aires, Montevideo, Cape Town, Dubai, Riyadh). Casta Diva Group operates through two business units. Regarding the Creative Content Production Division, Casta Diva Group operates through its subsidiaries Casta Diva Pictures, headquartered in Milan and present in several countries, Akita Film, and the to-be-acquired E-Motion. The Live Communication Division primarily deals with the planning and management of events, being active in both the B2B and B2C markets through its subsidiaries: G.2 Eventi, Casta Diva Ideas, Genius Progetti, and Blue Note.

Thanks to its two divisions, the Group positions itself in Italy as a leader in both market segments, offering innovative and high-quality solutions to its clients.

CHART 7 – CASTA DIVA GROUP'S GLOBAL PRESENCE



Source: Casta Diva Group

Live Communication

Casta Diva Group, structured into two main divisions, has consolidated its presence in the communication and entertainment sector at an international level. The Live Communication division, predominantly oriented towards the B2B market but also active in B2C, produced approximately 86.0% of the revenues recorded as of December 31, 2022. The development of this BU is attributable to both organic growth and strategic acquisitions of high-profile companies, which have expanded the operational scope to new business segments such as the luxury sector, and enriched the client portfolio with prominent names such as Ferrari, Enel, and Poste Italiane.

Specifically, the Live Communication Business Unit includes entities such as G.2 Eventi, which will soon incorporate the assets of Casta Diva Ideas. In the B2C market, targeting private clients, Casta Diva Group operates through its subsidiary Blue Note Srl, managing the namesake jazz club and restaurant located in Milan. Annually, Blue Note welcomes about 80,000 visitors, serves 25,000 dinners, and organizes 60 corporate events. The club also stands out as one of the main reference points in the jazz concert scene in Italy, contributing approximately 25.0% to the total revenue of the sector in the country.

CHART 8 - BUSINESS MODEL LIVE COMMUNICATION AND MAIN CLIENTS



Source: Casta Diva Group

The Group is committed to consolidating its position as a significant player in the diversified market through this business unit. To better understand how the Group intends to achieve this goal, it is essential to analyze in detail the business models of the various companies that comprise it. This approach will not only highlight the unique aspects of each entity but also identify potential synergies between them, thus enhancing the distinctive competencies and integrated capabilities of the Group as a whole.

The Live Communications division relies on the operations of the following Group companies:

- **G.2 Eventi:** G.2 Eventi today represents the synthesis of a series of strategic mergers and acquisitions that have led to its current structure. Originally composed of G.2 Eventi and MeTe Travel & Events, over the years it has added the assets of Casta Diva Events and, more recently, Casta Diva Ideas. These integrations were carried out with the aim of creating a specialized hub capable of offering an integrated offering in the Live Communication sector. Already in 2018, G.2 Eventi and MeTe T&E became part of the company perimeter thanks to the creation of a newco, District Srl, into which the shares in G.2 Eventi and MeTe T&E, both owned by founder Matteo Valcelli, flowed, in addition to Casta Diva Events, contributed by Casta Diva Group. District Srl was then integrated, through a reverse merger operation, into G.2 Eventi, within which Casta Diva Ideas will also be integrated in the coming months. This merger has created one of the most significant hubs in the events market in Italy, enriched by the complementarity of clients, skills, and services. The expertise of G.2 Eventi in managing large events and the specialization of MeTe T&E in the logistics and organization of complex events had contributed to a solid operational base extending for over 25 years. G.2 Eventi, with the goal of further strengthening its position in the Live Communication sector, has continued its development path through a combination of organic growth and strategic acquisitions. This process has included the integration of key skills and the expansion of its prestigious client portfolio, which includes companies such as Poste Italiane and Enel. A crucial element of this strategy was the acquisition of the operational unit of Over Seas, which was incorporated into Casta Diva Ideas, soon to be an integral part of G.2 Eventi. Moreover, the integration of “We Are Live” has expanded the portfolio to luxury brands such as Bulgari and Fendi, strengthening the Group’s ability to organize distinctive events in the fashion and luxury sector. For 2024, the integration of Casta Diva Ideas into G.2 Eventi is planned, continuing the Group’s strategy of rationalization and optimization. This will further consolidate G.2 Eventi’s position as a leader in the creation of physical, digital, and phygital events, broadcast live in various locations, leveraging its internal division dedicated to travel agency and tour operator activities to manage all logistical aspects of events. In summary, G.2 Eventi, through its consolidated capabilities and the diversification of its client portfolio, is positioned to continue to be a benchmark in the Live & Digital Communication sector, managing complex and innovative events with an approach that integrates creativity and organizational precision.

CHART 9 – G.2 EVENTI MAIN EVENTS



Source: Casta Diva Group

- **Casta Diva Ideas:** Casta Diva Ideas was established in 2020, following the acquisition of the remaining 49.0% of District Srl, a sub-holding operating in the Live Communication market. Supported by a dedicated team and having played a creative role for the Group, the company then fully dedicated itself to the development of Live Communication. Starting from the second half of 2020, the operational activities of Casta Diva Ideas were significantly enriched by the signing of a binding agreement for the lease of the Events Business Unit (RAE) of Over Seas Srl, a company belonging to the HDRÀ Group. This three-year agreement also included several contracts with important Italian and international clients active in the ideation and organization of events. Subsequently, the purchase right on the same business unit was exercised, which was then integrated into Casta Diva Ideas. In January 2022, the client portfolio of Casta Diva Ideas significantly expanded and diversified with the arrival of a new manager specialized in fashion and luxury events under the brand “We Are Live.” Prestigious clients such as Bulgari, Fendi, Moncler, and Zegna were added to the portfolio, enhancing it with high-profile events such as the Zegna and Moncler Investor Day, the Fendi World Convention, among others. Casta Diva Ideas also consolidated its presence in the spectacular events sector, a new field for Casta Diva Group, by extending the Framework Agreement with Poste Italiane and organizing incentive events in various national and international locations such as London, Paris, Berlin, Lisbon, Kuala Lumpur, Mexico City, Cape Town, and Cairo. A recent example of Casta Diva Ideas’ innovation was the realization of two editions of the Light Art Festival for A2A, called “Light is Life. Festa delle Luci A2A,” highlighting their commitment to creating unique and engaging experiences.

CHART 10 – CASTA DIVA IDEAS VALUE PROPOSITION

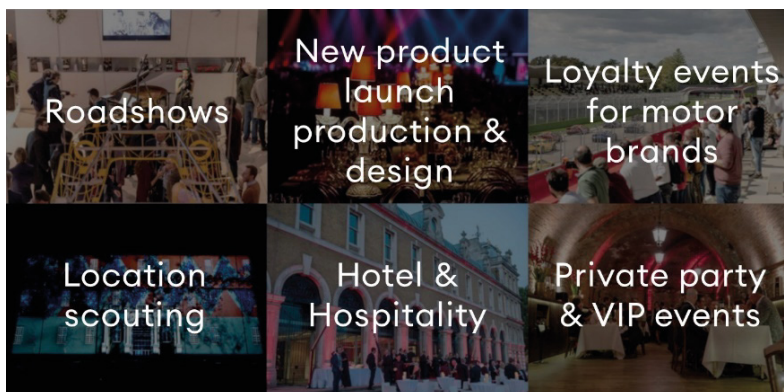


Source: Casta Diva Group

- Genius Progetti:** Founded in 1994, Genius Progetti Srl has established itself as a leading agency in the design and organization of global corporate events, trade show booths, celebrations, and new product launches for prominent brands in the automotive, ceramic, and cosmetic sectors. The main goal of the agency is to transform event participants into true brand ambassadors. Genius Progetti’s mission is to enhance the connection between brands and clients by creating unique and memorable experiences. The agency specializes in organizing corporate events such as anniversaries, gala dinners, conferences, and award ceremonies. With over twenty years of experience in trade show booth design, Genius Progetti has created installations for some of the world’s most prestigious companies, participating in international trade fairs such as Cersaie, Bauma, Adipece, Cosmoprof, EIMA, and others, both in Italy and across Europe and the Middle East. Notable clients include Ferrari, Kohler Engines, Italo, Chiesi, Confindustria Ceramica, Smaltochimica, and Pramac, with Ferrari standing out as a particularly loyal and significant client. Genius Progetti’s extensive experience and acquired sensitivity allow it to effectively interpret the codes and language of luxury, designing events that reflect these values. The in-house team, consisting of designers, event managers, and project managers, works in synergy with architects and interior designers to provide turnkey solutions, minimizing the need to outsource activities. The operating process begins with an initial meeting with the client to define the objectives, nature, and budget of the event. Subsequently, the Genius Progetti team develops the concept and allocates the budget to various activities. An internal project manager then coordinates all involved

resources, both internal and external. During the trade show booth design phase, the client receives 3D renderings to actively participate in decisions regarding layout, atmosphere, spaces, and furnishings. Additionally, the technical team personally visits the trade shows to evaluate the space and define construction details. Once the project is defined, Genius Progetti takes on full management of the construction, from setup to dismantling, ensuring constant and detailed supervision throughout the process. Genius Progetti offers a wide range of services.

CHART 11 – GENIUS PROGETTI’S SERVICES



Source: Casta Diva Group

- Blue Note:** The Blue Note, managed by Casta Diva Group, is a renowned jazz club and restaurant located in the heart of Milan, standing out as a landmark in the city's and beyond's musical landscape. This versatile location hosts a variety of events, both B2C, such as concerts, and B2B, including conventions, corporate meetings, gala evenings, and product presentations. Recently, the traditional offering has been expanded with the addition of the Blue Note Off brand, which extends the Blue Note experience directly to clients, and the "Jazzmi" festival, organized in collaboration with Teatro dell'Arte and Ponderosa Music & Art, representing a prestigious event in the jazz calendar. Part of the famous international Blue Note network since 2003, the Milanese club shares its name with other iconic venues such as the Blue Note Jazz Club in New York, and locations in Tokyo, Nagoya, Beijing, Shanghai, Honolulu, Rio de Janeiro, and Napa. With the end of pandemic-related restrictions, Blue Note Milano has significantly contributed to the jazz concert sector in Italy, representing over 25.0% of the business, with more than 350 live events annually and almost 80,000 spectators, of which about 25,000 also opt for dinner. The stage of Blue Note Milano has hosted performances by famous jazz, blues, soul, and Latin artists, including The Blues Brothers, Dee Dee Bridgewater, Level 42, The Manhattan Transfer, Wynton Marsalis, Chick Corea, and Pino Daniele, as well as Eugenio Finardi, Ornella Vanoni, Malika Ayane,

Woody Allen, Jeff Goldblum, and Incognito. In addition to musical events, the club organizes about sixty corporate events per year, establishing itself as one of the most important showcases for jazz music in Europe. Furthermore, the collaboration with Radio Monte Carlo and live broadcasts from the venue have helped create a community of over 100,000 music enthusiasts, further strengthening its cultural and commercial impact.

CHART 12 – BLUE NOTE MILANO



Source: Casta Diva Group

Content Creation Production

The Creative Content Production business unit of the Group specializes in the production of a wide range of multimedia content, including commercials, digital and viral videos, branded content, event and corporate videos, TV formats and programs, documentaries, and films. The growth of the division has been driven by both organic expansion and strategic acquisitions, positioning the Business Unit as a leader among Italian commercial producers. Throughout 2023, Casta Diva Group further strengthened its offering through the acquisition of Akita Film Srl and its subsidiary Akita Off, as well as the acquisition of a 70.0% stake in E-Motion Srl, a production company specializing in corporate and event videos, to be finalized in 2024. E-Motion is known for being one of the first to adopt the Red Digital Cinema technology-based filming system. These acquisitions are part of a broader plan aimed at further diversifying the services offered by the division and expanding the client base, which already includes prestigious names such as Stellantis, Leonardo, Ferrero, SKY, Bayer, Banco BPM, CEI, Giochi Preziosi, P&G, Nivea, and Gillette.

M&A operations have significantly contributed to positioning Casta Diva Group in the market, with the goal of generating sustained double-digit growth in the medium term. The operating companies within the division, such as Casta Diva Pictures, operate globally and have successfully worked on projects for over 100 international brands in more than 30 countries. Casta Diva Pictures, together with Casta Diva Entertainment, produces content for both traditional broadcasters and OTT platforms, fully leveraging market opportunities thanks to their extensive production network. The recent acquisitions of Akita Film and E-Motion enhance Casta Diva Group's ability to offer innovative and customized solutions in the advertising and content production sectors, further consolidating its market leadership in Italy and improving its international presence.

CHART 13 – CONTENT CREATION PRODUCTION BUSINESS MODEL AND MAIN CLIENTS



Source: Casta Diva Group

- Casta Diva Pictures:** Casta Diva Pictures, a production company of the Casta Diva Group, specializes in creating creative content, with a primary focus on commercials and TV formats. The company meticulously oversees each phase of the creative process, from preliminary evaluation to post-production, maintaining internal control over high-value creative processes, while production and post-production phases may sometimes be outsourced under its supervision. The preliminary evaluation starts with idea generation and preliminary script drafting, identifying key figures such as actors and directors. This is followed by pre-production, which includes a detailed script study, budget planning, location selection, and the creation of the shooting board. Production involves the actual filming, and post-production handles editing, mixing, special effects, and dubbing. Within the value chain of branded content production, Casta Diva Pictures collaborates with both advertisers and agencies. Advertisers finance the creation of content to stimulate sales of their products or services, while agencies manage the creative aspects of the advertising campaign. In 2021, Casta Diva Pictures expanded its offerings in the television sector with the creation of Casta Diva Entertainment, led by Massimo Righini as Chief Creative Officer. The goal is to develop new original formats and identify high-performing existing formats to present them to the Italian and foreign broadcaster market, as well as OTT platforms like Amazon Prime Video, Netflix, and Discovery+. Besides Massimo Righini's creative consultancy on the biopic about entrepreneur and influencer Gianluca Vacchi, titled "Mucho Más," available on Amazon Prime Video, Casta Diva Pictures has produced 24 TV formats and programs, ranging from culinary entertainment to dating, from makeovers to motor sports, demonstrating the versatility and creativity of its content offerings. Among these:

Back in Time – Un amore da Favola it is a dating show set in the 19th century, taking participants back in time to find their soulmate without the aid of technology. This original format

is broadcast on the NOVE and Real Time channels and is also available for streaming on Discovery+. È un *dating show* ambientato nel XIX secolo, che porta i partecipanti indietro nel tempo per trovare la loro anima gemella, senza l'ausilio della tecnologia. Questo *format* originale è trasmesso sui canali NOVE e Real Time ed è disponibile anche in *streaming* su Discovery+;

Tarabaralla it is a cooking show hosted by Damiano Carrara, challenging VIPs and influencers to create “Instagrammable” desserts. It is available exclusively for streaming on Discovery+;

C'è ciccìa with chef and butcher Luca Terni invites the audience to explore the most succulent dishes of traditional Tuscan cuisine. This program is broadcast on Food Network;

Fare Detailing is a motor show presented by Marcello Mereu, focusing on the secrets of car maintenance to keep them in the best condition. The program is available on Motor Trend and DMAX;

Scarpetta d'Italia, presented by Luca Terni on Food Network, follows the cook as he explores traditional Italian recipes, culminating in the act of “scarpetta” to savor every last one of the dishes on offer;

Pazzi di Pizza is a competitive format produced for Warner Bros Discovery, set in Naples, in which two pizzerias compete in each episode to determine the best pizzeria in the neighborhood, judged by Sal Da Vinci and Fabio Esposito;

Questa è casa mia! based on the BBC format “This is my House,” involves participants in a competition to convince a panel of judges that the house described is really theirs. It is broadcast on Real Time;

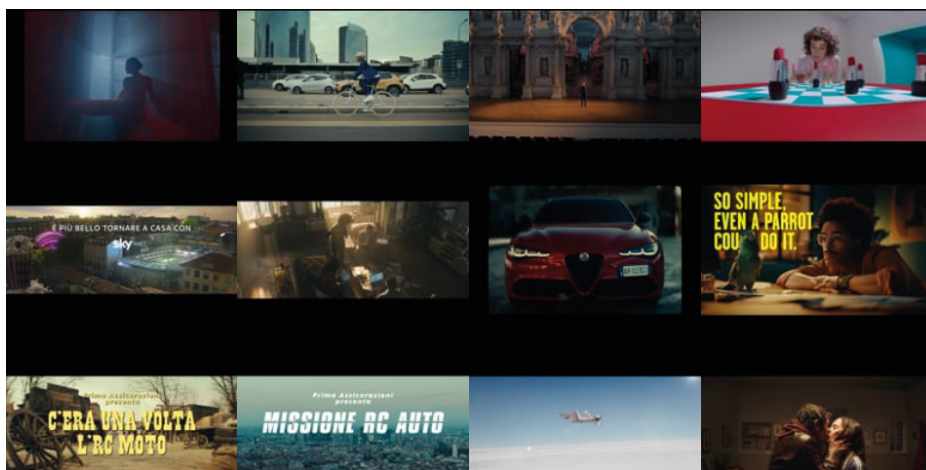
Trasformazioni incredibili is a reality show that documents complete life transformations under the guidance of three experts led by Enzo Miccio.

Each of these television formats contributes to further diversifying Casta Diva Pictures' offerings, placing innovative projects for a variety of platforms and audiences alongside commercial spot productions.

- **Akita Film:** In November 2023, Casta Diva Group completed the acquisition of 100 percent of the share capital of Akita Srl, which wholly controls Akita Off Srl. This company is renowned for producing commercials globally for famous brands in the fast-moving consumer goods, automotive, telecommunications and entertainment sectors, collaborating with major companies such as Ferrero, Stellantis, Vodafone and SKY. Akita has developed close ties with established filmmakers both Italian and international, and has established partnerships with other European production companies. It is also known for

its collaborations with prominent celebrities in sports, film, and entertainment, including Stefano Accorsi, Eva Green, Charlize Theron, Carlo Cracco, Robin Williams, Pierfrancesco Favino, Gerard Piqué, Elodie, Fiorello, and Pellegrini. Among the most recent and successful commercials produced by Akita are “Tigotà 2023,” “The Story of Gemmo” with Alessandro Gassman, and “Crodino Analcolico surprises, overwhelming taste.” In addition, through its wholly-owned subsidiary Akita Off, Akita Film aims to serve the smaller budget commercials market segment by offering high-quality advertising solutions at affordable costs.

CHART 14 – BUSINESS MODEL CONTENT CREATION PRODUCTION



Source: Casta Diva Group

- E-Motion:** Casta Diva Group has recently announced, as part of the presentation of the New Business Plan 2023-2026 at the beginning of December, the signing of a letter of intent for the acquisition of 70.0% of E-Motion Srl, a Genoa-based company specializing in the production of industrial and event videos. The acquisition is expected to be completed by the second quarter of the current year. E-Motion is recognized as a pioneer in video production in Italy, being among the first globally to adopt Red Digital Cinema technology and use the 8K format, thanks to Cooke/Red Primes lenses. The company specializes in high-definition and multi-screen productions, with special shooting equipment that supports an innovative and integrated approach to communication, combining traditional methods with cutting-edge technologies. E-Motion’s infrastructure includes an online grading room, a 4x6 meter drivable limbo studio, a motion graphics department, and 7 offline/editorial editing suites. With solid experience in stereo 3D and VR360 productions, the company offers complete and accessible solutions, having significantly invested in modernizations that include 7 4K editing stations and RED 8KRAW cameras. This makes it a reference point for those seeking the hi-

ghest quality and wishing to invest in the future of their productions, ensuring complete process management up to the delivery of the finished product. E-Motion has also developed specific expertise in the shipping sector, thanks to a twenty-year collaboration with major global shipping companies such as Costa Cruises and Silversea. The services offered range from corporate videos to commercial spots, visuals for conventions, tutorial and educational videos, safety videos, 2D and 3D graphics, animations, presentation supports, VR360°, duplications and standard conversions, as well as the creation of corporate archives and web services. Strongly rooted in commercial and institutional photography, E-Motion also stands out in the production of advertising and industrial services. The team specialized in corporate and commercial photography uses state-of-the-art equipment for digital photography and in-house photo retouching, providing ready-to-use images that eliminate the need for additional investments and timeframes. An image archive containing over 10,000 photos, complete with copyright, further enriches the company's offering.

CHART 15 – E-MOTION PHOTOS



Source: Casta Diva Group

By virtue of its distinctive Business Model, Casta Diva Group positions itself as a dynamic and versatile operator in the world of entertainment and events. Thanks to its two business units and the various companies operating within them, the Group boasts a wide and diversified portfolio of specializations. Through a well-defined strategy of both organic and inorganic growth, Casta Diva Group has established itself as one of the most distinctive and competitive players in the market.

The growth path undertaken aims to consolidate a set of specialized and differentiated skills under a single brand, creating a unique offer. As an Italian and independent group, Casta Diva Group has the flexibility and creativity to adapt and anticipate market trends, proposing innovative solutions that meet the needs of an increasingly demanding and varied public.

In this context, Casta Diva Group not only provides services, but is actively engaged in creating added value for its clients, constantly raising the level of its proposals through targeted investments and strategic partnerships. This integrated approach allows the Group to advance confidently into a future in which the variety and quality of its offerings will be increasingly recognized internationally.

2.3 Customers and Suppliers

The Company boasts a prestigious and loyal client portfolio, a key element of its success. Currently, Casta Diva Group has over 150 active clients, including numerous big spenders, i.e., clients who invest significant sums of money in the services offered. This not only testifies to the quality of the services provided by Casta Diva Group but also to the Group's ability to attract and retain high-profile clients of great economic importance. These clients, thanks to their substantial investments, significantly contribute to the company's growth and financial consolidation.

Another distinctive aspect of Casta Diva Group is its client loyalty. Among its active clients, 31 have been collaborating with the company for several years, demonstrating lasting and consistent trust in its services. This long-term loyalty is not accidental but is the result of a constant commitment to ensuring excellence, innovation, and customization of the solutions offered. Casta Diva Group has been able to build strong and lasting relationships, based on customer satisfaction and the ability to anticipate and meet their specific needs.

The combination of major investors and loyal clients represents a fundamental strategic asset of the Group. These two client segments not only provide economic stability but also a solid foundation for future expansions and innovations. The presence of big spenders allows the company to have the necessary resources to invest in new projects, technologies, and talents, while client loyalty ensures a steady flow of income and a reputation for reliability and quality in the market.

In summary, Casta Diva Group's client portfolio, composed of big spenders and loyal clients, is one of the key elements of its success. This combination allows the company to maintain a strong position in the sector, ensuring both financial stability and the potential for continuous growth and innovation.

CHART 16 – CASTA DIVA'S MAIN CLIENTS



Source: Casta Diva Group

3. Il mercato

Casta Diva Group operates in the segments of Live Communication and Advertising, where it has become a leader, with a market share close to 10.0%.

3.1 Advertising

In recent years, the Advertising market has undergone significant transformations due to social and economic factors such as economic crises, recessions, pandemics, and wars. These factors, combined with the development of digital advertising and the emergence of new business models, have influenced the budgets allocated for corporate communication investments. The market includes both traditional media such as print, radio, and TV, as well as innovative tools related to the Internet and digital media. Digital evolutions have also impacted traditional media, such as out-of-home advertising⁴ (OOH) and digital out-of-home advertising⁵ (DOOH), which uses non-domestic screens for multimedia content. Additionally, changing consumer habits have led to the emergence of new forms of advertising, such as Over the Top (OTT) ads for streaming TV, offering advertisers new opportunities to reach a wider audience through video streaming, as an alternative to traditional and satellite TV.

According to WARC, the advertising market has shown remarkable resilience in the face of a challenging context characterized by high interest rates, rising inflation, geopolitical instability, and natural disasters. For 2024, WARC's projections indicate a global advertising expenditure growth of approximately 8.2%, reaching the significant milestone of \$1,000 billion, thanks to the recovery of the global economy. The European region is also expected to register a more robust growth rate compared to 2023, with a 3.6% increase due to improving economic conditions.

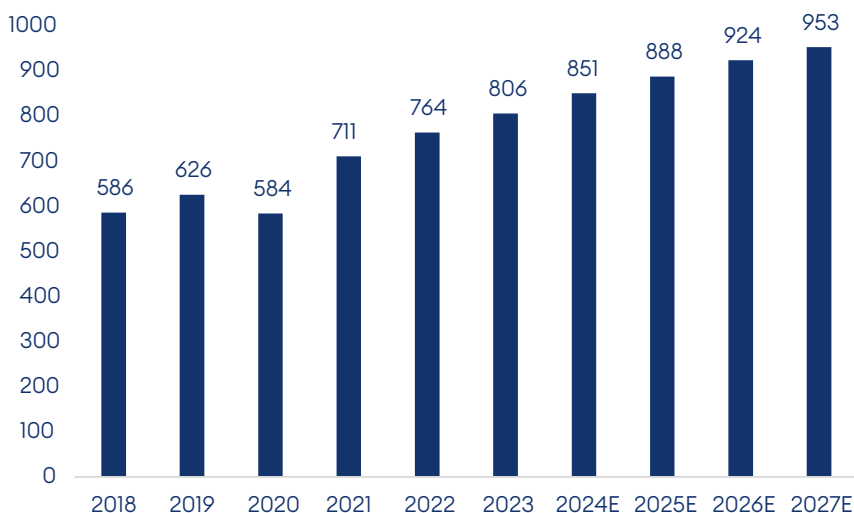
Five key companies will continue to dominate the distribution of expanding global advertising expenditure. Alibaba, Alphabet, Amazon, Bytedance, and Meta will account for more than half of global advertising spending. With growth outpacing the market, these five companies' advertising revenues will increase by over 10.0% in 2024, bringing their combined market share to 51.9%.

4 *Acronym denoting all forms of communication aimed at consumers outside the home environment. Out of Home Advertising is universe of advertising messages that embraces large-scale posters and billboards, illuminated signs, decorations, public transportation announcements, banners, banners, and more.*

5 *Consiste in una forma di pubblicità esterna in grado di rendere la comunicazione digitale, interattiva e dinamica attraverso schermi di varia forma, genere e dimensione.*

It is essential to monitor the U.S. and Chinese markets, which together represent about 44.0% of the total market share. According to GroupM, advertising investments in the United States exceed €300 billion for a population of about 300 million people, while in Italy, with a population of about 60 million, investments amount to €9 billion. This highlights the different market dynamics: in the United States, advertising investments amount to approximately €1,000 per capita, while in Italy, they are limited to €150 per capita. This indicates that the advertising market in Italy could grow 6.7 times by applying the same per capita spending, suggesting significant growth potential. In the coming years, major events such as the U.S. presidential elections, the Olympics, and the UEFA Men's European Football Championship in 2024 will stimulate global advertising market growth. The Internet and TV channels will be the main beneficiaries of these global events. WARC estimates that the Connected TV segment will grow by 12.1% in 2024, retail media by 10.5%, and social media will receive one-fifth of the year's total advertising expenditure. According to Confindustria, WARC, PwC, and Omdia, the share of advertising investments in the Internet and TV will continue to grow, representing over 87.0% of the global market by 2027.

CHART 17 - WORLD ADVERTISING SPEND (€/MLN)



Source: PwC Global Entertainment & Media Outlook, Omdia, elaborazione Integrae SIM

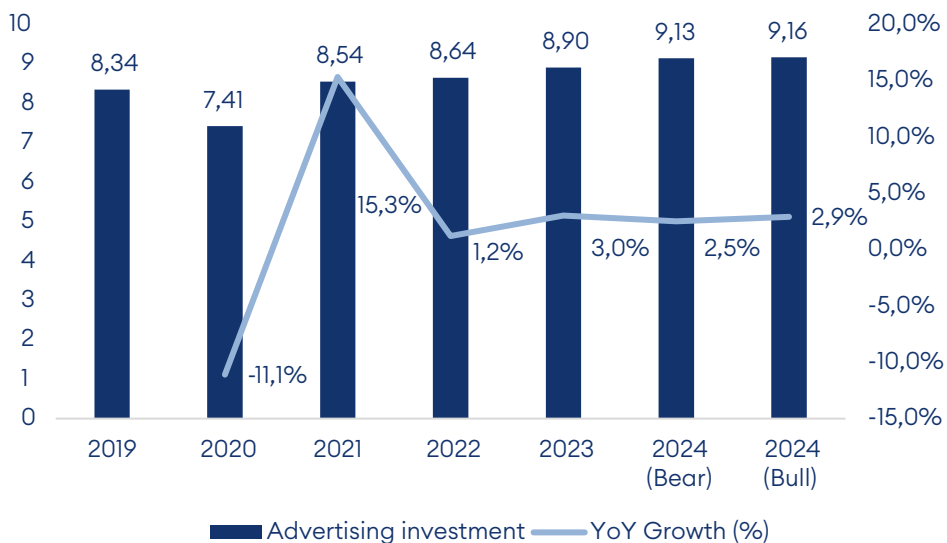
Regarding the national context, after the COVID-19 pandemic affected many sectors, the advertising market in Italy seems to be recovering. A study by Centro Studi UNA highlighted how the digital sector continues to be the main growth driver, representing over €4.00 billion and about 46.5% of the market. Television follows with revenue exceeding €3.40 billion, with Mediaset collecting about €2.00 billion, Rai €713.00 million, Sky €422.00 million, Discovery €255.00 million, La7 €173.00 million, and children's channels like K2 and Fresbee €22.00 million.

The report also highlights that OOH advertising is progressively recovering, while radio, newspapers, and magazines are in decline. Omnichannel strategies are becoming fundamental in the media mix, with video dominating the market, totaling almost €5.00 billion. The main destinations for investments are TV (40.2%), Online Video (14.4%), Out of Home Video (0.9%), and Cinema (0.1%).

The experiential market is becoming increasingly relevant compared to traditional advertising, with UNA predicting a growing importance of sponsorships, events, branded content, and influencer marketing. The experiential market is expected to reach €3.70 billion in 2023, with sponsorships accounting for more than half of this figure.

According to WARC, “content and apps for mobile devices” are also growing significantly (+10.3%), reflecting the increase in Internet connectivity in Italy, which has reached over 50.8 million people, equivalent to 86.1% of the population. The use of social networks is widespread, with nearly 44 million users spending about 1 hour and 48 minutes per day on them. Additionally, digital music (+7.9%) and digital publishing (+8.9%) continue to grow, driven by subscription revenues. Digital content readers have also increased, reaching €7.00 million in 2023. Overall, while the traditional advertising market has seen a contraction, digital advertising continues to grow, representing 43.9% of total investments, surpassing television advertising for the second consecutive year.

CHART 18 - ITALIAN ADVERTISING SPEND (€/MLN)



Source: Centro Studi UNA, elaborazione Integrae SIM

The growth of the advertising market, both internationally and nationally, is strongly influenced by digital advertising and “mobile content and applications.” Alongside the development of digital, Artificial Intelligence (AI) is emerging as a key factor that will shape the

future of the advertising industry. Major brands began experimenting with AI platforms in 2023, using tools like GPT-4 and DALL-E to create artwork. While the results achieved with AI may appear similar to traditional ones, there is often a compromise in quality. A comparison between Coca-Cola's Christmas advertisements from the 1950s and those generated by AI in 2023 clearly shows that the former possess a more original and creative touch, essential for brand building.

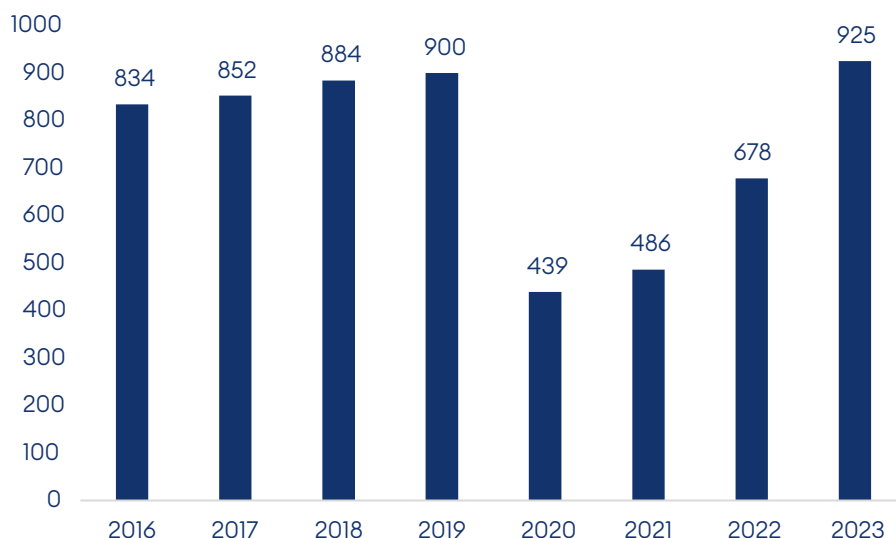
Despite AI representing a breakthrough for the future of communication, it cannot completely replace the artistic and human touch in creative projects. AI is a cost-effective option for low-budget and short-term solutions, but premium and high-budget campaigns still benefit from traditional video production, which offers superior quality.

3.2 Live Communication

Like all communication sectors, the world of events has also undergone significant transformations in recent years. The Live Communication market is constantly evolving, driven by technological innovations, culture, and social trends. Demand shows a growing need for participation in meetings, fueled not only by the renewed desire for social interaction and personal networking opportunities but also by the high experiential value offered by events. These events combine learning, entertainment, and consumption, making the most of new opportunities in available spaces that promote inspiration, creativity, serenity, and sociality. On the supply side of meeting spaces, there is an acceleration in digital transition, implementation of sustainability measures, and increasing attention to the health, safety, and overall well-being of event participants.

Undoubtedly, the most significant transformation in the events industry during the two years of the pandemic was the shift from physical to digital events, characterized by remote audience participation. After the sharp decline during the COVID-19 pandemic period (-51.2% YoY in 2020), the events industry in Italy saw a significant recovery in 2022, thanks to investments in technological innovation, sustainability, and communication. In the Live Communication sector, which includes B2B and B2C corporate events, cultural, sports, and musical events, the MICE industry (Meetings, Incentives, Conferences, and Events) generated a revenue of approximately \$876.00 billion in 2022.

CHART 19 – ITALIAN LIVE COMMUNICATION MARKET (€/MLN)



Source: Monitor Eventi, Plimsoll, GroupM, The Interactive Advertising Bureau, elaborazione Integrae SIM

According to Grand View Research, a compound annual growth rate (CAGR) of 7.5% in revenue is expected until 2030.

Regarding the national context, in the 2023 global ranking of the International Congress and Convention Association (ICCA), the Italian business tourism market has risen to first place in Europe and second place worldwide, surpassed only by the United States. The annual ranking of the International Congress and Convention Association also revealed that Italy has moved from sixth to first place in Europe over the past five years for the number of conferences hosted, reaching the second global position in 2022. In addition to these successes, Italy has set another record by being the only nation among the top-ranked to have increased the number of conferences hosted compared to 2022, while other countries have seen a decrease or remained steady. In climbing to the top of Europe, Italy surpassed Spain, now in second place, followed by France, Germany, and the United Kingdom.

In 2022, over 303,000 conferences and corporate events were held in Italy, marking a significant market recovery with a 251.0% increase compared to the previous year. The number of participants reached 21,215,934, with an increase of 363.0% compared to 2021, while total attendances were 31,706,600, with a 366.0% increase. These data indicate that in 2022, the conference tourism sector recovered over 70.0% of the events from 2019, the last reference year before the Covid-19 pandemic. This strong recovery, despite closures in the first quarter and a complex geopolitical context, highlights the importance of conferences and events for associations and businesses, providing essential opportunities for networking, commercial promotion, and brand awareness.

According to ITB Berlin, in 2022, about 85.0% of meetings were held in person, with Rome and Milan ranking 14th and 18th in the European ranking, respectively. Events were mainly concentrated in Northern Italy (59.0%), which hosts over half of the venues (53.0%). The Northwest recorded the highest increase with over 96,000 events (+222.0%), recovering over 74.0% of the 2019 events, while the Northeast recorded a growth of 214.0% with over 82,000 events (about 70.0% of the 2019 events). Also in 2022, event venues continued to invest to increase their competitiveness and respond to market dynamics, a trend that will continue in 2023 and 2024. According to the Italian Congress and Events Observatory (OICE), investments by venues in 2022 mainly concerned the optimization of internal spaces (30.4%), the installation of audiovisual equipment (27.9%), staff training (26.2%), the development of promotional and communication tools (24.0%), the redevelopment of external spaces (20.9%), and energy efficiency measures (20.9%).

4. Posizionamento Competitivo

In conducting its business, the Group competes with the leading players in the Advertising Video Content and Live Communication markets. The competitive analysis thus focuses on companies or corporate groups that represent Italian producers of commercials or event organizers.

TABLE 2 – MAIN COMPETITOR (2022 DATA)

€/mln	VoP	Ebitda	Ebitda %	Net Income	Net Income %	NFP
ADV Video Content	2022	2022	2022	2022	2022	2022
Movie Magic International Srl	18,3	1,2	6,8%	0,5	2,8%	5,7
Think Cattleya Srl	18,2	1,7	9,5%	1,1	5,8%	(1,8)
The Box Films Srl	15,2	1,6	10,8%	1,0	6,8%	(1,6)
BRW Filmland Srl	11,9	1,2	9,8%	0,9	7,7%	(1,7)
Little Bull Srl	11,2	1,1	9,9%	0,7	6,2%	(1,2)
Mercurio Cinematografica Srl	11,2	0,4	3,6%	0,1	1,2%	(1,3)
The Family Srl	10,8	0,5	4,3%	0,0	0,3%	0,2
C.F. Group Srl	7,4	0,9	12,6%	0,6	8,0%	(0,5)
Alto Verbano Srl	4,9	0,5	9,8%	0,3	5,3%	0,7
Blackball Srl	4,5	0,1	1,4%	0,0	0,2%	(0,5)
Filmmaster Productions SpA	3,0	(0,7)	-24,3%	(0,7)	-23,9%	1,0
Black Mamba Srl	3,0	0,3	10,2%	0,2	6,6%	(0,4)
360FX Srl	3,0	0,2	5,5%	0,0	0,4%	(0,2)
The Bigmama Srl	2,3	0,1	3,2%	0,0	0,6%	0,2
Haibun Srl	1,9	0,0	2,6%	0,0	1,1%	(0,3)
Median	7,4	0,5	6,8%	0,2	2,8%	(0,4)
Live Communication						
Alphaomega Srl	67,5	9,9	14,6%	6,4	9,5%	0,8
AIM Italy Srl	54,2	0,6	1,2%	0,1	0,2%	8,1
Pomilio Blumm Srl	75,2	3,3	4,4%	1,6	2,2%	10,2
Next SpA	34,5	1,0	3,0%	0,0	0,1%	(0,1)
Noloop Srl	31,9	3,0	9,3%	1,7	5,3%	1,2
Inventa CPM Srl	30,2	2,4	8,1%	1,4	4,8%	(0,0)
Prodea Group SpA	23,0	0,7	3,1%	1,2	5,2%	9,3
Median	34,5	2,4	4,4%	1,4	4,8%	1,2
Casta Diva	84,0	6,3	7,5%	1,8	2,2%	(2,8)

Source: Orbis, elaborazione Integrae SIM

Based on market drivers, Casta Diva Group's main competitors include:

ADV Video Content

- **Movie Magic International Srl:** founded in the early 1990s, Movie Magic has firmly established itself as a leader in the Italian film, television and advertising industry, quickly gaining international recognition as well;
- **Think Cattleya Srl:** a multifaceted advertising production house of the Cattleya Group capable of offering a quality competitive service thanks to an in-depth knowledge of the national and international market combined with an established negotiating ability in the industry;
- **The Box Films Srl:** founded in 2005, is a production company specializing in television commercials, print campaigns, digital content and social platforms. The Box Films is based in Milan, Italy;
- **BRW Filmland Srl:** Italy-based advertising production company with a roster of high-quality international directors;
- **Little Bull Srl:** founded in Turin but also present in Rome and Milan, has been Armando Testa's audiovisual production house since 2003;
- **Mercurio Cinematografica Srl:** advertising production company founded in Milan in 1977;
- **The Family Srl:** production company for commercials, short films and branded content based in Milan;
- **C.F. Group Srl:** founded in 2009, Collateral Films is a creative production company specializing in fashion, art and advertising projects;
- **Alto Verbano Srl:** a company engaged in the production, on its own or on behalf of third parties, of commercials, films and television and film programs, long and short films, including documentaries and advertisements to be produced by any technique or process in Italy and abroad;
- **Blackball Srl:** independent Italian production company capable of developing and offering unique solutions through a wide range of projects provided by different media channels, content platforms and innovative format solutions;
- **Filmmaster Productions SpA:** specializing in the creation and production of events, live performances and ceremonies;

- **Black Mamba Srl:** company active in the production and post-production for its own and/or third parties, both in Italy and abroad of shows in general, from musical to radio, television, film and theater;
- **360FX Srl:** company active in film, video and television program production, music and sound recordings;
- **The Bigmama Srl:** production house and creative workshop that takes inspiration from the culinary world;
- **Haibun Srl:** production company founded by Cesare Fracca and Silvia Blosi in 1995;

Live Communication

- **Alphaomega Srl:** Independent group of communication agencies with offices in Rome and Milan;
- **AIM Italy Srl:** company active in the planning, organization and management of conferences, training courses, events and meetings;
- **Pomilio Blumm Srl:** a pan-European agency in public communication on an international scale;
- **Next SpA:** company active in the organization and management of corporate, institutional and cultural events across the board, from planning to execution;
- **Noloop Srl:** event agency formed through the merger of MCM Communication and Lillabry Communication;
- **Inventa CPM Srl:** Global outsourcing agency in sales and brand experience;
- **Prodea Group SpA:** media company in the events and entertainment industry, which has always specialized in the most innovative 3D and virtual reality technologies.

4.1 SWOT Analysis

Strengths:

- Leadership position in the target markets in which it operates;
- Organized structure and streamlined decision-making processes;
- High standing client portfolio (more than 150 clients with a project budget of more than € 0.15 mln);
- Opportunities for cross-selling between different business areas;
- Strong track record in M&A, with 3 acquisitions finalized since 2022.

Weaknesses:

- Revenues generated mainly by Genius Progetti (45.0% in FY22A);
- Growing complexity related to acquisitions made;
- Reduced market capitalization;
- Close ties between managers and clients.

Opportunities:

- Digital marketing transformation and positive OTT trend;
- BU Live Communication: penetration into new areas such as ceremonies, large events, fashion shows and medical conferences;
- BU Creative Content Production: entering the scripted program sector for new clients (such as RAI).

Threats:

- Cyclicity of the target market;
- Risk of market entry by large multinational corporations.

5. Economics & Financials

TABLE 3 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY22A	FY23E	FY24E	FY25E	FY26E
Revenues	83,62	111,00	120,50	135,80	153,00
Other revenues	0,35	0,35	0,35	0,35	0,40
Value of Production	83,97	111,35	120,85	136,15	153,40
COGS	1,47	1,80	1,95	2,20	2,50
Services	66,53	86,70	93,00	104,00	115,50
Use of asset owned by others	2,90	3,90	4,05	4,60	5,30
Employees	6,29	8,20	9,00	10,00	11,20
Other operating costs	0,53	0,70	0,75	0,85	0,90
EBITDA	6,26	10,05	12,10	14,50	18,00
<i>EBITDA Margin</i>	<i>7,5%</i>	<i>9,0%</i>	<i>10,0%</i>	<i>10,7%</i>	<i>11,7%</i>
D&A	2,39	3,90	3,90	3,90	3,90
EBIT	3,87	6,15	8,20	10,60	14,10
<i>EBIT Margin</i>	<i>4,6%</i>	<i>5,5%</i>	<i>6,8%</i>	<i>7,8%</i>	<i>9,2%</i>
Financial management	(0,49)	(0,90)	(1,10)	(1,30)	(1,50)
EBT	3,38	5,25	7,10	9,30	12,60
Taxes	1,57	2,15	2,90	3,80	5,10
Net Income	1,81	3,10	4,20	5,50	7,50
<i>Minorities Income</i>	<i>0,30</i>	<i>0,30</i>	<i>0,30</i>	<i>0,30</i>	<i>0,30</i>

CONSOLIDATED BALANCE SHEET (€/mln)	FY22A	FY23E	FY24E	FY25E	FY26E
Fixed Assets	13,45	23,50	22,50	21,90	21,70
Account receivable	18,49	30,80	33,10	37,40	43,30
Inventories	0,04	0,05	0,05	0,05	0,05
Account payable	26,58	38,00	41,50	46,40	51,00
Operating Working Capital	(8,05)	(7,15)	(8,35)	(8,95)	(7,65)
Other receivable	12,05	12,20	13,10	14,85	16,40
Other payable	10,89	11,30	12,40	13,80	15,00
Net Working Capital	(6,89)	(6,25)	(7,65)	(7,90)	(6,25)
Severance & other provisions	1,13	1,40	1,45	1,50	1,55
NET INVESTED CAPITAL	5,43	15,85	13,40	12,50	13,90
Share capital	9,79	9,79	9,79	9,79	9,79
Reserves	(3,09)	(2,25)	(0,68)	1,51	4,42
Net Income	1,51	2,80	3,90	5,20	7,20
Equity	8,21	10,34	13,01	16,49	21,40
Cash & cash equivalents	18,96	14,49	18,61	21,99	24,50
Financial debt	16,18	20,00	19,00	18,00	17,00
Net Financial Position	(2,78)	5,51	0,39	(3,99)	(7,50)
SOURCES	5,43	15,85	13,40	12,50	13,90

CONSOLIDATED CASH FLOW (€/mln)	FY23E	FY24E	FY25E	FY26E
EBIT	6,15	8,20	10,60	14,10
Taxes	2,15	2,90	3,80	5,10
NOPAT	4,00	5,30	6,80	9,00
D&A	3,90	3,90	3,90	3,90
Change in NWC	(0,64)	1,40	0,25	(1,65)
<i>Change in receivable</i>	<i>(12,31)</i>	<i>(2,30)</i>	<i>(4,30)</i>	<i>(5,90)</i>
<i>Change in inventories</i>	<i>(0,02)</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
<i>Change in payable</i>	<i>11,42</i>	<i>3,50</i>	<i>4,90</i>	<i>4,60</i>
<i>Change in others</i>	<i>0,26</i>	<i>0,20</i>	<i>(0,35)</i>	<i>(0,35)</i>
Change in provisions	0,27	0,05	0,05	0,05
OPERATING CASH FLOW	7,53	10,65	11,00	11,30
Capex	(13,95)	(2,90)	(3,30)	(3,70)
FREE CASH FLOW	(6,43)	7,75	7,70	7,60
<i>Financial Management</i>	<i>(0,90)</i>	<i>(1,10)</i>	<i>(1,30)</i>	<i>(1,50)</i>
Change in Financial debt	3,82	(1,00)	(1,00)	(1,00)
Change in equity	(0,97)	(1,53)	(2,02)	(2,59)
FREE CASH FLOW TO EQUITY	(4,47)	4,12	3,38	2,51
Change in Equity	(6,79)	(6,79)	0,00	0,00
FREE CASH FLOW TO EQUITY	(0,55)	(0,55)	0,20	2,40

Source: Integrae SIM

5.1 1H23A Results

TABLE 4 – ECONOMICS & FINANCIALS

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
1H23A	50,54	3,46	6,8%	2,18	1,80	(0,90)
1H22A	41,72	3,31	7,9%	2,23	2,23	(2,80)*
<i>Change</i>	<i>21,1%</i>	<i>4,5%</i>	<i>-1,1%</i>	<i>-2,2%</i>	<i>-19,3%</i>	<i>n/a</i>

Source: Integræe SIM

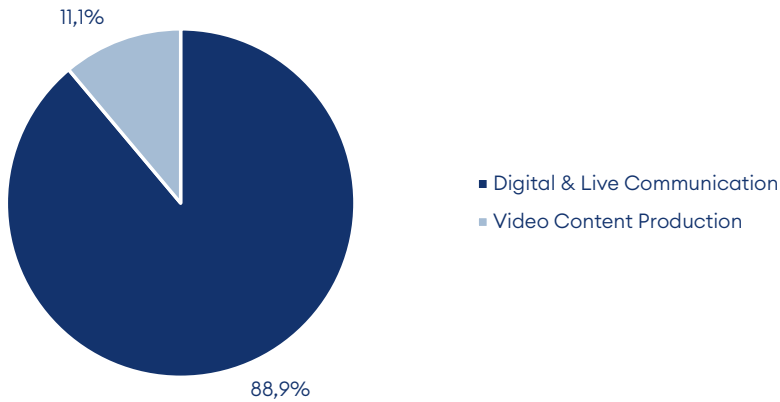
* NFP al FY22A

Commenting on the Company's half-year results, Andrea De Micheli, President and CEO of the Casta Diva Group, stated: *"The double-digit organic growth of the Casta Diva Group continues, confirming our leadership in Italy in corporate events. The Plan's estimates are, at a minimum, respected. The integration of the businesses acquired in 2022 continues. In the video production area, we are about to enter the rich market of scripted TV programmes, such as films, dramas and TV series. It is a strategic move that has been carefully planned with a major investment of time and money during the first half of the year, ready to bear fruit in 4Q of this year and, subsequently, over the next few years, with a new partnership already underway with RAI. In the LiveCom area, we are studying how we might be able to integrate in the future, through further acquisitions, the sectors not yet covered by our offer: in particular those pertaining to territorial events, medical congresses, fashion shows and large ceremonies."*

As at 30 June 2023, the Group's Value of Production amounted to € 50.54 million (almost entirely realised domestically), registering a strong growth of 21.2% compared to the figure of € 41.72 million recorded for the same period last year.

In relation to the contribution of the different business lines on the turnover, the Digital & Live Communication BU contributed the most to the positive performance, accounting for 88.9% of the total turnover. The remaining 11.1% of revenue came from the Video Content Production BU.

CHART 20 – REVENUES BREAKDOWN BY BU 1H23A

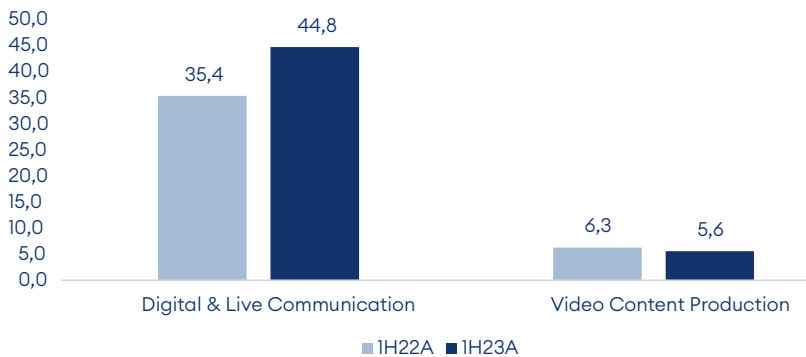


Source: Casta Diva Group

The Digital & Live Communication BU grew by 26.7%, with revenues rising from € 35.40 million generated in 1H22A to € 44.80 million in 1H23A. These revenues are related to the corporate sector (conventions, web events, roadshows, trade fair stands, team building, product launches, press conferences) organised by G.2 Eventi, Casta Diva Ideas and Genius Progetti (which also includes the “We Are Live” brand), as well as, in part, by the Blue Note company, which, however, primarily invoices in the B2C sector.

The Video Content Production BU, on the other hand, recorded a decrease in revenue of 11.1%, from € 6.30 million in 1H22A to € 5.60 in 1H2023. The slight decrease is attributable to the investment of time and money required to enter the scripted TV programmes (films, dramas, TV series) area, which will bear fruit from the last quarter of 2023 onwards.

CHART 21 – REVENUES BREAKDOWN BY BU 1H22A VS 1H23A (€/MLN)



Source: Casta Diva Group

EBITDA reached € 3.46 million, an improvement of 4.6% compared to the 1H22A value of € 3.31 million. The EBITDA margin stood at 6.8%, compared to a 1H22A margin of 7.9%. Adjusted EBITDA amounted to € 4.10 million (+20.0% compared to € 3.40 million in the first half of 2022). The adjusted figure is calculated gross of non-recurring costs amounting to € 0.64 million, which for the most part refer to charges not directly related to ordinary operations, such as due diligence expenses, legal advice, year-end bonuses to employees and non-recurring corporate welfare.

EBIT, after depreciation, amortisation and write-downs of € 1.29m, amounted to € 2.18 million, compared to a value of € 2.36 million for the first half of 2022, therefore recording a slight decrease of -7.7%. In 1H23A Net Income amounted to € 1.80 million compared to € 2.23 million as at 30/06/2022.

At the balance sheet level, a change in NFP was registered, from the € 2.80 million (cash positive) recorded at the end of the previous year, to the € 0.90 million (cash positive) in 1H23A. The change is attributable to the dynamics linked to the net working capital used to support business development and the charges not directly inherent to core operations mentioned above.

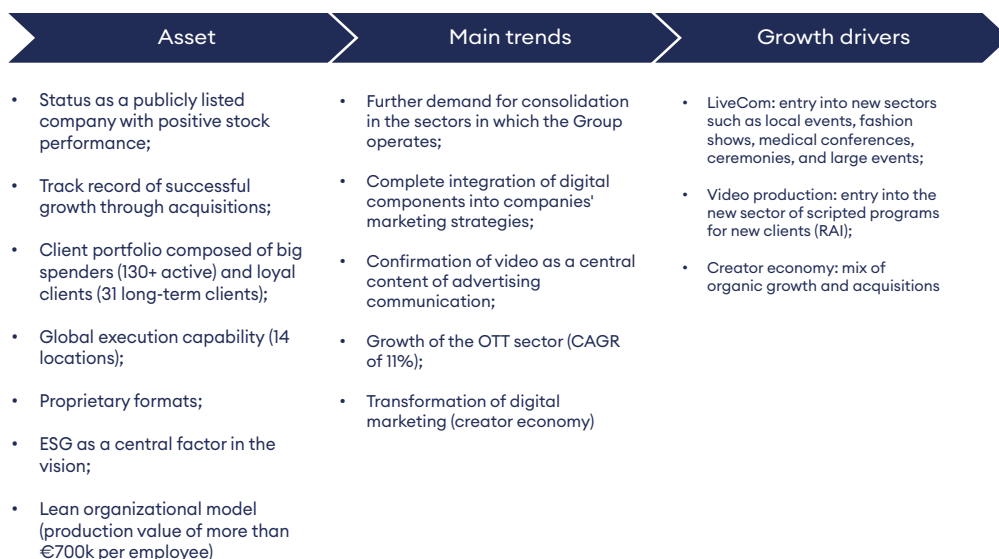
5.2 Estimates

5.2.1 New Business Plan 2023-2026

For years, the Casta Diva Group has stood as a paradigm of excellence in the industry. The extraordinary growth that has accompanied the Group over the past decades has been the result of a combined strategy of organic and inorganic growth. The latter, in particular, has been perpetrated through a careful selection of target companies and strategic partners of primary standing, as well as through the awarding of prestigious contracts with over 150 clients, which have led to the Group winning more than 130 awards, including 3 Cannes Lions International Festival of Creativity.

This strategic plan emphasises the Group's key assets, promoting their potential in a positive way. The aim is to realise the Group's vision of bringing together small, specialised companies under its umbrella, thus creating a large, integrated and independent player in the entertainment and events market. This strategy allows the Group to consolidate and strengthen its market position, taking full advantage of the synergies and expertise of the different businesses acquired, to offer customers increasingly more innovative and comprehensive solutions.

CHART 22 – CASTA DIVA GROUP'S DEVELOPMENT STRATEGY



Source: Casta Diva Group

With regard to growth strategies, the Casta Diva Group outlined a balanced plan combining organic and external growth.

The Casta Diva Group intends to consolidate its core businesses, increasing the volumes generated by active customers and expanding its customer base. The Group also aims to penetrate complementary market segments through vertical specialisation, increasing its international presence and integrating the latest technological innovations. In this regard, the Casta Diva Group plays an active role in the Web3Alliance, a consortium dedicated to the promotion of Web 3.0 and related technologies, such as NFT, metaverse, artificial intelligence, blockchain and augmented reality. Andrea De Micheli serves as President of the Web3Alliance.

As far as the Live Communication Division is concerned, the Casta Diva Group intends to forge partnerships with international event agencies and explore new opportunities in areas such as territorial events, fashion shows, medical congresses, ceremonies and large events.

As regards the Creative Content Production Division, the company aims to expand its customer base among TV broadcasters and streaming platforms, diversifying its product offer and entering the scripted programme sector (TV series), thanks to the acquisition of new customers.

The Casta Diva Group aims to increase its global reach by reactivating its foreign network,

currently used as local production support, to create new business opportunities and partnerships at an international level. In addition, the Group also intends to approach the emerging Creator Economy segment, a communication sector that is gaining significant importance in corporate advertising. This segment involves the creation of content (video, audio, written) by creators on social platforms such as TikTok, Instagram and YouTube.

The Casta Diva Group aims to continue its growth path through mergers and acquisitions, having already completed 16 deals in 18 years. The Company is looking to consolidate its target market, which is currently very fragmented, to create a corporate structure with sufficient critical mass to compete with major European players.

Specifically, the Group's growth strategy is centred around the following objectives for each of the business units (BUs):

Live Communication

- Structural reorganisation: Rationalising the structure through corporate mergers;
- International partnerships: Establishing partnerships with event agencies abroad;
- Sectoral expansion: Looking for opportunities in neighbouring sectors to those currently covered, such as local events, fashion shows, medical congresses, ceremonies and large events.

Video Content Production

- Expansion through M&A: Expanding the scope through mergers and acquisitions (M&A) not included in the plan numbers;
- Customer expansion: Increasing the customer base with other OTT platforms and broadcasters;
- Scripted sector: Entering the world of scripted content (TV dramas and films);
- International network: Reactivating the foreign network, in terms of business origination as well as local production support.

Creator Economy

- Growth through M&A: Growth through external lines not included in the plan numbers;

- Targeted skills: Acquisition of specific skills;
- Cross-selling: Focus on cross-selling with other business units.

Holding

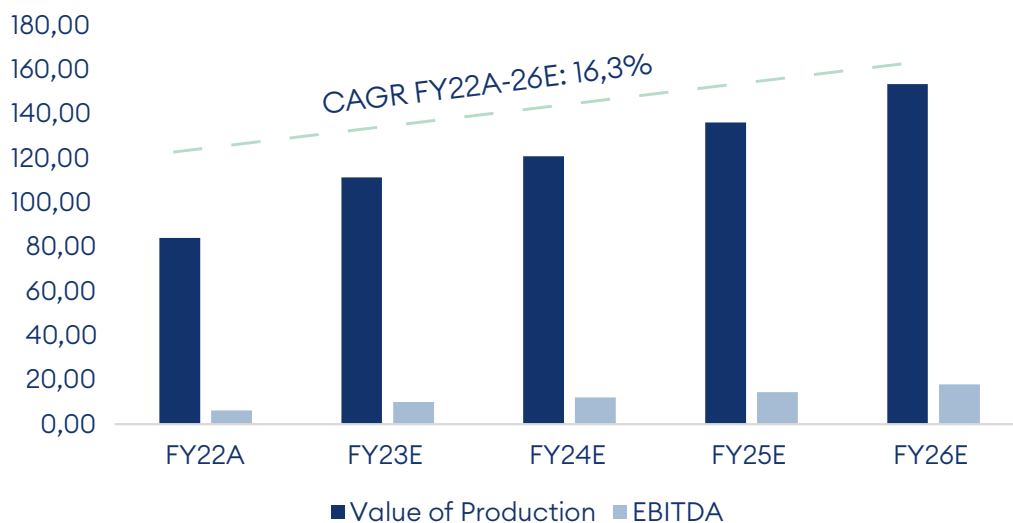
- Organisational efficiency: Flattening the chain of command, simplifying group functions;
- Service integration: Merging the Service Zero services company into the Casta Diva Group;
- Systems unification: Unifying ERP and CRM systems among the Group companies;
- ESG culture: Spreading the ESG (Environmental, Social, and Governance) culture.

Through these activities, the Group expects to see a consolidation of the core business, an expansion of the customer base, a diversification of the product and services offer and an increase in international reach, with a view to sustainable growth. An update of the Plan was necessary as the Group has largely exceeded the short-term targets of the plan presented in April 2023, also due to the inclusion of Akita in the consolidation scope. Net of potential M&A transactions, the plan published by the Casta Diva Group forecasts a growth in value of production with a CAGR (2022-2026) of 16.2%, accompanied by an equally significant growth in margins, with EBITDA growing at a CAGR (2022-2026) of 26.0%.

5.2.2 FY23E-FY26E Estimates

We have prepared our estimates for the 2023-2026 forecast period, taking into account the growth drivers for internal lines set out in the new 2023-2026 Business Plan, published by the Group in December 2023, as well as the acquisition of Akita Film and the Letter of Intent for the integration of E-Motion.

CHART 23 – VOP AND EBITDA FY22A – FY26E



Source: Integrae SIM

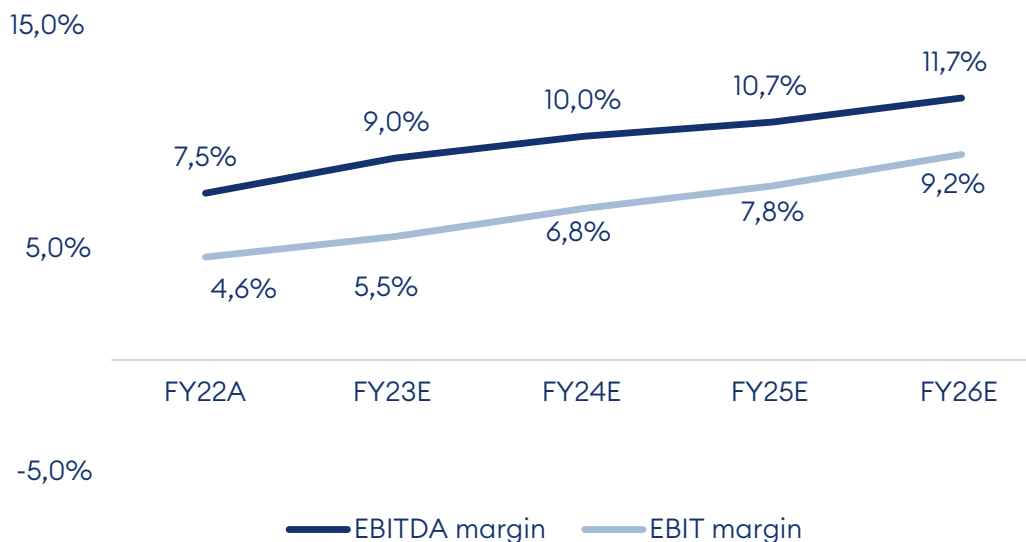
Over the next few years, the Production Value is expected to increase from € 83.97 million in FY22A to € 153.40 million in FY26E (CAGR 22A-26E: 16,3%).

We anticipate that growth will be mainly driven by the Content Creation Production Business Unit. The development of the BU will be primarily driven by the following drivers:

- Expanding the customer base among TV broadcasters and streaming platforms, diversifying the offer and entering the scripted programme sector;
- Increasing the Company's international reach through foreign networking, currently used as local production support, to create new business opportunities and partnerships at an international level (business origination);
- Penetrating complementary market segments through vertical specialisation, increasing the Group's international presence and integrating technological innovations;

- Integration of high-tech services through the Casta Diva's participation in the Web3Alliance consortium;
- Effective integration of the Akita Film and E-Motion companies.

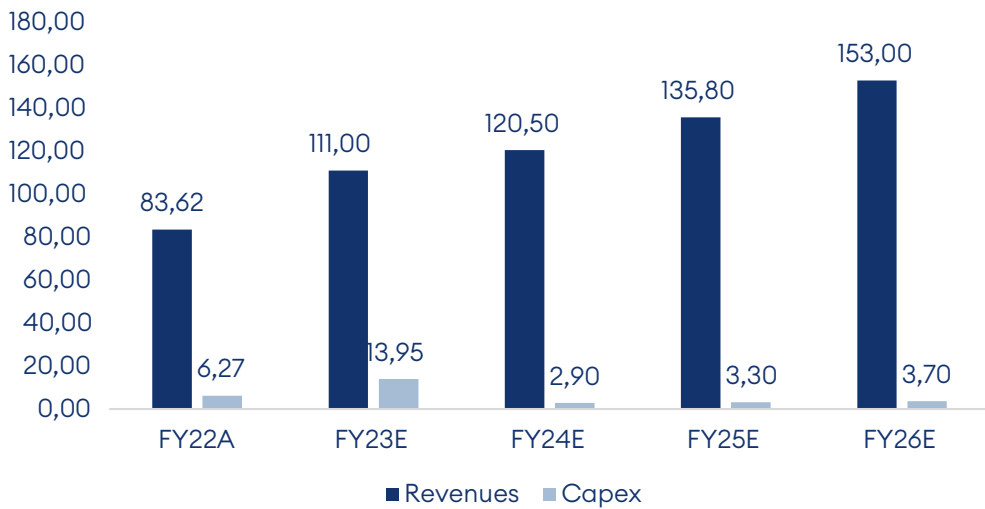
CHART 24 – EBITDA MARGIN AND EBIT MARGIN FY22A – FY26E



Source: Integrae SIM

In parallel, we expect the EBITDA to increase from € 6.26 million in FY22A to € 18.00 million in FY25E. This improvement in absolute terms is attributable to the combined effect of the expected increase in turnover and the fruits of the corporate rationalisation plan aimed at optimising operating costs. This margin improvement will translate into an increase in the EBITDA margin, which we estimate will rise from 7.5% in FY22A to 11.7% in FY26E.

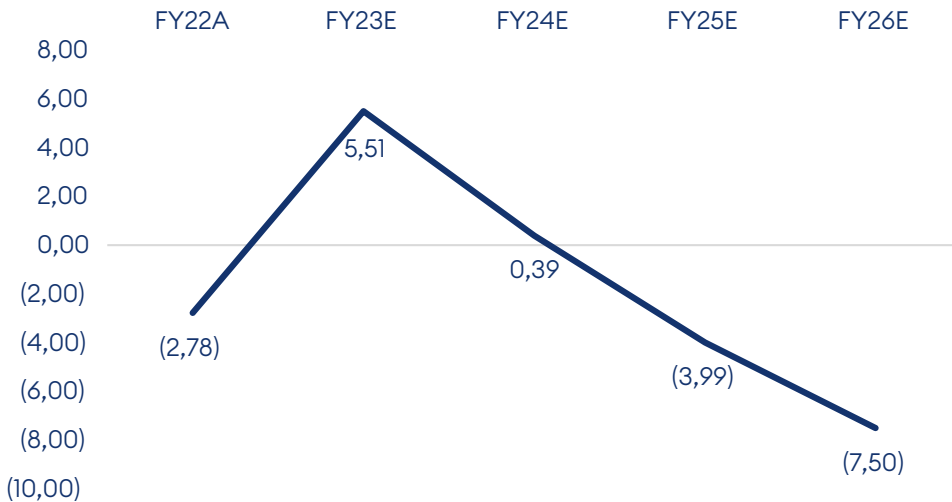
CHART 25 – REVENUES AND CAPEX FY22A – FY26E



Source: Integrae SIM

The investment plan for the 2023-2026 period amounts to a total of approximately € 23.85 million and concerns investments for the support of activities.

CHART 26 – NET FINANCIAL POSITION FY22A – FY26E



Source: Integrae SIM

Finally, we believe that the Group can improve its NFP in the years following FY22A, thanks to the positive cash flows generated from operations and the return on investments made in previous years. The calculation of the NFP over the course of the plan is affected by the decrease in available liquidity due to the distribution of dividends. We have assumed that

this distribution will remain consistent and proportional along the timeframe covered by the Plan with respect to the distribution of FY22A profits. We therefore estimate that the NFP could achieve a positive cash value of € 7.50 million in FY26E, mainly driven by business growth and improved margin.

6. Valuation

We conducted the equity value assessment of Casta Diva Group based on the DCF methodology and multiples of a sample of comparable companies.

6.1 DCF Method

TABLE 5 – WACC

WACC				8,40%
D/E 81,82%	Risk Free Rate 3,29%	β Adjusted 1,0	α (specific risk) 2,50%	
K_d 3,00%	Market Premium 7,81%	β Relevered 1,0	K_e 13,51%	

Source: Integrae SIM

Specifically:

- Risk-Free Rate is represented by the April 2024 Rendistato with maturities between 3 years and 7 months and 4 years and 6 months;
- Market Premium coincides with the Italian market risk premium calculated by Professor A. Damodaran;
- D/E is calculated based on Integrae SIM estimates;
- K_e was calculated through CAPM;
- Alpha, or additional specific risk, typical of equity investments in companies characterized by small operational size. Since they are small, the additional small cap risk was assumed to be 2.5 percent, an average value among those suggested by the main studies on the subject (Massari Zanetti, Financial Valuation, McGraw-Hill, 2004, p. 145, A. Damodaran, Cost of Equity and Small Cap Premium in Investment Valuation, Tools and Techniques for Determining the Value of Any Assets, 3rd edition 2012, Guatri Bini, New Treatise on Business Valuation, 2009 p. 236);

- Beta is calculated from the 5-year unlevered Beta of competitors;
- Kd coincides with the Company's current cost of debt.

Using these data, this results in a WACC of 8.40%.

TABLE 6 – DCF VALUATION

DCF		% of EV
FCFO actualized	15,1	22%
TV actualized DCF	53,4	78%
Enterprise Value	68,5	100%
NFP (FY22A)	(2,8)	
Equity Value	71,3	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as reference, this results in an equity value of € 71.3 mln.

TABLE 7 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln		WACC						
		6,9%	7,4%	7,9%	8,4%	8,9%	9,4%	9,9%
Growth Rate (g)	3,0%	117,9	104,9	94,6	86,1	79,1	73,2	68,1
	2,5%	106,6	96,1	87,5	80,3	74,3	69,1	64,6
	2,0%	97,6	88,9	81,6	75,5	70,2	65,6	61,6
	1,5%	90,3	82,9	76,7	71,3	66,7	62,6	59,0
	1,0%	84,2	77,9	72,4	67,7	63,6	59,9	56,7
	0,5%	79,1	73,6	68,8	64,5	60,8	57,5	54,6
	0,0%	74,7	69,8	65,6	61,8	58,4	55,4	52,7

Source: Integrae SIM

6.2 Multiples Method

Taking into consideration the Group's business model and activity, we conducted the assessment using an average of the multiples of two different panels:

- A first panel containing companies belonging to the direct communication and event organization sectors, which perform a similar activity to Casta Diva Group's Live Communication business unit;
- A second panel of companies active in the Video Content Production sectors, i.e., companies involved in the creation, production and distribution of multimedia content through different media, similar in terms of activities performed to the Creative Content Production business unit.

6.2.1 Composizione del panel

Live Communication panel

- **Publicis Groupe SA**

Publicis Groupe SA operates in the advertising industry. Its services include client relationship management, direct marketing, sales promotion, event management, public relations, and corporate, multicultural, and financial communications. The company was founded by Marcel Bleustein-Blanchet in 1926 and is headquartered in Paris, France. Publicis Groupe S.A. provides marketing, communications and digital transformation services for companies in North America, Europe, Asia Pacific, Latin America, Africa and the Middle East. It also provides health communication services under the Digitas Health, Publicis Health Media and Saatchi & Saatchi Wellness brands for the health and wellness sectors. It serves clients in the automotive, retail, financial services, consumer products and media sectors.

- **Viad Corp.**

Viad Corp. engages in the provision of hospitality and leisure activities, experiential marketing and live events. It operates through the following segments: Pursuit, Spiro and GES Exhibitions. The Pursuit segment offers travel experiences including recreational attractions, unique hotels and lodges, food and beverage, retail, sightseeing, and ground transportation services. The Spiro segment is an experiential marketing agency that works with brands around the world to manage and elevate their experiential marketing activities globally. The GES Exhibitions segment is a global exhibition services company that works with exhibition and conference organizers as a comprehensive provider of strategic and logistical solutions to manage the complexity of their shows. The company was founded in 1926 and is headquartered in Scottsdale, AZ. Viad is a company included in the S&P SmallCap 600 Index and is listed on the New York Stock Exchange under the symbol VVI.

- **GL Events SA**

GL Events SA is engaged in providing integrated event solutions and services. It operates in the following business segments: conventions, conferences, congresses; cultural, sporting, institutional, corporate, and political events; trade shows and exhibitions for professionals, general public, and B2B and B2C fairs and exhibitions for consumers. The company was founded by Olivier Ginon, Olivier Roux, Gilles Gouédard-Comte, Olivier Ginon, and Jacques Danger in 1978 and is headquartered in Lyon, France. GL events' activities are organized into three main business divisions. GL events Live provides a full range of services for corporate, institutional, and sporting events, offering turnkey solutions from consulting and planning to the realization of the event itself. GL events Exhibitions manages and coordinates the Group's portfolio of more than 200 proprietary trade shows covering a wide range of sectors: food industry, culture, textiles, manufacturing. GL events Venues operates a network of 57 venues (convention and exhibition centers, concert halls and multi-purpose facilities) in France and international destinations. Present on five continents with operations in more than 20 countries, GL events has 5,650 employees. GL events is listed on Euronext Paris, Compartment B (mid-cap).

- **Fiera Milano SpA**

Fiera Milano SpA is involved in the organization and management of international trade fairs and events. It operates through the following segments: Italian Exhibitions Business, Foreign Exhibitions Business and Congresses. The Italian Exhibitions Business segment covers all activities for the organization and management of exhibitions and other events in Italy through the use, promotion and provision of furnished exhibition space; the provision of set-ups, technical and logistical services associated with the exhibition and congress sector; the provision of design support and ancillary services; the production of content and the provision of advertising and digital services; and the organization of conferences and training courses. The Foreign Exhibitions Business segment refers to all activities for the organization of exhibitions and other events abroad through the use, promotion and provision of furnished exhibition space, design support and ancillary services. The Congresses segment covers conference and event management and destination management services by Fiera Milano Congressi SpA and MiCo DMC Srl. The company was founded in April 1920 and is headquartered in Rho, Italy.

- **Interpublic Group of Companies, Inc**

Interpublic Group of Cos., Inc. engages in the provision of marketing, communication and business transformation services. It operates through the following segments: Media, Data and Engagement Solutions, Integrated Advertising and Creativity Led Solutions, and Specialized Communications and Experiential Solutions. The Media, Data and Engagement Solutions segment provides global media and communications services, digital services and products, advertising and marketing technology, e-commerce services, data management and analysis, strategic consulting, and digital brand experience. The Integrated Advertising

and Creativity Led Solutions segment offers advertising, corporate and brand identity and strategic consulting services. The Specialized Communications and Experiential Solutions segment includes global public relations services and other specialized communications, events, sports and entertainment marketing, and strategic consulting. The company was founded on September 18, 1930 and is headquartered in New York, NY.

- **WPP Plc**

WPP Plc is a creative transformation company engaged in the provision of communication services. It operates through the following segments: Global Integrated Agencies, Public Relations, and Specialist Agencies. The Global Integrated Agencies segment offers creative services, including advertising, marketing and branding strategies and campaigns across all media. The Public Relations segment helps clients communicate with all stakeholders, from consumers and investors to governmental and nongovernmental organizations. The Specialist Agencies segment provides brand and identity experiences, and specialized, targeted services. The company was founded by Martin Stuart Sorrell in 1985 and is headquartered in London, UK.

TABLE 8 – COMPARABLE MARKET DATA FY23A (LIVE COMMUNICATION) (€/MLN)

Company	Country	Market Cap	EV	NFP	EV/EBITDA	P/E	NFP/EBITDA
Publicis Groupe SA	France	26.893,48	27.957,93	947,00	9,46 x	20,35 x	0,32 x
Viad Corp	United States	684,31	1.393,94	588,13	9,77 x	n/a	3,62 x
GL Events SA	France	610,15	1.755,06	1.005,70	6,98 x	9,93 x	4,00 x
Fiera Milano SpA	Italy	281,56	633,30	353,52	6,79 x	6,14 x	3,79 x
Interpublic Group of Companies, Inc.	United States	11.109,07	13.779,92	2.068,62	7,77 x	11,36 x	0,47 x
WPP Plc	United Kingdom	10.690,42	16.746,85	5.375,82	6,59 x	82,27 x	2,13 x
Peer Median		5.687,36	7.767,49	976,35	7,38 x	11,36 x	2,88 x
Casta Diva Group SpA (FY22A)	Italy	29,75	26,97	(2,78)	4,31 x	16,4 x	n/a

Source: FactSet

TABLE 9 – COMPARABLE FINANCIAL HIGHLIGHTS FY23A (LIVE COMMUNICATION) (€ / MLN)

Company	Sales	EBITDA	EBIT	Net Profit	EBITDA Margin	EBIT Margin	Net Profit Margin
Publicis Groupe SA	14.802,00	2.956,00	2.206,00	1.312,00	20,0%	14,9%	8,9%
Viad Corp	1.145,74	134,59	87,37	13,73	11,7%	7,6%	1,2%
GL Events SA	1.419,26	251,40	139,83	59,95	17,7%	9,9%	4,2%
Fiera Milano SpA	283,83	93,27	41,77	28,97	32,9%	14,7%	10,2%
Interpublic Group of Companies, Inc.	10.072,28	1.615,92	1.371,45	1.015,99	16,0%	13,6%	10,1%
WPP Plc	17.068,35	2.509,75	1.159,21	126,94	14,7%	6,8%	0,7%
Peer Median	5.745,77	933,66	649,52	93,44	16,9%	11,7%	6,5%
Casta Diva Group SpA (FY22A)	83,62	6,26	3,87	1,81	7,5%	4,6%	2,2%

Source: FactSet

Video Content Production

- **Leone Film Group SpA**

Leone Film Group SpA is an Italy-based company engaged in the entertainment industry. The company is mainly responsible for the production and distribution of films. Leone Film Group SpA focuses on various types of films, including comedies, dramas, crime, biographies, action and science fiction films. The company's activities are divided into three operating segments. The Film Production and Co-Production segment focuses on the co-production and production of films for the domestic and international markets. The Film Rights Distribution and Sales segment is engaged in the distribution of film rights belonging to the company's library through various channels such as home video, television, and new media, among others. The Marketing and Communication Services and Product Placement segment, through its subsidiaries Pacmedia Srl and Pacmedia International LLC, is responsible for implicit marketing and brand creation activities.

- **Lucisano Media Group SpA**

Lucisano Media Group SpA is involved in the production, acquisition and distribution of films and television programs, as well as the management of film complexes. It operates through the following business units: Production, Distribution and Multiplex Management. The Production business unit carries out the production stages of film and television works, as well as co-production and acquisition of copyrights for film and television release. The Distribution business unit handles the marketing and legal distribution of locally and internationally produced films and programs through cinema, home video, television and new media channels. The Multiplex Management business unit manages cinemas throughout

Italy and organizes special or private screenings. Lucisano Media Group was founded on November 11, 1997 and is headquartered in Rome, Italy.

- **Mission Group Public Limited Company**

Mission Group Plc engages in the operations of marketing, advertising and corporate communication services. It operates through the following segments: Advertising & Digital, Media Buying, Exhibitions & Learning, and Public Relations. The company was founded on March 7, 2006 and is headquartered in Filleigh, UK.

- **M&C Saatchi plc**

M&C Saatchi plc is a company engaged in the provision of advertising and marketing services. It operates through the following geographic segments: UK, Europe, Middle East and Africa, Asia, Australia and the Americas. The company was founded by Jeremy T. Sinclair, William M. Muirhead, David A. Kershaw, Maurice N. Saatchi and Charles Saatchi in January 1995 and is based in London, UK.

- **Zinc Media Group plc**

Zinc Media Group Plc is engaged in the production of multimedia content. It operates through the following segments: Television, Zinc Communicate, and Central and Plc. The Television segment includes the production of television and radio content, as well as the creation and management of websites and channels. The Zinc Communicate segment includes publishing and content production. The Central and Plc segment covers activities based in the United Kingdom. The company was founded by Alexander Michael Connock and Robert Frederick Zenon Geldof on June 9, 1981, and is based in London, UK.

TABLE 10 – COMPARABLES MARKET DATA FY23A (VIDEO CONTENT PRODUCTION) (€/MLN)

Company	Country	Market Cap	EV	NFP	EV/EBITDA	P/E	NFP/EBITDA
Leone Film Group SpA	Italy	22,72	106,43	83,89	1,61 x	n/a	1,27 x
Lucisano Media Group S.p.A.	Italy	17,41	52,92	35,35	1,98 x	3,43 x	1,32 x
Mission Group Public Limited Company	United Kingdom	25,35	63,03	38,21	5,56 x	n/a	3,39 x
M&C Saatchi plc	United Kingdom	293,15	341,15	47,38	8,23 x	n/a	1,16 x
Zinc Media Group plc	United Kingdom	20,64	18,72	(1,23)	17,35 x	n/a	n/a
Peer Median		22,72	63,03	38,21	5,56 x	3,43 x	1,29 x
Casta Diva Group SpA (FY22A)	Italy	29,75	26,97	(2,78)	4,31 x	16,4 x	n/a

Source: FactSet

TABLE 11 – FINANCIAL HIGHLIGHTS FY23A (VIDEO CONTENT PRODUCTION) (€/MLN)

Company	Sales	EBITDA	EBIT	Net Profit	EBITDA Margin	EBIT Margin	Net Profit Margin
Leone Film Group SpA	81,98	66,19	1,46	(0,78)	80,7%	1,8%	-0,9%
Lucisano Media Group S.p.A.	61,35	26,73	8,00	5,08	43,6%	13,0%	8,3%
Mission Group Public Limited Company	225,23	11,23	5,39	(13,83)	5,0%	2,4%	-6,1%
M&C Saatchi plc	521,90	40,82	29,71	(4,06)	7,8%	5,7%	-0,8%
Zinc Media Group plc	46,25	1,06	(1,17)	(2,29)	2,3%	-2,5%	-4,9%
Peer Median	81,98	26,73	5,39	(2,29)	7,8%	2,4%	-0,9%
Casta Diva Group SpA (FY22A)	83,62	6,26	3,87	1,81	7,5%	4,6%	2,2%

Source: FactSet

6.2.2 Market Multiples Valuation

TABLE 12 – MARKET MULTIPLES (LIVE COMMUNICATION)

Company Name	EV/EBITDA				EV/EBIT				P/E			
	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E
Publicis Groupe SA	7,8 x	9,3 x	8,8 x	8,5 x	9,5 x	11,6 x	10,9 x	10,5 x	15,3 x	14,6 x	13,8 x	13,1 x
Viad Corp	10,3 x	8,3 x	8,2 x	7,9 x	27,4 x	12,3 x	11,8 x	11,5 x	90,2 x	27,1 x	21,0 x	17,0 x
GL Events SA	7,4 x	6,8 x	6,4 x	6,3 x	12,3 x	11,3 x	10,6 x	10,6 x	9,7 x	8,3 x	7,9 x	0,8 x
Fiera Milano SpA	5,7 x	8,8 x	5,4 x	7,0 x	12,3 x	33,8 x	10,1 x	17,7 x	7,5 x	37,6 x	6,9 x	13,7 x
Interpublic Group of Companies, Inc.	8,5 x	8,6 x	8,3 x	8,0 x	10,1 x	10,1 x	9,7 x	9,3 x	10,7 x	11,3 x	10,6 x	10,0 x
WPP Plc	6,3 x	6,8 x	6,6 x	6,3 x	7,6 x	8,1 x	7,7 x	7,4 x	9,0 x	9,4 x	8,7 x	8,2 x
Peer median	7,6 x	8,5 x	7,4 x	7,4 x	11,2 x	11,4 x	10,3 x	10,5 x	10,2 x	12,9 x	9,7 x	11,6 x

Source: FactSet

TABLE 13 – MARKET MULTIPLES (VIDEO CONTENT PRODUCTION)

Company Name	EV/EBITDA				EV/EBIT				P/E			
	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E
Leone Film Group SpA	1,6 x	2,4 x	1,9 x	n/a	27,0 x	16,1 x	12,7 x	n/a	n/a	12,3 x	5,2 x	n/a
Lucisano Media Group S.p.A.	2,1 x	2,1 x	1,9 x	n/a	7,1 x	7,0 x	7,1 x	n/a	3,4 x	3,2 x	3,0 x	n/a
Mission Group Public Limited Company	5,0 x	4,1 x	3,8 x	n/a	8,1 x	5,9 x	5,3 x	n/a	7,6 x	3,8 x	3,3 x	n/a
M&C Saatchi plc	6,0 x	6,6 x	5,9 x	5,4 x	9,9 x	9,5 x	7,6 x	6,8 x	14,3 x	11,4 x	9,7 x	8,7 x
Zinc Media Group plc	18,1 x	7,5 x	6,9 x	n/a	n/a	16,0 x	12,3 x	n/a	n/a	20,9 x	16,4 x	n/a
Peer median	5,0 x	4,1 x	3,8 x	5,4 x	9,0 x	9,5 x	7,6 x	6,8 x	7,6 x	11,4 x	5,2 x	8,7 x

Source: FactSet

TABLE 14 – MARKET MULTIPLES VALUATION

€/mln	FY23E	FY24E	FY25E	FY26E
Enterprise Value (EV)				
EV/EBITDA	63,2	76,3	81,1	115,8
EV/EBIT	62,1	85,6	95,1	122,4
P/E	27,6	51,1	40,8	76,0
Enterprise Value post 25% discount				
EV/EBITDA	47,4	57,2	60,8	86,8
EV/EBIT	46,6	64,2	71,3	91,8
P/E	20,7	38,3	30,6	57,0
Equity Value				
EV/EBITDA	41,9	56,8	64,8	94,3
EV/EBIT	41,0	63,8	75,3	99,3
P/E	20,7	38,3	30,6	57,0
Average	34,5	53,0	56,9	83,5

Source: Integrae SIM

The **equity value** of Casta Diva Group, using the average between the market multiples EV/EBITDA, EV/EBIT and P/E of the two panels, after applying a discount of 25.0% so as to include in the price also the lower liquidity that will presumably characterize the Casta Diva Group stock compared to its peers, turns out to be about **€ 57.0 mln.**

7. Equity Value

TABLE 15 – EQUITY VALUE

Equity Value (€/mln)	64,1
Equity Value DCF (€/mln)	71,3
Equity Value multiples (€/mln)	57,0
Target Price (€)	3,20

Source: Integrae SIM

Consequently, looking at the values obtained with the DCF method and those derived with the multiples method, we arrive at an average equity value of € 64.1 mln. **The target price, is therefore € 3.20, rating BUY, risk MEDIUM.**

TABLE 16 – IMPLIED SENSITIVITY ANALYSIS

Equity Value (€/mln)	EV/EBITDA				EV/EBIT				P/E			
	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E	FY23E	FY24E	FY25E	FY26E
49,1	4,6x	3,8x	3,2x	2,6x	7,5x	5,7x	4,4x	3,3x	15,9x	11,7x	8,9x	6,6x
54,1	5,1x	4,2x	3,5x	2,9x	8,4x	6,3x	4,8x	3,6x	17,5x	12,9x	9,8x	7,2x
59,1	5,6x	4,7x	3,9x	3,1x	9,2x	6,9x	5,3x	4,0x	19,1x	14,1x	10,8x	7,9x
64,1	6,1x	5,1x	4,2x	3,4x	10,0x	7,5x	5,8x	4,4x	20,7x	15,3x	11,7x	8,6x
69,1	6,6x	5,5x	4,6x	3,7x	10,8x	8,1x	6,3x	4,7x	22,3x	16,5x	12,6x	9,2x
74,1	7,1x	5,9x	4,9x	4,0x	11,6x	8,7x	6,7x	5,1x	23,9x	17,7x	13,5x	9,9x
79,1	7,6x	6,3x	5,3x	4,2x	12,4x	9,3x	7,2x	5,4x	25,5x	18,8x	14,4x	10,6x

Source: Integrae SIM

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

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