Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

First Capital

Sponsored Research

Italy | Financial Services Holdings

Banca Akros GRUPPO BANCO BPM

Investment Research

Company Flash Note

Reason: Company newsflow

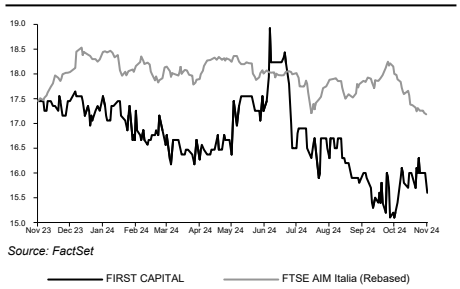
25 November 2024

Buy	
Recommendation unchanged	
Share price: EUR	**15.60**
closing price as of 22/11/2024	
Target price: EUR	**29.50**
from Target Price: EUR	*28.00*
Upside/Downside Potential	**89.1%**
Reuters/Bloomberg	FICP.MI/FIC IM
Market capitalisation (EURm)	**45**
Current N° of shares (m)	3
Free float	**66%**
Daily avg. no. trad. sh. 12 mth (k)	1
Daily avg. trad. vol. 12 mth (k)	7.22
Price high/low 12 months	18.92 / 15.10
Abs Perfs 1/3/12 mths (%)	3.31/-4.29/-10.61

Estimated NAV breakdown (EURm)		
Strategic holdings	91.8	77%
Other fair-value holdings	0.0	0%
Subsidiaries at equity	14.0	12%
Other activities	16.3	14%
Other non-financial assets/liabilities	-2.5	-2%
Total Net Asset Value	119.6	100%
NAVPS (EUR)	29.505	
Share price*: EUR	15.60	

Shareholders

Next Holding 27%; Chui 8%; Strategy invest 0.03%; Treasury shares 0.00%;



Source: FactSet

Analyst(s)

Andrea Todeschini
andrea.todeschini@bancaakros.it
+39 02 4344 4266

Gianmarco Bonacina
gianmarco.bonacina@bancaakros.it
+39 02 4344 4065

Hidden value despite negative momentum

Despite the adverse market condition characterizing the Italian Small Cap indexes, we evaluate First Capital with a fair value fully diluted NAVPS of EUR 29.50 increasing our previous valuation form EUR 28.00, supporting our view that the stock is significantly undervalue. We confirm our Buy recommendation.

1H 24 results – The main change in the portfolio holdings was the investment of EUR 2.6m in Next Geosolutions, started at the IPO in May 2024. In addition, part of the Generalfinance shares were transferred to the holders of the convertible bond "First4Progress CV 2021-2026" for EUR 1.3m. Regarding the reported results, First Capital booked a net loss of EUR 5.6m (vs. a loss of EUR 2.4m in H1 23), mainly due to the lower fair value of the portfolio (EUR -5.3m vs. EUR -2.9 in 1H23).Specifically, Orsero (-26% in 1H24), B&C Speakers (-17%) and Cy4Gate (-30%) performed the worse among FIC's strategic holdings, only partially offset by the performances of ALA (+34%), Generalfinance (+19%) and Cellularline (+12%).

Post 1H 24 – After the closing of the first half, FIC increased its stake in Next Geosolutions (NXT) from 0.5% up to 0.9% of the total share capital. In addition, on July 4th, 2024, a new search investment vehicle named First4progress 2 S.p.A. (F4P2) was launched, aimed at investing in an Italian private company with equity value between EUR 50m-100m and on November 14th, 2024, was completed the closing of the acquisition of Value Track operated through the subsidiary Italy Invest SIM (later renamed Value Track SIM).

Market performance – In the first half of 2024, Italian equity markets continued to perform differently between large-caps and the rest of the market, as small- and mid-capitalization indices were strongly affected by general derating and lower trading volumes. The negative performances of small cap stocks directly affected First capital due to its exposure its exposure to the Italian Mid & Small cap market. We note that the performance of the strategic companies was particularly spread out, as shown in the table below. Specifically, CY4Gate and Orsero were characterize by a negative performance Y/Y, offset mainly by ALA (+24% Y/Y on Sales) and TPS (+17% Y/Y).

Valuation – We decided to introduce a slightly different valuation model that is still based on a "net asset value" approach and that utilizes both the target prices provided by Banca Akros's analysts and the ones provided by multiple other brokers and applies a "reliability discount" based on how many contributors participate in the assessment of a target price. In addition, we consider the "holding company discount" to be correctly balanced out by the expertise of the company's management that performs investment decisions and by the ability of the company to grant access to investments in private companies (i.e. investments through Space Gemini).

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

Company description

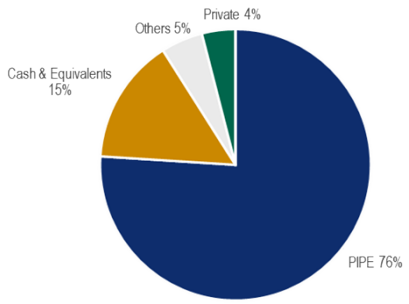
First Capital is a listed PIPE ("private investment in public equity") company that focuses on SMEs listed on the Italian Stock Exchange. The target companies are usually small and microcaps listed in Italy, with a solid competitive position, a balanced capital structure and sound cash generation. The average holding period is ~4/5 years and the company typically has an active approach in the management of the investee, which includes the appointment of a member of the board, the support in business development, external growth and investor relations activities. Exits are completed through market placement or PTOs.

The group operates through four main subsidiaries, each focused on a specific area:

- ✓ **First Sicaf** is First Capital's fixed-capital, multiple-compartment investment company, which launched its first fund in 2017; after the restructuring of operating activities in early 2024, it has become First Capital's PIPE vehicle with AUM of ~EUR 70m;
- ✓ **Value Track SIM** is the newly acquired investment banking advisory company. In January 2024, it has entered an agreement to buy Value Track, thereby completing its offering as a consultancy and advisory firm fully covering the IPO process for SMEs;
- ✓ **First4Progress** is a Search Investment Vehicle created in May 2021 to invest in an Italian small or medium enterprise. In its first deal, F4P acted as anchor investor in the IPO of Generalfinance (July 2022), by issuing a EUR 12.2m convertible bond (EUR 3m of which underwritten by First Capital). It remains the "IPO Accelerator" vehicle of the group; in 2024, **First4Progress2** was launched, raising EUR 10m in its first funding round;
- ✓ **First Private Investment** is the private equity scouting company of the group specialised in club deals.

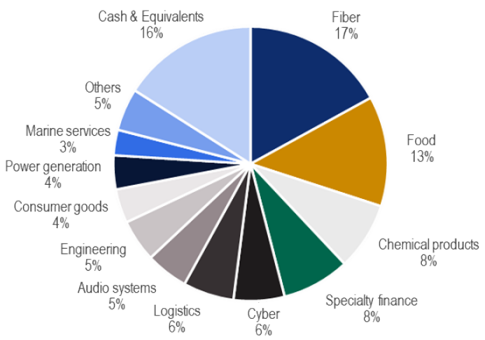
The **shareholding structure** is as follows: Next Holding (Manganelli family's holding company) 27%; Strategy Invest SRL (Torchiani family's holding company) 26%; Chui (First Capital CEO Mr. Vincenzo Polidoro's holding company) 8%; free float 39%.

Asset breakdown by activity



Source: company data

Asset breakdown by industry



Source: company data

SWOT Analysis

Strengths / Opportunities	Weaknesses / Threats
✓ Experienced management team	✓ Poor liquidity of small cap indices
✓ Solid track record	✓ Exposure to Italian market only
✓ Active private-equity like investment approach	✓ Small size
✓ New IPOs	✓ Low stock liquidity
✓ Undemanding valuations triggering takeover bids	✓ High discount on NAV

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

1H 24 Results

The main points of 1H24 results were as follows:

Performance - First Capital booked a net loss of EUR 5.6m (vs. a loss of EUR 2.4m in H1 23), mainly due to the lower fair value of the portfolio (EUR -5.3m vs. EUR -2.9 in 1H23).Specifically, Orsero (-26% in 1H24), B&C Speakers (-17%) and Cy4Gate (-30%) performed the worse among FIC's strategic holdings, only partially offset by the performances of ALA (+34%), Generalfinance (+19%) and Cellularline (+12%).

New investments - The main change in the portfolio holdings was the investment of EUR 2.6m in Next Geosolutions, started at the IPO in May 2024

Strategic investments - the main changes occurred in 1H24 were:

- ✓ New investment in Next Geosolutions, occurred during the IPO process in May 2024, for EUR 1.6m. The company is a player operating in the maritime geosciences and services supporting offshore activities (mainly related to renewable energy sources)
- ✓ Part of the Generalfinance shares were transferred to the holders of the convertible bond "First4Progress CV 2021-2026" for EUR 1.3m.

First Capital: Balance sheet overview 2022-2024

EUR m	H1 22	FY 22	H1 23	FY 23	H1 24
Financial assets	114.1	111.1	100.5	96.4	89.4
o/w financial assets at fair value through P&L	91.8	90.1	80.8	81.0	74.6
o/w financial assets FV through CI	10.4	8.6	7.4	3.0	2.1
o/w financial assets at amortised cost (loans)	0.0	0.0	0.0	0.0	0.0
Equity investments	11.9	12.3	12.4	12.4	12.7
Intangible fixed assets	0.0	0.0	0.0	0.2	0.2
Tangible fixed assets	0.1	0.1	0.0	0.2	0.2
Other activities	2.0	1.8	1.0	1.3	1.6
Total gross assets	116.2	113.0	101.5	98.1	91.4
Other liabilities	(0.6)	(0.7)	(0.5)	(1.1)	(2.2)
Risk funds	(1.6)	(1.7)	(0.1)	(0.1)	(0.1)
Total net assets	114.0	110.6	100.9	96.9	89.1
Shareholders' equity	75.4	77.7	73.9	78.7	73.8
Minorities' equity	2.9	3.0	3.3	2.5	2.0
Net financial debt	35.7	29.9	23.7	15.6	14.7
Cash and marketable securities	(5.7)	(4.5)	(9.6)	(16.3)	(10.7)
Financial short-term debt	41.5	34.3	33.3	31.9	25.3
Financial l/m term debt	0.0	0.0	0.0	0.0	0.0

Post 1H24

After the closing of the first half of the year, the most relevant events were the following:

- ✓ Increased the stake in Next Geosolutions (NXT) from 0.5% up to 0.9% of the total share capital.
- ✓ On July 4th, 2024, a new search investment vehicle named First4progress 2 S.p.A. (F4P2) was launched, aimed at investing in an Italian private company with equity value between EUR 50m-100m.
- ✓ On November 14th, 2024, was completed the closing of the acquisition of Value Track operated through the subsidiary Italy Invest SIM (later renamed Value Track SIM). This operation allows First capital to expand its service offering (advisory and research) aimed at supporting Italian SMEs.

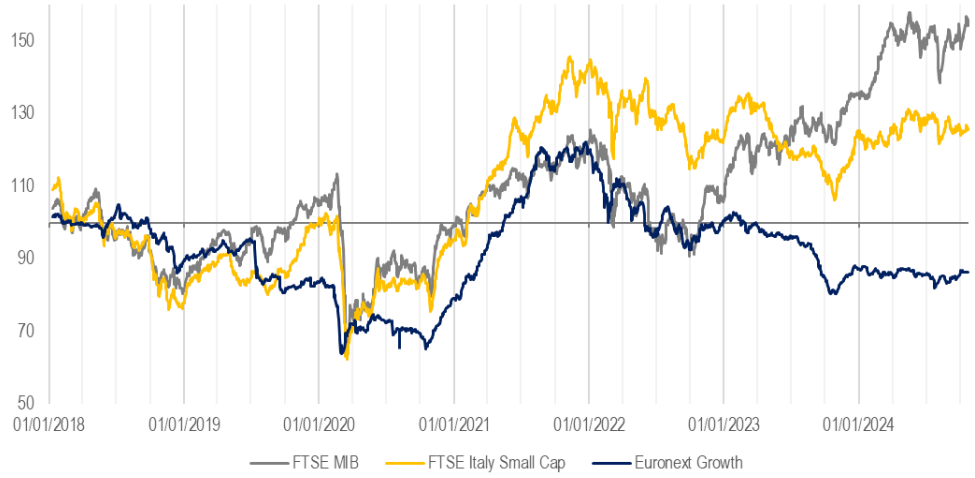
Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

Italian market performance

In the first half of 2024, Italian economic activity grew slightly while industrial production reported a contraction. This result stems from the context of the global economy, in which there has been a stabilization of the expansionary phase, a slowdown in inflationary pressure, and a slowdown in the restrictive policies of the major central banks. Also in the first half of 2024, Italian equity markets continued to perform differently between large-caps and the rest of the market, as small- and mid-capitalization indices were strongly affected by general derating and lower trading volumes.

The FTSE MIB, thanks to the banking sector, closed the first part of the year with a +9% performance, reaching the highest price levels since the last 15 years. On the other hand, the small cap indexes were still characterized by low traded volumes and a predominant bearish sentiment, mainly due to the overall macroeconomic uncertainty. Specifically, the FTSE Italia Small Cap performed neutrally from the levels recorded in 2023. While the FTSE Italy GROWTH recorded a decrease of -2%.

Italian Stock Market performances: FTSE MIB vs. Small Cap/Euronext Growth



Source: Banca Akros on Bloomberg data

Said negative performances directly affected First capital due to its exposure its exposure to the Italian Mid & Small cap market. In particular we note that the performance of the strategic companies was particularly spread out, as shown in the table below. Specifically, CY4Gate and Orsero were characterize by a negative performance Y/Y, offset mainly by ALA (+24% Y/Y on Sales) and TPS (+17% Y/Y).

Strategic holdings: 1H24 financial performance

Company	Mkt. Cap	Sales			EBITDA		
	EUR m.	1H23	1H24	Δ% Y/Y	1H23	1H24	Δ% Y/Y
Intred	204	24.5	25.9	5.6%	10.7	11.4	6.7%
Orsero	207	763.4	744.1	(2.5%)	49.2	31.4	(36.2%)
CY4Gate	99	33.1	29.8	(9.8%)	3.0	1.7	(42.4%)
Cellularline	55	67.8	72.6	7.0%	3.1	5.9	90.0%
B&C Speakers	193	48.5	51.2	5.6%	12.1	11.5	(4.8%)
TPS	49	22.1	25.8	17.2%	3.9	4.3	11.9%
ALA	213	110.9	137.7	24.2%	12.0	16.5	38.3%
Generalfinance	143	27.8	36.9	32.5%	19.1	27.6	44.5%
Next Geosolutions	358	n.a.	190.8	n.m.	n.a.	28.4	n.m.

Source: Banca Akros on company data

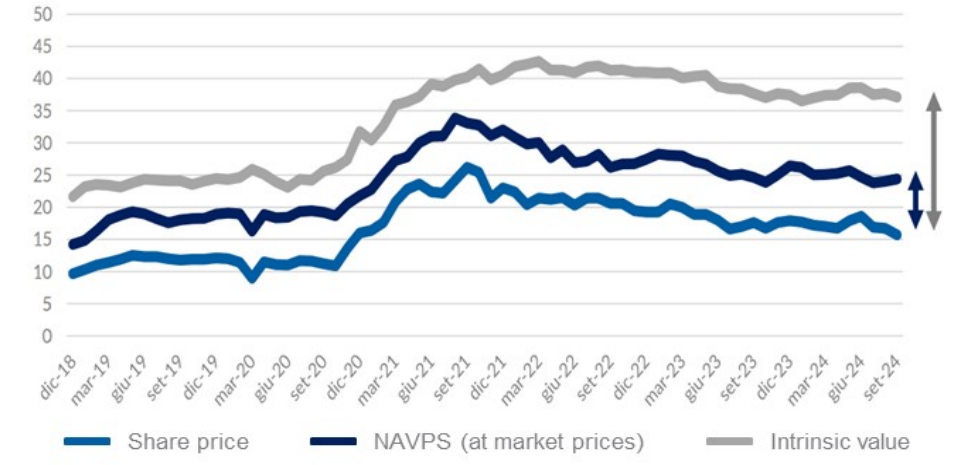
Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

Valuation

We increase our target price on First Capital to EUR 29.50 from EUR 28.00 based on a (approximated) fully diluted NAVPS. The relevant implied upside (~88%) leads us to confirm our Buy recommendation.

As a reminder, First capital is trading at a significant discount vs. its NAVPS (around 36% discount at 30 September 2024). More specifically, the gap between the NAVPS and the implied intrinsic value has widened since the end of 2021 and reached ~52% premium at the end of September 2024.

First Capital: Share performance, NAV per share and Intrinsic value per share



Source: Company monthly report – September

NAV

We decided to introduce a slightly different valuation model that is still based on a "net asset value" approach and that utilizes both the target prices provided by Banca Akros's analysts and the ones provided by multiple other brokers.

We utilized a target price benchmark since almost all **First Capital's strategic investments are listed companies.** As an additional step to the valuation at target price, we decided to apply a "reliability discount" based on the number of analysts' recommendations that are provided on every specific listed company through the Bloomberg platform. This approach helps to ensure that a company that has few or only one price recommendation gets a higher discount compared to one for which multiple target prices from different analysts are provided.

More specifically, for companies covered by Banca Akros with our proprietary research, we decided to use our recommended target price as benchmark and not to apply any reliability discount. In case of companies not covered by our research, we decided to use the best target price provided by Bloomberg and to apply a 30% discount if there is only one broker contributing to the price, 20% for two brokers, 10% for three brokers and 0% in case of four or more brokers contributing to the target price.

If a consensus target price is not available, we apply a default 2x multiple (in line with First Capital management's ambition), which is subjected to a higher discount to be evaluated with an ad-hoc process.

We consider the "holding company discount" to be correctly balanced out by the expertise of the company's management that performs investment decisions and by the ability of the company to grant access to investments in private companies (i.e. investments through Space Gemini)

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

First Capital: NAV

	Value (EUR m)	# shs (m)	Stake (%)	% on NAV	Valuation method	BBG/BAK TP (EUR)	# analyst covering	Discount (%)	Value PS (EUR)
Strategic Holdings (A)	**91.8**			***81.5%***					
Intred	25.5	1.50	*9.5%*	*22.7%*	BBG TP with 10% discount	18.9	3	*10.0%*	17.0
Orsero	19.9	1.00	*5.6%*	*17.7%*	Akros target price	20.0	BAK	*0.0%*	20.0
Cy4Gate	6.0	1.10	*4.7%*	*5.3%*	BBG TP with 20% discount	6.8	2	*20.0%*	5.4
Cellularline	5.6	1.73	*7.9%*	*4.9%*	BBG TP with 20% discount	4.0	2	*20.0%*	3.2
B&C Speakers	6.3	0.33	*3.0%*	*5.6%*	BBG TP with 10% discount	21.0	3	*10.0%*	18.9
TPS Group	4.8	0.71	*9.7%*	*4.3%*	BBG TP with 30% discount	9.8	1	*30.0%*	6.8
ALA	7.7	0.27	*3.0%*	*6.8%*	Akros target price	28.5	BAK	*0.0%*	28.5
Generalfinance	8.5	0.68	*5.4%*	*7.6%*	Akros target price	12.5	BAK	*0.0%*	12.5
Next Geosolutions	3.5	0.43	*0.9%*	*3.1%*	BBG TP with 20% discount	10.3	2	*20.0%*	8.2
Space Gemini (BrunoGenerators)	4.0	-	*6.8%*	*3.6%*	Book value (private asset)	-	-	-	-
Associates (B)	**14.0**			***12.4%***					
ICF	12.2	-	*26.9%*	*10.8%*	Book value				
Lab Investments	0.5	-	*24.4%*	*0.4%*	Book value				
Value Track SIM	1.3	-	*57.5%*	*1.2%*	Book value				
Others (C)	**6.8**			***6.0%***					
Other assets	3.7				*Includes other investments in Italian Small Caps valued at fair value and te F4P2 valued*				
Cash	12.6								
Other assets & liabilities	-0.5								
Minorities	-2.0				*Includes minorities in First Gen and F4P1*				
Debt (net of cov.)	-7.0								

NAV (A+B+C)	**112.6**
# share fully diluted	3.817
NAV PS fully diluted	**29.5**

Assuming Basic shares 2.9m and converion of 17m CB at strike (EUR 20 per share)

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

First Capital: Summary tables

PROFIT & LOSS (EURm)	2023	2024
Revenues	**6.1**	**0.0**
Non Recurrent Items	0.0	0.0
Net Profit (reported)	**2.6**	**0.0**
BALANCE SHEET (EURm)		
Shareholders Equity	78.7	73.8
Minorities equity	2.5	2.0
Net Debt	15.6	7.0
NAV Constituents & Total NAV (EURm)		
Strategic holdings	80.9	91.8
Other fair-value holdings	0.1	0.0
Subsidiaries at equity	12.4	14.0
Other activities	4.2	16.3
Other non-financial assets/liabilities	-0.8	-2.5
Discount/(Premium) to NAV	-44.2%	
Listed shareholdings on NAV	96.4%	88.5%
OTHER ITEMS (EURm)		
Total Market Cap	50.7	45.1
Debt / Equity	*19.8%*	*9.5%*
Payout Ratio		nm
P/BV	*0.6*	*0.8*
Dividend Yield (Gross)		0.0%
PER SHARE DATA (EUR)		
EPS (reported)	0.917	0.000
NAVPS	28.121	29.505
BVPS	27.256	19.334
DPS		0.000

Source: Company, Banca Akros estimates

Sector: Financial Services Holdings/Holding

Company Description: First Capital is a listed PIPE (“private investment in public equity”) company that focuses on SMEs listed on the Italian Stock Exchange. The management have a proven track record of successful investments, thanks to their active management policy and the ability to find promising companies at undemanding values. On top of that, the consistent outperformance over the last 5 years, the clear exit strategy, the well-defined holding period and the solid shareholder remuneration depict a “private equity-like” company

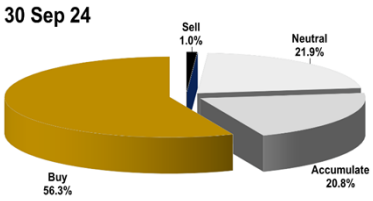
ESN

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

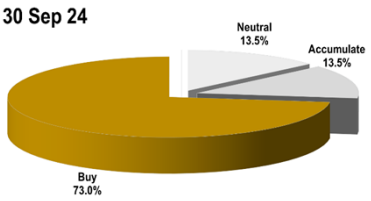
This document has been prepared by Andrea Todeschini and Gianmarco Bonacina (AIAF member), who acts as financial analysts at Banca Akros SpA ("Banca Akros"), the party responsible for the production of the document. The document has been produced and distributed from November 25, 2024, at 7:07 AM Italian time. Financial analysts who prepared this research have gained considerable experience with Banca Akros and other authorised brokerage houses. Said financial analysts do not receive a bonus, salary or any other form of remuneration, whether directly or indirectly, from any earnings in any investment banking transaction. Said financial analysts and their families are not directors, managers or advisors of the companies involved in this research. Said financial analysts and their families do not hold financial instruments issued by the companies under examination. Banca Akros has prepared this research for its professional clients only, pursuant to Directive 2014/65/EU, Delegated Regulation 2016/958 and Annex 3 of Consob Regulation on Intermediaries (Resolution n. 20307). The most recent studies produced by Banca Akros on the company under analysis were published on 01 October, 18 and 22 November. Pursuant to Articles 5 and 6 of Delegated Regulation 2016/958, Banca Akros has specific interests in First Capital. Pursuant to art. 5 and 6 of the EU Delegated Regulation 2016/958 implementing art. 20 of EU Regulation 2014/596 (Market Abuse Regulation), Banca Akros hereby informs its clients that information on conflicts of interests is available on the specific section of its website: https://www.bancaakros.it/en/company-documents/legal-notices/. The information and opinions given in this research are based on sources believed to be reliable. Banca Akros has done its best to check the sources of said information and that it has already been made public. However, notwithstanding said controls, Banca Akros does not guarantee nor shall it be held liable if the information supplied herein or used to prepare this research is found to be inaccurate, incomplete, untrue or incorrect. This research is for information purposes only. It shall not be regarded as a proposal for a contract, an offer to sell nor as a solicitation to buy and/or sell financial products nor, in general, to invest. Nor shall it be regarded as advice on investment opportunities. Banca Akros does not guarantee that any of the forecasts and/or estimates supplied in this research are attainable. Moreover, Banca Akros shall not be held liable for any consequences and/or damage that may derive from the use of this research and/or the information contained herein. All the information or opinions contained in this research are subject to change without notice, without prejudice to any legal or regulatory requirements. Unless specifically authorised, this research may not be reproduced and/or circulated, whether wholly or in part, directly or indirectly. In any case, transmission of this document or its content, even part of it, to any subjects that are not classified as professional clients or qualified counterparties, pursuant to Directive EU 2014/65, by any means whatsoever, is expressly forbidden.

Percentage of recommendations by the 30 September 2024

All recommendations



Recommendations on stocks under conflict of interest (*)

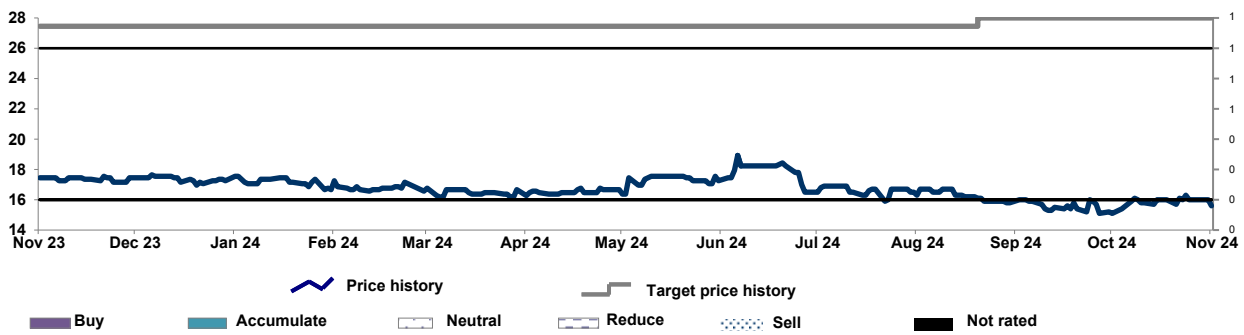


(*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 39.8% of all issuers covered

Recommendation history for FIRST CAPITAL

Date	Recommendation	Target price	Price at change date
10-Sep-24	Buy	28.00	16.10
20-Nov-23	Buy	27.45	17.55
17-May-23	Buy	29.99	18.58

Source: Factset & ESN, price data adjusted for stock splits.
This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Andrea Todeschini (since 02/10/2024)



Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy**: the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral**: the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce**: the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell**: the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended**: the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated**: there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown

Recommendation	Nr.of stocks covered	%
Buy	50	54%
Accumulate	20	22%
Neutral	22	24%
Reduce	0	0%
Sell	0	0%

of which Sponsored Research

Recommendation	Nr.of stocks covered	%
Buy	18	69%
Accumulate	3	12%
Neutral	5	19%
Reduce	0	0%
Sell	0	0%

ESN Ratings Breakdown

Recommendation	Nr.of stocks covered	%
Buy	225	65%
Accumulate	29	8%
Neutral	85	25%
Reduce	0	0%
Sell	3	1%

of which Sponsored Research

Recommendation	Nr.of stocks covered	%
Buy	34	79%
Accumulate	3	7%
Neutral	6	14%
Reduce	0	0%
Sell	0	0%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website Link

Date and time of production: *25 November 2024: 8:58* ***CET***
First date and time of dissemination: *25 November 2024: 9:03* ***CET***

Downloaded: 2024-11-25 10:50 User: Rossi Linda (FIRST CAPITAL)

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ('ESN'). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the professional clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN and/or ESN Members will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report, you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website

www.esnpartnership.eu

or refer to the local disclaimer of the Members, or contact directly the Members:

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cic-marketsolutions.eu regulated by the AMF - Autorité des marchés financiers

www.gvcgaesco.es regulated by CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)

Banca Akros
GRUPPO BANCO BPM

Banca Akros SpA
Viale Eginardo, 29
20149 Milano
Italy
Phone: +39 02 4344 4389

CIC Market Solutions

CIC Market Solutions
6, avenue de Provence
75441 Paris - Cedex 09
France
Phone: +33 1 5348 8193

CaixaBI

Caixa-Banco de Investimento
Avenida João XXI, 63
1000-300 Lisboa
Portugal
Phone: +351 21 313 7300

GVC Gaesco Valores

GVC Gaesco Valores, S.V., S.A.
C/- Fortuny, 17
28010 Madrid
Spain
Phone: +34 91 436 7813

ESN