



Robust growth with cash generation

Sector: Commercial Services

1H24 result: strong Double-Digit growth in revenue and EBITDA

Alfio Bardolla Training Group (ABTG), Italy's leading provider of financial and business training, has reported its half-year results. Total revenues reached Euro 12.6 m, representing a 38% increase compared to the first half of 2023. The revenue breakdown shows that the Parent Company continues to be the primary contributor. Notably, online courses and products drove the Group's growth with a YoY increase of +34%, while the "Wake Up Call" product line saw a 28% growth. In terms of subsidiary revenues, the significant increase in revenue generated by SBL stands out, driving overall revenue with a 94% YoY growth, reaching Euro 1 m in 1H24. EBITDA reached Euro 1.9 m, up 20% YoY, with a margin of 15%, in line with management's expectations. Net income was Euro 0.6 m, showing significant improvement from a slight loss in the same period last year. Consolidated Net equity stands at Euro 4.9 m, slightly down from FY23 due to dividend distributions during the period. On the balance sheet side, The Group Net Debt is cash positive at Euro -2.5 m, representing a 41% improvement compared to FY23. This positive result was driven by a 28% reduction in trade receivables and a 9% decrease in trade payables, leading to a cash generating NWC change of -83%.

Management Outlook

Management did not provide guidance for FY24 but expressed confidence in the current business environment. They reaffirmed their commitment to the lead generation synergies established with recent acquisitions. The company remains focused on developing new partnerships, highlighting the success of its collaboration with Mindvalley in defining effective events. Consequently, the company does not rule out the potential for further partnerships in the upcoming periods. Additionally, the "Wake Up Call" event held on September 13-15 showcased a positive revenue growth trend for the first half, aligning with the Group's budget expectations. On September 6, 2024, ABTG Legal S.r.l. changed its name and business scope following a strategic shift. The new name, ABTG Accelerator S.r.l., reflects the intention to leverage the professional and financial structure of the parent company to better support new initiatives of controlled entities and to serve as a vehicle for the future incorporation of the business.

Estimate revision and valuation

Based on the information provided, we have confirmed our estimates and fine-tuned our D&A and financial expenses in line with the results observed in 1H24. On the balance sheet side, we aligned our assumptions with the latest semi-annual metrics. Overall, the adjustments to the income statement have been offset by corresponding adjustments on the balance sheet. Since our last update on April, we have set a new target price of 8.00, reflecting a potential upside of +205%, thus reaffirming our positive stance on the stock. Our latest valuation is derived from equally weighting a DCF model and a Multiple Comparison Analysis, where we applied discounted peer multiples based on 2024E/2025E EV/EBITDA. At our target price, the stock would be trading at an EV/EBITDA of 9.1x and 7.5x for FY24E and FY25E, respectively.



Target Price (€) 8.00 (8.01 pr.)

Price (€) **2.62**

Market Cap (€ m) **14.1**

EV (€ m) **11.6**

As of 25th October 2024

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	ABTG.MI/ABTG:IM
ISIN	IT0005244030
N. of Shares	5.391.675
Free Float	46%
CEO	Alfio Bardolla

Financials

	2023A	2024E	2025E	2026E
Rev (VoP)	19.5	24.6	28.3	34.0
YoY %	23%	26%	15%	20%
EBITDA	3.3	4.4	5.4	6.8
EBITDA %	17.2%	18.0%	19.0%	20.0%
EBIT	1.0	2.7	3.2	4.4
EBIT %	5.3%	10.9%	11.4%	13.0%
Net Income	0.5	1.6	1.9	2.8
Net Debt	(1.8)	(2.6)	(4.7)	(8.0)

Performance

	1M	3M	6M
Absolute %	-6.1	0.8	-9.0
Relative % (FTSE Italia Growth)	-6.4	-0.0	-8.1
52-week High/Low (Eu)	3.54	/	1.96

Research Department of

IRTOP CONSULTING

Federico Zangaro

f.zangaro@irtop.com

KEY FINANCIALS

Profit&Loss Statement	2020A	2021A	2022A	2023A	2024E	2025E	2026E
Revenues (VoP)	9.7	14.2	15.8	19.5	24.6	28.3	34.0
EBITDA	2.4	3.8	2.5	3.3	4.4	5.4	6.8
EBIT	1.2	1.4	(0.5)	1.0	2.7	3.2	4.4
Financial Income (charges)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	(0.3)	(0.0)
Extraordinary items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit (loss)	1.2	1.4	(0.6)	0.9	2.5	2.9	4.4
Taxes	(0.5)	(0.6)	(0.0)	(0.4)	(0.9)	(1.0)	(1.5)
Minorities	(0.7)	(0.6)	0.6	(0.5)	(1.7)	(2.0)	(3.0)
Net profit (loss)	0.7	0.8	(0.6)	0.5	1.6	1.9	2.8
Balance Sheet							
Net working capital (NWC)	(2.0)	(1.0)	(1.1)	(1.8)	(1.9)	(2.2)	(2.6)
Net fixed assets	6.9	6.6	5.4	5.4	5.9	6.0	6.0
M/L Funds	(0.3)	(0.7)	(0.9)	(0.5)	(0.5)	(0.5)	(0.5)
Net Capital Employed	4.5	5.0	3.4	3.2	3.6	3.4	3.0
Net Debt	(0.5)	(0.1)	(0.8)	(1.8)	(2.6)	(4.7)	(8.0)
Equity	5.0	5.1	4.2	5.0	6.2	8.1	11.0
Cash Flow							
Net Profit	0.7	0.8	(0.6)	0.5	1.6	1.9	2.8
Non cash items	1.2	2.7	3.2	1.9	1.8	2.2	2.4
Change in Working Capital	(0.4)	(1.1)	0.2	0.6	0.1	0.3	0.4
Cash Flow from Operations	1.5	2.5	2.8	3.0	3.5	4.3	5.7
Capex	(1.6)	(2.1)	(1.8)	(2.3)	(2.3)	(2.3)	(2.4)
Operating Free Cash Flow	(0.1)	0.4	1.0	0.7	1.2	2.1	3.3
Dividend	0.0	(0.5)	(0.2)	0.0	(0.4)	0.0	0.0
Other (equity)	0.0	(0.2)	(0.2)	0.3	0.0	0.0	0.0
Free Cash Flow to Equity	(0.1)	(0.3)	0.7	1.0	0.8	2.1	3.3
Ratios							
EBITDA margin	24.8%	26.6%	15.6%	17.2%	18.0%	19.0%	20.0%
EBIT margin	12.5%	10.0%	n.m.	5.3%	10.9%	11.4%	13.0%
Net Debt/Equity	-9.3%	-2.3%	-18.8%	-35.9%	-42.3%	-58.0%	-72.9%
Net Debt/(Net Debt + Equity)	-10.3%	-2.3%	-23.2%	-55.9%	-73.3%	-138.2%	-268.7%
Net Debt/EBITDA	-0.19	-0.03	-0.32	-0.53	-0.59	-0.88	-1.18
Interest cover EBIT	35.89	188.16	n.m.	11.26	15.36	10.34	107.90
ROE	14.2%	16.1%	-14.9%	9.8%	26.1%	23.3%	26.0%
ROCE	37.3%	40.2%	-15.4%	46.1%	98.9%	124.6%	200.3%
Free Cash Flow Yield	n.m.	n.m.	4.7%	7.1%	6.0%	14.7%	23.2%
Growth Rates							
Revenues (VoP)	-21%	46%	12%	23%	26%	15%	20%
EBITDA	217%	57%	-34%	35%	32%	21%	26%
EBIT	209%	17%	-139%	287%	160%	20%	37%
Net Profit	159%	16%	-175%	179%	233%	16%	50%

Source: Group Consolidated Data & PMI Capital Research Estimates

Key Financials

Revenue Breakdown

Euro m	1H24	%	1H23	%	Yoy %
Wake Up Call	0.5	4%	0.4	4%	28%
Online courses/products	4.7	37%	3.5	38%	34%
Coaching	3.5	28%	3.4	37%	3%
Products & Books	0.0	0%	0.0	0%	-51%
AGL revenues	1.3	11%	1.2	13%	9%
SBL revenues	1.0	8%	0.5	5%	94%
REASOLUTION revenues	0.4	3%	n.a.	n.a.	n.a.
NOVAROD revenues	1.2	9%	n.a.	n.a.	n.a.
Other Revenues	0.1	1%	0.1	2%	-50%
Total sales	12.6	100%	9.1	100%	38%

Income Statement Euro m	1H24	1H23	1H22	23A	22A
Sales	12.5	9.0	7.3	19.4	15.0
yoy	39%	22%	2%	29%	9%
Revenues (VoP)	12.6	9.1	7.4	19.5	15.8
yoy	38%	23%	2%	23%	12%
EBITDA	1.9	1.6	0.9	3.3	2.5
Margin %	15%	17%	12%	17%	16%
EBIT	0.8	0.2	(0.3)	1.0	(0.5)
Net Profit	0.6	(0.1)	(0.5)	0.5	(0.6)

Balance sheet Euro m	1H24	1H23	1H22	23A	22A
Net Working Capital (NWC)	(2.0)	(1.2)	(1.5)	(1.8)	(1.1)
Fixed net assets	4.9	4.9	5.5	5.4	5.4
Funds	(0.5)	(0.5)	(0.6)	(0.5)	(0.9)
Net Capital Employed	2.4	3.2	3.5	3.2	3.4
Net Financial Position (Cash)	(2.5)	(0.7)	(0.8)	(1.8)	(0.8)
Total Equity	4.9	4.0	4.2	5.0	4.2
Sources	2.4	3.2	3.5	3.2	3.4

Source: Group Data

Estimates Revision – Euro m

Income Statement	24E Old	24E New	25E Old	25E New	26E Old	26E New	Δ24	Δ25	Δ26	Δ Avg
Revenues (VoP)	24.6	24.6	28.3	28.3	34.0	34.0	0%	0%	0%	0%
yoy	26%	26%	15%	15%	20%	20%	0bps	0bps	0bps	0bps
EBITDA	4.4	4.4	5.4	5.4	6.8	6.8	0%	0%	0%	0%
margin	18%	18%	19%	19%	20%	20%	0bps	0bps	0bps	0bps
EBIT	3.4	2.7	4.1	3.2	5.2	4.4	-20%	-20%	-15%	-19%
Net Profit	2.1	1.6	2.6	1.9	3.4	2.8	-24%	-27%	-15%	-22%

Balance Sheet	24E Old	24E New	25E Old	25E New	26E Old	26E New	Δ24	Δ25	Δ26	Δ Avg
Net Working Capital	(1.7)	(1.9)	(1.6)	(2.2)	(1.1)	(2.6)	-8%	-32%	-126%	-55%
Fixed net assets	6.3	5.9	6.9	6.0	7.3	6.0	-6%	-13%	-18%	-12%
Funds	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	0%	0%	0%	0%
Net Capital Employed	4.1	3.6	4.8	3.4	5.7	3.0	-13%	-30%	-48%	-30%
Net Debt (Cash)	(2.6)	(2.6)	(4.5)	(4.7)	(7.0)	(8.0)	1%	5%	14%	7%
Equity	6.7	6.2	9.3	8.1	12.7	11.0	-8%	-13%	-14%	-11%
Sources	4.1	3.6	4.8	3.4	5.7	3.0	-13%	-30%	-48%	-30%

Source: PMI Capital Research Estimates

VALUATION UPDATE

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 2023E/2024E with a -25% discount	50%	5.39	25.0
DCF (WACC 11.9% and g 1.0%)	50%	10.62	57.3
TARGET PRICE	100%	8.00	41.1

Source: PMI Capital Research Estimates

Multiples Comparison

Financials	Ticker	Market Cap	Price	Sales	EBITDA%	NI %
				2023A	2023A	2023A
M2i SA	ALMII-FR	22.8	4.0	58.7	5.9%	3.9%
Strategic Education, Inc.	STRA-US	1,951.6	79.3	1,047.9	15.0%	6.2%
Franklin Covey Co.	FC-US	471.4	36.0	264.8	13.9%	6.3%
K12 Inc.	LRN	3,672.5	84.2	1,757.3	16.0%	6.9%
Chegg, Inc	CHGG	153.1	1.5	662.6	16.3%	2.5%
Pearson PLC	PERSON-GB	8,334.1	12.5	4,224.3	27.2%	10.3%
Learning Technologies Group Plc	LTG-GB	875.1	1.1	646.5	20.1%	5.8%
Average		2,212	31.4	1,237	16%	6%
ABTG		ABTG-IT	14.1	2.6	19.5	17%
				3%		

Source: FactSet data as of 25th October and Group data for ABTG

Trading multiples	EV/EBITDA		
	23A	24E	25E
M2i SA	4.9	4.8	3.8
Strategic Education, Inc.	12.4	8.3	6.9
Franklin Covey Co.	12.1	8.9	7.7
K12 Inc.	13.4	10.1	7.2
Chegg, Inc	2.4	1.5	1.0
Pearson PLC	7.6	9.6	8.9
Learning Technologies Group Plc	7.4	7.1	6.6
Average	8.6	7.2	6.0
ABTG	3.5	2.6	2.6
Premium/Discount to Peers	-59.7%	-63.6%	-56.4%

Source: FactSet data as of 25th October and Group data for ABTG

INDUSTRY COMPARISON

ABTG Spa (ABTG-IT): IR Top estimates and Factset Data

EGM Sector: average data for listed on Euronext Growth Milan included in consumer services sector: Arras Group (AGU-IT), CleanBnB (CBB-IT), Destination Italia (DIT-IT), Dotstay (DOT-IT), Emma Villas (EAV-IT), G Rent (GSR-IT), Gambero Rosso (GAMB-IT), H-FARM (FARM-IT), Homizy (HZY-IT), Iervolino & Lady Bacardi Entertainment (IE-IT), Leone Film Group (LFG-IT), Lucisano Media Group (LMG-IT), Mevim (MEV-IT), Mondo TV France (MTVFR-IT), Notorious Pictures (NPI-IT), NVP (NVP-IT), Poligrafici Printing (POPR-IT), Sicily By Car (SBC-IT), Simone (SMN-IT), Società Editoriale il Fatto (SEIF-IT), SosTravel.com (SOS-IT), TraWell Co (TWL-IT) e Tweppy (TWEPP-IT).

Industry Peers: average data for a selected group of listed peers (see tables above for more details)

EGM: average financial and market data for all the companies listed on EGM. reported price performance data are related to the FTSE Italia Index.

	ABTG-IT Alfio Bardolla Training Group	Consumer Services EGM Sector	Peers Avg	XS0072 FTSE Italia Growth
Key Financials 2023				
Revenues	19.5	39.1	1,238.5	58.9
EBITDA	3.3	10.4	266.9	7.7
EBITDA %	17.2%	26.6%	21.5%	13.1%
EBIT	1.0	3.2	151.0	4.5
EBIT %	5.3%	8.2%	12.2%	7.7%
Earnings	0.5	1.6	99.1	(0.5)
Earnings %	2.5%	4.2%	8.0%	(0.8%)
Net Debt	(1.8)	10.5	205.3	8.4
ND/EBITDA	n.a.	1.0x	0.8x	1.1x
<i>FY21-23 Sales CAGR</i>	17.2%	51.6%	8.0%	12.4%
<i>FY23-26 Sales CAGR</i>	20.4%	10.3%	7.7%	9.9%
<i>FY21-23 Ebitda CAGR</i>	(5.7%)	121.7%	2.5%	12.3%
<i>FY23-26 Ebitda CAGR</i>	26.6%	(1.5%)	9.2%	16.7%
Market Data				
Market Cap	14.1	18.1	2,213.6	41.4
EV	11.6	26.8	2,385.2	48.1
Free Float	46.0%	29.9%	91.5%	32.4%
ADTT YTD (Eu k)	39.9	20.4	13,710.5	50.3
Market Multiples				
EV/Sales 2022	1.6x	4.4x	1.4x	2.2x
EV/Sales 2023	1.3x	1.2x	1.4x	1.9x
EV/Sales 2024	1.1x	1.4x	1.3x	1.2x
EV/Sales 2025	0.9x	0.8x	1.2x	1.0x
EV/Sales 2026	0.8x	1.2x	0.9x	0.9x
EV/EBITDA 2023	7.7x	21.2x	8.2x	10.4x
EV/EBITDA 2024	5.9x	15.4x	7.2x	7.8x
EV/EBITDA 2025	4.8x	6.7x	6.0x	5.5x
EV/EBITDA 2026	3.8x	3.8x	4.4x	4.2x
P/E 2023	28.1x	21.6x	17.1x	59.6x
P/E 2024	8.5x	21.7x	13.9x	20.1x
P/E 2025	7.3x	16.6x	12.1x	17.1x
P/E 2026	4.8x	14.2x	9.7x	11.4x
Earnings Yield	3.6%	9.1%	4.5%	(1.1%)
Stock Performance				
1D	0.0%	0.4%	5.3%	0.1%
1W	(5.9%)	0.4%	5.0%	0.2%
1M	(10.5%)	(0.4%)	1.1%	0.8%
3M	(1.9%)	(6.6%)	(7.9%)	0.2%
6M	(5.6%)	(10.6%)	0.4%	0.1%
YTD	0.4%	(20.3%)	12.3%	1.0%
1Y	20.3%	(16.3%)	13.5%	4.6%

Source: Factset data as of 25th October 2024 and PMI Capital Research

ALFIO BARDOLLA TRAINING GROUP IN BRIEF

Group Description

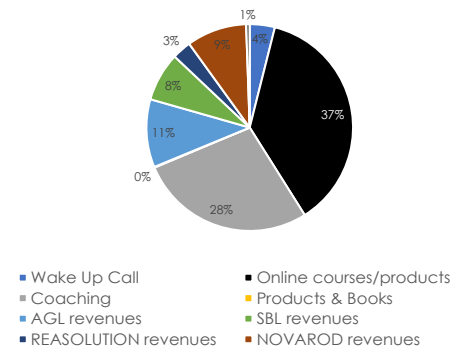
Alfio Bardolla Training Group S.P.A. (ABTG). Innovative SME since 2017 is Italian leader in digital financial and business training. With its subsidiaries the Group creates, develops and markets highly specialized on-and offline training courses in the personal finance and wealth creation fields. The Group was founded in 2012 by Alfio Bardolla, entrepreneur and best-selling author of six books (over 300,000 copies sold) including "I soldi fanno la felicità".

ABTG, headquartered in Milan, was listed on Euronext Growth Milan on July 2017, and has to date sold its training courses to over 43.000 clients through audio programs, videos, live courses and personalized coaching. The Group can rely on staff of 32 employees and external consultants including a sales force paid on commission. In FY23 ABTG recorded revenues of Euro 19 m, posting an EBITDA margin of 17%.

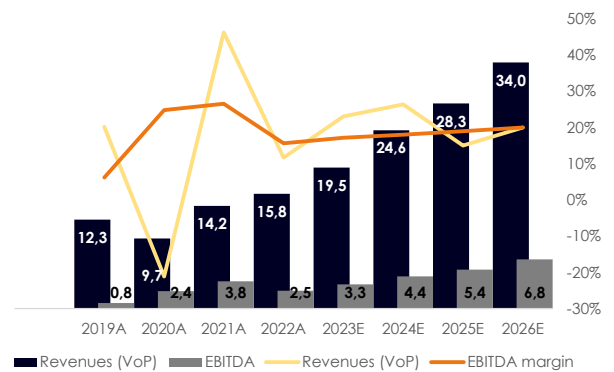
Key Managers

- **Alfio Bardolla** – Chairman & CEO
- **Federica Parigi** – Non-executive Director
- **Robert Allen** – Non-executive Director
- **Nicola De Biase** – Non-executive Director
- **Filippo Belluschi** – CFO & IR Director

Revenues breakdown by segment



Revenues and Ebitda Evolution



Strategy

- Strengthening the Group's position in the Italian market and expanding internationally by increasing brand recognition through marketing activities and commercial partnerships.
- Capitalizing on the customer database to generate additional revenue streams, such as advertising.
- Establishing commercial partnerships by leveraging the proprietary database.
- Diversification of the business by entering new markets that align with its core values of education and mentorship.

Main Risks

- Dependence on key individuals, including the founder, Alfio Bardolla, who still plays a significant role in ABGT's marketing strategy and brand awareness.
- The quality of services is highly dependent on qualified coaches and trainers.
- Potential data breaches could impact the Group's reputation due to its high reliance on its database.
- The seasonality dictated by the wake-up calls could lead to financial distress.

ALFIO BARDOLLA TRAINING GROUP ON EGM

IPO

Trading Market: Euronext Growth Milan – Borsa Italiana SpA
Date: July 28th, 2017
Price: 4.14 Euro
Capital raised: Eu 3.1 m through capital increase
Capitalisation: Eu 10.6 m

SHARES (as of 25th October 2024)

Code: ABTG
Bloomberg: ABTG IM
Reuters: ABTG.MI
ISIN ordinary shares: IT0005244030
Shares: 5,391,675
Price: 2.62 Eu
Performance from IPO: -37%
Capitalisation: Euro 13.75 m
Free Float: 46%
EGA: Integrae SIM S.p.a.

OWNERSHIP

Shareholder	%
Jaguar Holding S.r.l.	49%
Free Float	46%
Other	1%
Own Shares	4%
Total	100%

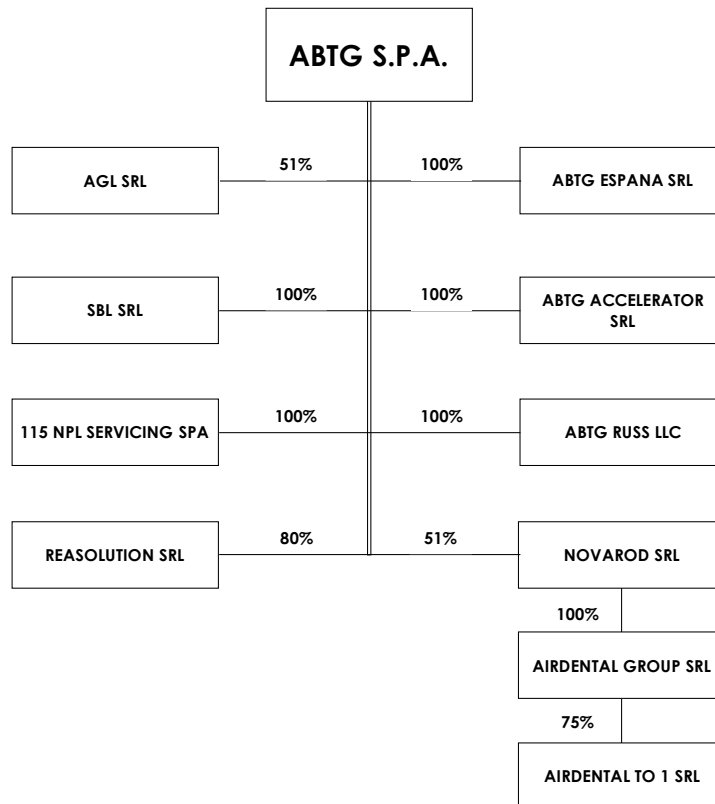
Source: Company Data

WARRANT

Alphanumeric code: WABTG
ISIN: IT0005245607
Issued warrants: 5,479,210
Exercise ratio: 1 new instrument every 1 warrants held

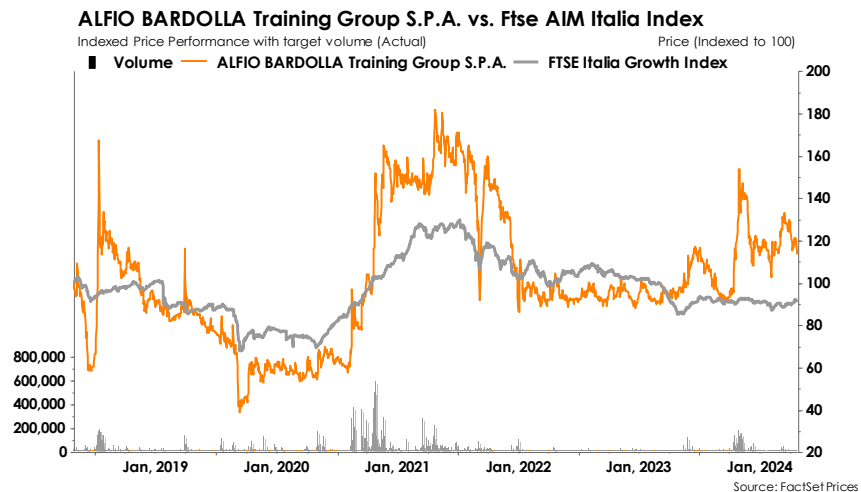
Period	from	To	Strike Price (Euro)	Converted (n. of Warrant)
First	07/16/18	07/27/18	4.14	100
Second	12/10/18	12/21/18	4.14	-
Third	07/15/19	07/26/19	4.14	730
Fourth	12/09/19	12/20/19	4.14	-
Fifth	07/20/20	07/31/20	3.00	-
Sixth	12/07/20	12/18/20	3.00	-
Seventh	07/19/21	07/30/21	3.50	-
Eighth	12/13/21	12/24/21	3.50	1193
Ninth	07/18/22	07/29/22	4.00	-
Tenth	12/12/22	12/23/22	4.00	-
Eleventh	07/17/23	07/28/23	4.50	-
Twelfth	12/11/23	12/22/23	4.50	-
Thirteenth	07/15/24	07/26/24	5.00	-
Fourteenth	12/09/24	12/20/24	5.00	-
Fifteenth	07/14/25	07/25/25	5.50	-
Sixteenth	12/08/25	12/19/25	5.50	-
Seventeenth	07/20/26	07/31/26	6.00	-
Eighteenth	12/07/26	12/18/26	6.00	-
Nineteenth	07/19/27	07/30/27	6.50	-

Number of outstanding Warrant at 23rd October 2024: 5,477,187.



Source: Group semiannual report

STOCK PERFORMANCE



DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on Alfio Bardolla Training Group (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on April 18th 2024. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
October 28 th , 2024	8.00	2.62	12 months
April 18 th , 2024	8.01	2.65	12 months
December 22 nd , 2023	9.15	2.55	12 months
October 10 th , 2023	8.41	2.15	12 months
April 19 th , 2023	8.35	2.12	12 months
October 11 th , 2022	8.27	2.13	12 months
April 19 th , 2022	8.45	3.30	12 months
October 11 th , 2021	7.41	3.31	12 months
April 23 rd , 2021	5.23	2.90	12 months
November 16 th , 2020	3.76	1.35	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:

Federico Zangaro (Analyst)

No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them, who was involved in producing the Research.

INTERESTS INVOLVED AND CONFLICTS: This document has been prepared by IR Top, Partner Equity Markets of Italian Stock Exchange on behalf of the Company according to a contract, under which IR Top undertook to prepare this report expressing only independent, fair and balanced views on the Company. The fees agreed for this Research do not depend on the results of the Research.

This Research has been disclosed to the issuer to which the Research, directly or indirectly, relates before its release. It is incumbent on the Company to provide timely and constructive feedback on draft Research prior to publication. It is IR Top's sole discretion as to whether comment and feedback from the Company is incorporated into the Research prior to publication and where it is, a further iteration to the draft will be sent to the Company for comment.

IR Top is also engaged in investor relations services in the interest of the Company and might occasionally be involved in other consulting activities intended to increase the value of the Company. In any case, Chinese Walls and other information barriers are in place to avoid the exchange of confidential information between the Equity Research Department and other services areas; employees and advisors involved in such services have restrictions preventing them from the access to confidential information that cannot be published.

IR Top restricts research analysts from performing roles, which could prejudice the independence of their research. In particular:

- they are permitted to attend and speak at widely attended conferences or other widely attended events at which IR Top colleagues and clients, among others, may also be present, provided that their independence may not be affected. These widely-attended conferences/events may include some investor presentations by clients of investor relations services.

- Analysts are also permitted to attend and speak at conference calls or meetings between analysts and bankers, investors or customers in which are discussed Research reports already published or general view on specific sectors. In such cases, at the start of that meeting, bankers, investors or customers need to be clarified that the discussion cannot involve the communication of privileged information to the analyst as the analyst would be prohibited from producing new research report on the companies whose privileged information has been disclosed. Members of the Research Team do not receive salaries, commissions, bonuses or any other form of compensation based upon specific investment banking transactions or securities' performances. IR Top and the members of the Research Team do not have any further interest or conflict of interest directly or indirectly related with the Research, the Company or the securities, that may reasonably be expected to impair the objectivity of the Research.

There are no other interests or conflicts of interest of any person belonging to the same group of IR Top that are: (a) known, or reasonably expected to be known, to the persons involved in the production of the recommendation; or (b) known to persons who, although not involved in the production of the recommendation, have or could reasonably be expected to have, access to the recommendation prior to its completion. In any case, as a general Policy, nobody of the Research Team nor IR Top is allowed to have a financial interest in the securities of the client company or serve as an officer, director or advisory board member of the client company. Analysts must not undertake personal transactions on financial instruments that are object of the investment research or that relate to the same industry. Exceptions may be made with the prior approval of IR Top's CEO in special circumstances such as for disposal of (a) positions already held before the employment or before the implementation of the company policy, or when initiating coverage and (b) positions obtained as a result of the issuer extraordinary activities. By the way, when analysts hold instruments to which Equity Research relates, they are required to disclose their interests in Research reports. Any trades that analysts make must be in line with their recommendation(s), contained in the last published Research. An analyst is prohibited from producing a Research on an issuer if the analyst carries out activities for which he receives compensation from the issuer. If an analyst's household member / relative / relative in-law (within the second degree) serves in such a high capacity for the issuer (i.e. manager or director), the analyst has to inform IR Top's CEO and the analyst will cease covering the issuer.

POLICY: IR Top has in place a "Joint conflict management policy" in order to effectively manage any conflicts of interest, and an "Equity Research Policy", in order to rule research services in compliance with Parliament Regulation (EU) no.596/2014 and Commission Delegated Regulation (EU) no. 958/2016 on Market Abuse. IR Top has adopted the "Joint conflict management policy" in accordance with best practice regarding "information barriers" to restrict the flow of information to prevent the misuse of information and/or prevent any conflicts of interest arising from other activities of IR Top. A copy of these policies is available to the recipient of this Research upon making a request to IR Top by e-mail.

DISCLAIMER:

This report has been prepared solely for information purpose and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. IR Top does not accept any liability for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of IR Top. Opinions and estimates in this Research are as at the date of release and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this Research may not be suitable for all investors. In any case, you should consult your investment advisor. This document is intended for distribution only to E.U. "qualified investors" and to "qualified counterparties" resident in Italy, within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/EC) and Consob Reg. 16190, as subsequently amended and supplemented; its distribution in USA, Canada, Australia, Japan is not allowed. In Italy, this document is being distributed only to, and is directed at qualified investors within the meaning of article 100 of legislative decree no. 58 of 24 February 1998, as amended, and article 34-ter, paragraph 1, letter b), of Consob regulation on issuers no. 11971 of May 14, 1999, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders, such as persons authorized and regulated to operate in financial markets, both Italian and foreign.

DISTRIBUTION: In the United Kingdom, this document is not for distribution to persons that would be defined as private customers under rules of the FSA; it is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the financial promotion order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FINANCIAL SERVICES AND MARKETS ACT 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is not addressed to any member of the general public and under no circumstances should this document circulate among, or be distributed to (i) a member of the general public, (ii) individuals or entities falling outside the definition of "qualified investors" as specified above or (iii) distribution channels through which information is or is likely to become available to a large number of persons. **IR TOP CONSULTING SPECIFIC DISCLOSURES:** We disclose that IR Top acts as Investor Relations and Financial Communication advisor for the Company. **PMI Z-SCORE:** The PMI Z-Score does not constitute a rating according to Article 2, paragraph 2, point b) of the EC Regulation no. 1060/2009 of the European Parliament and Council as of 16 September 2009, relating to credit rating agencies. Wisefunding Italia S.r.l. ("Wisefunding") is the Italian subsidiary of Wisefunding Ltd that using its proprietary know-how has developed a statistical models to evaluate the risk profile of small and medium sized enterprises (SMEs). This model has been licensed to Wisefunding together with the PMI Z-Score brand. Wisefunding does not guarantee the accuracy, timeliness, completeness, performance or fitness of the data used to calculate the score. No responsibility is accepted by or on behalf of Wisefunding for any errors, omissions, or inaccurate information in this document arising from any errors, omissions or inaccurate data. This document may be updated or changed without notice at any time. The publication of this document does not represent solicitation by Wisefunding of public saving and does not constitute any opinion or recommendation by Wisefunding as to the suitability of the investment, if any, herein described or the creditworthiness of the investment. No action should be taken or omitted to be taken in reliance upon information in this document. Wisefunding will not, in any way, be liable for the consequences arising from any action taken (or not) on the basis of the information referred to in this document.