

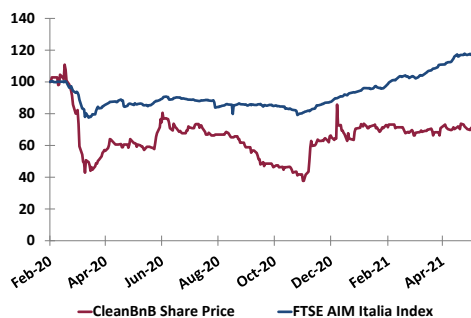
CleanBnB

OUTPERFORM

Current Share Price (€): 1.25

Target Price (€): 1.74

CleanBnB – 15M Performance



Source: S&P Capital IQ - Note: 03/2/2020=100

Company data

ISIN number	IT0005377277
Bloomberg code	CBB IM
Reuters code	CBB.MI

Industry	Travel & leisure
Stock market	AIM Italia
Share Price (€)	1.25
Date of Price	06/05/2021
Shares Outstanding (m)	7.0
Market Cap (€m)	8.7
Market Float (%)	26.4%
Daily Volume	0
Avg Daily Volume YTD	8,093

Target Price (€)	1.74
Upside (%)	39%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
CleanBnB - Absolute (%)	1%	-2%	16%
FTSE AIM Italia (%)	6%	18%	36%
1Y Range H/L (€)	1.50	0.66	
YTD Change (€) / %	0.01	1.2%	

Source: S&P Capital IQ

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FY 2020 portfolio under management + 15%, COVID restrictions affect revenues and margins

Limited activity along the year due to pandemic

At year-end 2020, CleanBnB was running over 1,050 properties across 60 locations in Italy, vs. ca. 900 at 2019 year end (+15%). COVID allowed full operations for just few months along the year. As a consequence, 2020 number of stays was down-44% YoY and FY20 revenues were €2.2m (-32% YoY), confirming our last estimates, with H2 (€1.4m) significantly improving H1 performance. FY20 EBITDA and EBIT were €(1.7)m and €(1.8)m respectively vs €(1.3)m and €(1.5)m figures in 2019. Net loss was €(2.0)m vs €(1.5)m in FY2019. Equity as of December 2020 was €0.8m. Net cash was €0.8m. Cash requirements were covered thanks to the Company's own resources.

Q121 Update: pursuing widespread presence and portfolio growth

The acquisition at the end of 2020 of the portfolio of properties managed in the cities of Milan, Florence and Rome by SweetGuest, along with new properties under management and the start of operations in 8 new locations in Q1 2021 show CleanBnB resilience and aptitude to catch business opportunities and sector recovery expected from H2 2021.

The way of traveling has changed, recovery expected along 2021

The entire industry of travel services is dealing with uneven scenarios of gradual restart, which differ from the state of general lockdown that has marked 2020. Despite the impact on CleanBnB operations, we remain confident that the expected recovery of travel industry will begin within 2021 as soon as in more and more countries travelers feel safe to travel. We overall confirm our last 2021 revenue/EBITDA forecasts, and we are confident on CleanBnB chance to accelerate along 2022-23E with a rebound of the pre-pandemic program, leveraging on its business, leveraging on its strategy and the expected return to normal of domestic and international travel.

Target Price €1.74 per share (from €0.80), OUTPERFORM rating (from NEUTRAL)

Our valuation indicates a Target Price per share of €1.74, from €0.80 of our previous note, with a potential upside of 39% on the current share price of €1.25. As a consequence, we assign an OUTPERFORM recommendation on the stock (from NEUTRAL).

Key financials and estimates

€m	2018	2019	2020	2021E	2022E	2023E
Total Revenues	1.5	3.3	2.2	4.4	7.4	10.7
EBITDA	(0.4)	(1.3)	(1.7)	(0.4)	1.0	2.8
Margin	-24.3%	-39.0%	-76.2%	-10.0%	14.1%	25.6%
EBIT	(0.4)	(1.5)	(1.8)	(0.6)	0.8	2.5
Margin	-28.6%	-45.6%	-81.9%	-14.0%	11.1%	23.0%
Net Income (Loss)	(0.3)	(1.5)	(2.0)	(0.7)	0.5	1.7
Net (Debt) Cash	0.4	3.0	0.8	0.0	0.3	2.0
Equity	0.3	2.7	0.8	0.1	0.6	2.3

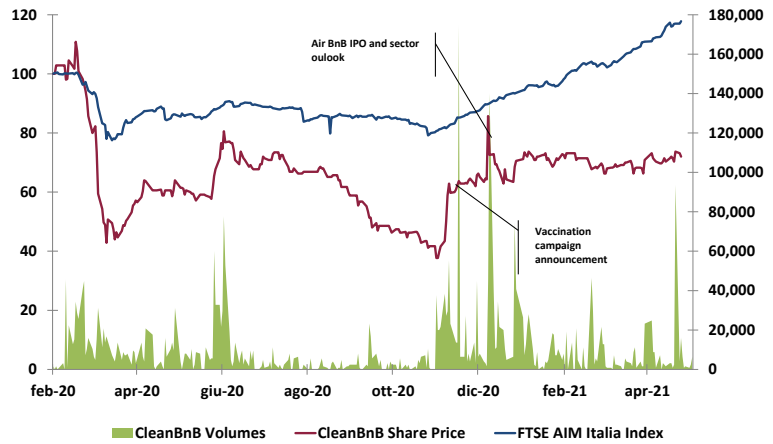
Source: Company data 2018-20A, EnVent Research 2021-23E

Market update

CleanBnB shares in the last 15 months traded in the range €0.66-1.94, beginning at €1.75 and ending at €1.25. After a 55% decrease until March 2020, the Company price, though fluctuating, recovered almost 30%

Along the same 15 months, AIM Italia Index, after a drop until November 2020 of -20% had an overperformance of almost +40%

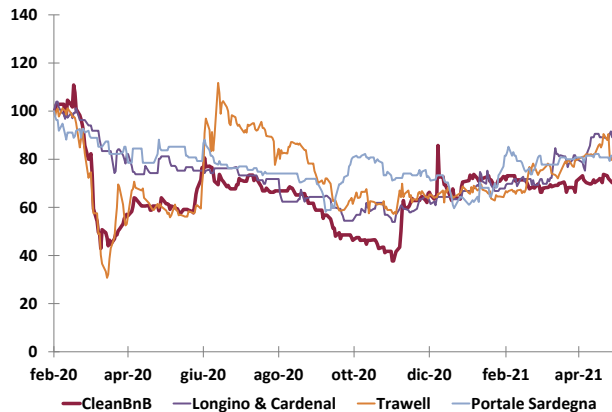
CleanBnB - Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 03/02/2020=100

Travel & leisure AIM Italia companies- YTD performance

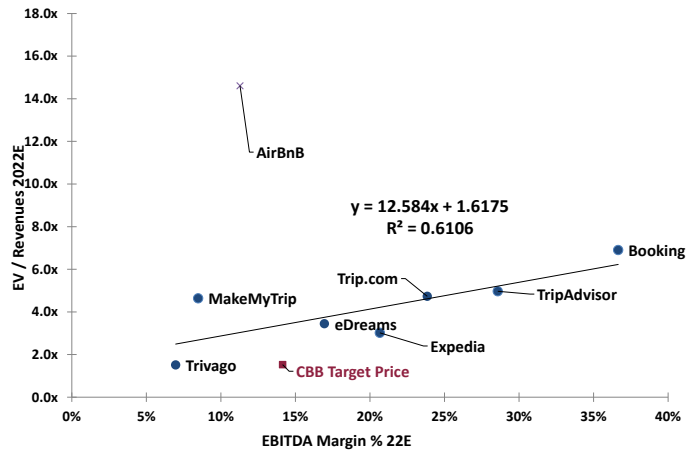
CleanBnB stock performance is in line with Italian companies listed on AIM operating in travel & leisure sector



Source: EnVent Research on S&P Capital IQ - Note: 03/02/2020=100

Peer group - Regression analysis and CBB positioning on 2022E consensus

Room for full recovery and growth, taking into consideration the different size and geographic presence of peers vs CleanBnB



Source: EnVent Research, May 2021 Note: AirBnB not considered for the regression line estimate

2020 slowdown due to COVID restrictions

FY2020 portfolio under management + 15%, but COVID restrictions determined -32% YoY total revenues

In spite of COVID, the Company was able to increase total number of apartments under management: 1,050 throughout Italy as of 2020 year end (+15% vs 2019). But since pandemic allowed full operations just along summer months, number of stays was 14.774 (-44% YoY) - with improved figures in the second half of the year vs H1 – and FY20 total revenues were €2.2m (-32% YoY), with H2 (€ 1.4m) improving H1 performance.

Change of operations, able to limit margins decrease

FY20 EBITDA and EBIT were €(1.7)m and €(1.8)m respectively vs €(1.3)m and €(1.5)m figures in 2019. Changes in Company organization and operations determined both a fixed vs variable costs swap and a partial decrease of fixed costs. Net loss was €(2.0)m vs €(1.5)m in FY 2019.

Equity as of December 2020 was €0.8m. Net cash was €0.8m. Cash requirements were covered thanks to the Company's own resources.

Business update: strategy revealing effective

Due to the strategic decisions aiming at i) a widespread geographical presence in Italy (60 different cities at year end 2020) and ii) agreement with apartments' owners based on a variable fee scheme, CleanBnB showed to be more resilient with respect to other national competitors and ready to catch business opportunities created by pandemic environment. At the end of 2020 CleanBnB acquired the portfolio of contracts managed by Sweetguest related to properties in Milan, Florence and Rome.

Diversification and growth strategy has been pursued also along Q1 2021, with operations started in in 8 new locations.

At the end of March 2021, a bank facility of €1m was negotiated with Banca Progetto.

Outlook: travel and leisure market will face challenges for the rest of the year

COVID-19 disrupted travel and leisure business across the world, with a material decrease in consumer spending and a decline in travel activities and related services. Given the uneven and persisting state of emergency it is hard to predict the ultimate impact of the pandemic on future business. The worldwide span of the consequences has generated behavioral changes which also affect the entire hospitality industry: long term stays, growing requests for larger accommodations suitable for smart working and families, the preference for independent units with self-check-in systems, and proximity tourism. According to management, other effects especially in Italy are: selection among operators in the sector, consequent

reduction in the availability of properties on the market, increasing second homes used by owners for vacations or smart working. Apartments and vacation homes become a much sought-after solution because they better meet the need for security and social distancing and travel options closer to home are preferred to avoid crowded places when traveling. Also, the shift to massive online working and communication is spreading the ability to live and work from different locations.

Regarding Italy, along the first nine months of 2020 there was a total decrease of -192m stays vs the same period in 2019 (-51%, in line with other EU countries). Decrease was stronger for foreign tourists (-68.6%). Along summer months there was a partial recovery, with total stays accounting at 64% of the same 2019 months (-74.2m in absolute value). (Source: Istat.it)

Company's actions for adapting to the new market scenario

CleanBnB's offerings have been adapted for changing trends and to serve the new ways of traveling forced by the pandemic:

- Flexibility: modification of fees and cancellation policies, booking channels, extension of the average length of stay. This policy allows hosts and guests to cancel reservations if in trouble
- Attention to new market trends
- Measures to protect the integrity of managed property assets
- Reduction in costs linked to the management of guests and properties in anticipation of the gradual resumption of stays in the second half of the year
- Reduction of fixed costs by limiting or suspending non-essential activities
- Remodelling of fixed operating costs into variable cost
- Dedication to longer rentals of a share of the real estate portfolio

Estimates revision: 2021 revenues estimate confirmed, acceleration along 2022-23

About the short and mid-term perspectives, we continue to be positive in view of rental segment general drivers and Company's approach to face present difficulties and challenges. According to management:

- The outlook for the short-term rental segment, which is less linked to business travel and group travel than hotels and in 2020 overcame the summer with a recovery, is encouraging even for the coming months, which will still see a prevalence of internal travel, and few events and congresses in attendance
- H1 2021 will continue to deal with lower demand for long distance travel and overall depressed bookings.

For all the above reasons, in FY21 we expect CleanBnB growth determined by:

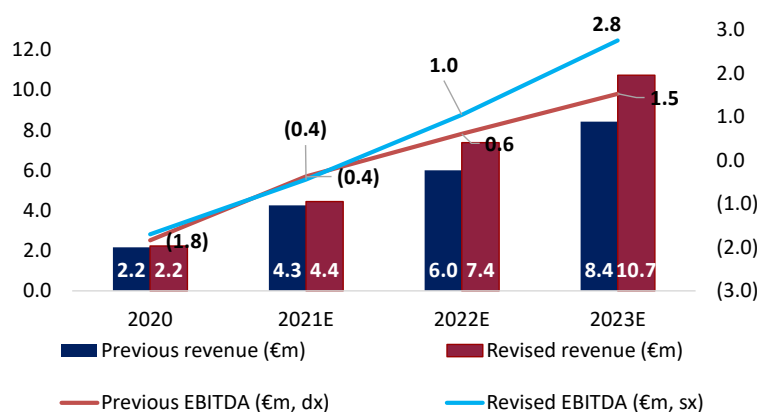
- Increase of properties under management, which now exceed 1,050 units in 60 Italian locations
- start of operations in 8 new locations
- 84% increase of managed stays H2 compared to H1 2020

- acquisition at the end of 2020 of the portfolio of properties managed in the cities of Milan, Florence and Rome by SweetGuest

Given the above outlook and FY2020 results, we overall confirm our last 2021 revenue/EBITDA forecasts, and we are confident on CleanBnB chance to accelerate along 2022-23E with a recover of the pre-pandemic program, leveraging on its strategy and the expected return to normal of domestic and international travel.

Change in estimates

Updated vs previous estimates



Source: EnVent Research

€m	2020	2021E	2022E	2023E	2020E	2021E	2022E	2023E	2020	2021E	2022E	2023E
Revenues	2.2	4.4	7.4	10.7	2.2	4.3	6.0	8.4	3%	4%	23%	27%
EBITDA	(1.7)	(0.4)	1.0	2.8	(1.8)	(0.4)	0.6	1.5	8%	-19%	72%	80%
<i>Margin</i>	-76%	-10%	14%	26%	-85%	-9%	10%	18%				
EBIT	(1.8)	(0.6)	0.8	2.5	(2.1)	(0.7)	0.3	1.1	12%	6%	202%	117%
<i>Margin</i>	-82%	-14%	11%	23%	-96%	-15%	4%	14%				
Net Income (Loss)	(2.0)	(0.7)	0.5	1.7	(2.1)	(0.5)	0.2	0.8	5%	-54%	148%	106%
Net (Debt) Cash	0.8	0.0	0.3	2.0	0.9	0.2	0.3	1.3				
<i>Net Debt / EBITDA</i>	neg	neg	neg	neg	neg	neg	neg	neg				

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

€m	2018	2019	2020	2021E	2022E	2023E
Revenues	1.2	2.8	1.7	3.6	6.0	8.7
Other income	0.3	0.5	0.6	0.8	1.4	2.0
Total Revenues	1.5	3.3	2.2	4.4	7.4	10.7
YoY %	-	112.6%	-31.9%	99.3%	66.0%	45.5%
Services	(1.4)	(3.5)	(2.9)	(3.8)	(5.1)	(6.6)
Personnel	(0.3)	(0.7)	(0.6)	(0.6)	(0.6)	(0.7)
Other operating costs	(0.2)	(0.3)	(0.5)	(0.5)	(0.6)	(0.7)
Operating costs	(1.9)	(4.5)	(3.9)	(4.9)	(6.3)	(8.0)
EBITDA	(0.4)	(1.3)	(1.7)	(0.4)	1.0	2.8
Margin	-24.3%	-39.0%	-76.2%	-10.0%	14.1%	25.6%
D&A	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	(0.3)
EBIT	(0.4)	(1.5)	(1.8)	(0.6)	0.8	2.5
Margin	-28.6%	-45.6%	-81.9%	-14.0%	11.1%	23.0%
Interest	(0.0)	0.0	(0.0)	(0.1)	(0.1)	(0.1)
EBT	(0.4)	(1.5)	(1.8)	(0.7)	0.7	2.4
Margin	-28.7%	-45.3%	-82.4%	-16.2%	9.6%	22.2%
Income taxes	0.1	(0.0)	(0.1)	0.0	(0.2)	(0.7)
Net Income (Loss)	(0.3)	(1.5)	(2.0)	(0.7)	0.5	1.7
Margin	-21.1%	-46.5%	-88.1%	-16.2%	6.8%	16.0%

Source: Company data 2018-20A, EnVent Research 2021-23E

Consolidated Balance Sheet

€m	2018	2019	2020	2021E	2022E	2023E
Receivables	0.2	0.5	0.1	0.3	1.0	1.5
Payables and advances from customers	(0.8)	(1.8)	(1.2)	(1.6)	(2.3)	(2.9)
Trade Working Capital	(0.6)	(1.3)	(1.1)	(1.3)	(1.3)	(1.5)
Other assets (liabilities)	0.1	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Net Working Capital	(0.5)	(1.7)	(1.4)	(1.6)	(1.6)	(1.8)
Intangible assets	0.4	1.4	1.4	1.7	2.0	2.2
Non-current assets	0.4	1.4	1.4	1.7	2.0	2.2
Provisions	(0.0)	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)
Net Invested Capital	(0.1)	(0.3)	(0.1)	0.1	0.3	0.3
Net Debt (Cash)	(0.4)	(3.0)	(0.8)	(0.0)	(0.3)	(2.0)
Equity	0.3	2.7	0.8	0.1	0.6	2.3
Sources	(0.1)	(0.3)	(0.1)	0.1	0.3	0.3

Source: Company data 2018-19A, EnVent Research 2020-23E

Consolidated Cash Flow

€m	2019	2020	2021E	2022E	2023E
EBIT	(1.5)	(1.8)	(0.6)	0.8	2.5
Current taxes	(0.0)	(0.1)	0.0	(0.2)	(0.7)
D&A	0.2	0.1	0.2	0.2	0.3
Provisions	0.0	0.0	0.0	0.0	0.1
Cash flow from P&L operations	(1.3)	(1.8)	(0.4)	0.9	2.1
Working Capital	0.7	(0.2)	0.2	0.0	0.2
Capex	(0.2)	(0.1)	(0.5)	(0.5)	(0.5)
Other assets and liabilities	0.5	(0.1)	0.0	0.0	0.0
Operating cash flow after working capital and capex	(0.4)	(2.2)	(0.7)	0.4	1.8
Interest	0.0	(0.0)	(0.1)	(0.1)	(0.1)
Capex - IPO cost	(1.0)	0.0	0.0	0.0	0.0
IPO proceeds	3.9	0.0	0.0	0.0	0.0
Paid-in capital	0.0	0.0	0.0	0.0	0.0
Net cash flow	2.6	(2.2)	(0.8)	0.3	1.7
Net (Debt) Cash - Beginning	0.4	3.0	0.8	0.0	0.3
Net (Debt) Cash - End	3.0	0.8	0.0	0.3	2.0
Change in Net (Debt) Cash	2.6	(2.2)	(0.8)	0.3	1.7

Source: Company data 2018-20A, EnVent Research 2021-23E

Valuation

Discounted Cash Flows

Updated assumptions (base case):

- Risk free rate: 1.5% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, May 2021)
- Market return: 12.6% (3Y average. Source: Bloomberg, May 2021)
- Market risk premium: 11.1%
- Beta: 1.1 (from 1.0 – judgmental increase due to overall market sentiment)
- Cost of equity: 13.7%
- Cost of debt: 4%
- Tax rate: 24% (IRES)
- 20% debt/(debt + equity)
- WACC 11.6%
- Perpetual growth rate after explicit projections: 3%
- Terminal Value assumes an EBIT margin of 15%

DCF Valuation

€m	2019	2020	2021E	2022E	2023E	Perpetuity
Revenues	3.3	2.2	4.4	7.4	10.7	11.1
EBITDA	(1.3)	(1.7)	(0.4)	1.0	2.8	2.2
<i>Margin</i>	-39%	-76%	-10%	14%	26%	20%
EBIT	(1.5)	(1.8)	(0.6)	0.8	2.5	1.7
<i>Margin</i>	-46%	-82%	-14%	11%	23%	15%
Taxes	(0.0)	(0.1)	0.0	(0.2)	(0.7)	(0.5)
NOPAT	(1.5)	(2.0)	(0.6)	0.6	1.8	1.2
D&A	0.2	0.1	0.2	0.2	0.3	0.5
Cash flow from P&L operations	(1.3)	(1.8)	(0.4)	0.9	2.1	1.8
Trade Working Capital	0.7	(0.2)	0.2	0.0	0.2	(0.1)
Capex	(1.2)	(0.1)	(0.5)	(0.5)	(0.5)	(0.5)
Other assets and liabilities	0.5	(0.1)	0.0	0.0	0.0	0.0
Unlevered free cash flow	(1.4)	(2.2)	(0.7)	0.4	1.8	1.2
WACC	11.6%					
Long-term growth (G)	3.0%					
Discounted Cash Flows			(0.7)	0.3	1.3	
Sum of Discounted Cash Flows	1.0					
Terminal Value						14.3
Discounted TV	10.3					
Enterprise Value	11.3					
Net Cash as of 31/12/20	0.8					
Equity Value	12.1					
DCF - Implied multiples	2019	2020	2021E	2022E	2023E	
EV/Revenues	3.4x	5.0x	2.5x	1.5x	1.0x	
EV/EBITDA	neg.	neg.	neg.	10.8x	4.1x	
EV/EBIT	neg.	neg.	neg.	13.8x	4.6x	
P/E	neg.	neg.	neg.	22.3x	6.6x	

Source: EnVent Research

Target Price

The application of our valuation model yields a share price of €1.74 (revising our previous €0.80 per share), 39% upside on the current share price of €1.25. As a consequence, we change in OUTPERFORM the recommendation on the stock.

Please refer to important disclosures at the end of this report.

CleanBnB Price per Share	€
Target Price	1.74
Current Share Price (06/05/2021)	1.25
Premium (Discount)	39%

Source: EnVent Research

Annex

Peer Group - Market Multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2020	2021E	2022E	2020	2021E	2022E	2020	2021E	2022E	2020	2021E	2022E
AirBnB	28.6x	19.8x	14.6x	neg	665.0x	129.5x	neg	neg	neg	neg	neg	neg
Booking	14.6x	10.4x	6.9x	95.8x	39.0x	18.8x	neg	50.7x	21.4x	744.8x	57.8x	24.7x
Expedia	6.2x	4.2x	3.0x	neg	30.5x	14.6x	neg	neg	33.4x	neg	neg	30.2x
TripAdvisor	10.9x	7.4x	5.0x	neg	46.6x	17.4x	neg	neg	51.3x	neg	638.6x	35.3x
MakeMyTrip	4.3x	13.7x	4.6x	neg	neg	54.7x	neg	neg	266.1x	neg	neg	157.3x
eDreams	1.9x	9.6x	3.4x	13.3x	neg	20.3x	14.4x	neg	135.4x	11.9x	neg	neg
Trip.com	9.8x	7.2x	4.7x	neg	50.8x	19.8x	neg	651.1x	32.5x	neg	83.8x	22.9x
Trivago	3.5x	2.6x	1.5x	neg	84.0x	21.7x	neg	367.5x	25.9x	neg	neg	73.8x
Mean	7.3x	7.9x	4.2x	54.5x	50.2x	23.9x	14.4x	356.4x	80.9x	378.3x	260.1x	57.4x
Mean w/out extremes	6.9x	7.8x	4.2x	na	45.5x	19.6x	na	367.5x	55.7x	na	83.8x	41.0x
Median	6.2x	7.4x	4.6x	54.5x	46.6x	19.8x	14.4x	367.5x	33.4x	378.3x	83.8x	32.7x
CleanBnB	3.5x	1.8x	1.3x	neg	neg	13.1x	neg	neg	26.2x	neg	na	na
CleanBnB EnVent Research Target Price and Updated Estimates	5.0x	2.5x	1.5x	neg.	neg.	10.8x	neg.	neg.	13.8x	neg.	neg.	22.3x

Source: S&P Capital IQ, May 2021

Investment Case

Company

Helping homeowners to make money and save time with their Airbnb listed properties

CleanBnB S.p.A. is an Italian Property Manager in the fast-growing short-term rentals market powered by online reservation platforms such as Airbnb, Booking.com, Expedia, etc. The mission is to increase the gross bookings and the performance of the properties managed on behalf of the owners (Hosts), while offering a full hospitality service to the visitors of the properties (Guests). CleanBnB manages on behalf of the Hosts the revenue streams from the online reservation platforms, collects directly the customer fees and provides full hospitality services to the Guests, such as check-in, cleaning and laundry, assistance, maintenance, check-out and supervision.

Founded in 2016, CleanBnB has raised around €0.9m through several funding rounds, including two equity crowdfunding campaigns, and €3.9m in July 2019 through the Initial Public Offering on the AIM Italia market of Borsa Italiana.

CleanBnB is qualified as innovative SME, a status which allows tax incentives for investors and is also eligible as a target for investments under the PIR scheme.

Revenue drivers

Self-financing operating model, no working capital investment needed

The key value of CleanBnB's service for its customers is the takeover of the entire property management process, heavily time consuming for the Host.

The wide availability of empty second homes for short-term rental in Italy leaves a substantial room for growth and originates the increasing demand for alternative accommodations.

Revenues are driven by property owners shifting from long-term to short-term rentals, increased listings volume growth, penetration into new locations and the ability to manage occupancy and optimize average revenues per listing.

CleanBnB collects the rent payment of the managed properties before the check-in of the Guest. Therefore, the Company operates with a positive cash balance along the year with a reasonable mid-term visibility on revenues.

Drivers

Industry drivers

Short-term alternative accommodations are booming. The demand for alternative accommodations is supported by Guest experience, by the rapid growth in the global middle class and low-cost flights and by the positive economic impact on the surrounding neighborhoods.

Online portals experiencing healthy bookings growth. Airbnb, Booking.com, Expedia and HomeAway have created one-stop shopping platforms that streamline the entire search and booking process in the alternative lodging market. The percentage of online bookings of alternative accommodations was expected to ramp from 40% in 2017 to nearly 65% in 2022

(Source: Morningstar and Pitchbook, *Airbnb's Network Effect Offers Investors a Unique Stay*, 2018). These are experiencing double-digit growth rates in the number of property listings.

Huge potential market. The short-term hospitality market in Italy is growing due to the combination of the increasing touristic flows, and consequent demand for extra-hotel hospitality, coupled with the ample number of “second homes” ready to be rented for short-terms.

Home sharing from do it yourself to professionalization. The home sharing market is no longer in an early stage. Platforms such as Airbnb Plus, Onefinestay, Oasis and Tribute Portfolio Homes are indicative of the increasing professionalization, standardization, and maturity of private accommodations. Following this trend, major traditional hospitality companies such as Marriott International, AccorHotels and Hyatt have entered the professionally managed home rental market. Home sharing is more and more converging towards the standards of the hospitality industry.

As long as more and more property owners discover the short rents as a business opportunity, the demand of the owners for professional property managers will increase and the professional property managers are likely to benefit from it. The property managers with larger budget to attract new property owners are likely to exploit better the short rentals market growth in the years to come.

Price competition and price sensitivity drive switches in online travel. Price sensitivity is increasingly a key factor in the travel decision-making process. Lower price is the top reason for home-sharing Guests to book an alternative accommodation. Additionally, regular hotel Guests may switch to home-sharing when they are offered a lower price on a private home.

Anti-cyclical sector. The short-term rental sector is only partially exposed to the performance of the domestic economy, since most of the payment flows are generated by foreigners. Indeed, over 90% of Guests visit Italy for tourism (Source: Airbnb, *Fattore sharing: l'impatto economico di Airbnb in Italia*, 2017).

Company drivers

Service capability, from revenue management to check-out. CleanBnB offers access to a multi-service platform, based on a centralized interface for revenue, reservation, property and operational management, integrated with major online reservation platforms, such as Airbnb, Booking, Expedia and others. The full-service proposition is a comprehensive and turnkey service including reservation and professional revenue management, meet and greet, concierge, cleaning and maintenance, check-out, administration and tax duties, insurance.

Hassle-free service is the best marketing tool in the industry. The key value of CleanBnB's service to customers is the takeover of the entire property management process, which can be time-consuming and complicated for Hosts without a proper hospitality education, also considering the procedural burden associated with compliance with the local regulations for the short rent management, tax compliance and property insurance. Taking over the management responsibility on behalf of the owner, freeing them from the hassle, is the most

powerful marketing tool for CleanBnB. The outsourcing of the vacation rental property management makes homeowners maximize their return and avoid risk of losing image or doing mistakes due to poor service or bad personal interactions with Guests, a process that is better manageable by skilled hospitality experts.

Seeking maximization for homeowners. Compared to a traditional renting contract (4+4 years or 6+6 years) CleanBnB offers a potential upside of rent income. CleanBnB does not simply focus on hospitality and cleaning services, but on seeking maximization of the rental income for the Hosts, through know-how, technical skills, revenue management and dynamic pricing. Features that Hosts could not be able to implement autonomously, while indispensable to achieve higher occupancy at higher prices and a better service for the Guests.

No insolvency risk and positive cash management cycle. CleanBnB receives rent payment directly from the Guest, on behalf of the Host, before its arrival to the apartment. Therefore, the insolvency risk is eliminated. Then, CleanBnB pays the Host, after having deducted its service fee.

Challenges

Picking the right locations, providing the right service. Airbnb has been connecting Hosts and traveling Guests since its creation in 2008, while also assisting in tourism growth in cities across the world. However, while many Airbnb cities have been rapidly growing over the past few years, some locations may be on their way to reduce the growth rate and reach the optimal balance between offer and demand of short-term rentals. As such, the whole industry will require much more professional property management, given the increasing competition, the high supply rate of properties coming into the market and the increasing needs of Guests.

Increasing competition, multinational specialists coming. The property management market for short-term vacation rentals in Italy is populated by several operators, both domestic and foreign property managers. Most of the players are small vacation rental managers, who operate local or regional businesses and have limited marketing budgets. International property managers, with higher marketing budgets, mainly target historic and artistic locations where touristic traffic is higher. This leads to expectations of increasing competition among short-term property managers in Italy due to the massive touristic traffic.

Industry impact. The increasingly large alternative accommodations market faces ongoing headwinds from opposition that is concerned with the industry's impact on society (resident quality of life), safety (adhering to codes) and economics (cost of living).

Sensitive regulatory framework, subject to reviews and updates. The regulatory environment related to alternative accommodations is evolving. Laws or property association rules could impose restrictions or burdens on property owners, limiting or negatively affecting their ability to rent their properties. Some jurisdictions have adopted or are considering statutes or ordinances that prohibit owners and managers from renting certain properties for fewer than a stated number of days and are also considering the introduction of licenses for the listing of properties on online platforms.

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Date	Recommendation	Target Price (€)	Share Price (€)
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07/05/2020	OUTPERFORM	1.41	1.04
27/10/2020	NEUTRAL	0.80	0.76
06/05/2021	OUTPERFORM	1.74	1.25

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