Osservatorio AIM Italia

IR Top Consulting

December 14th, 2018
IR Top Consulting Group, *Equity Markets Partner of Borsa Italiana*, in over 15 years of activity has developed an extensive experience on the capital markets with **focus on SMALL-MID CAP** (MTA, STAR and AIM Italia).

**OUR ACTIVITIES:**

- **IPO ADVISORY**
  - Pre-IPO feasibility & valuation
  - Financial Advisory
- **IR & Equity Research**
  - Investor Relation Strategies
  - Independent Equity Research
- **Financial Communication**
  - Regulatory disclosure
  - Capital Markets Communication
MAIN GOALS

✓ research center specialised in AIM Italia for the elaboration of statistics as but the IPOs of SMEs
✓ vertical know-how on AIM and in-depth knowledge of financials, regulations and investors
✓ development of the IPO culture for SMEs through educational paths to companies aimed at bridging the Equity Gap
✓ collaboration with the IR Top Research division for the independent Equity Research of AIM companies and for the pre-IPO valuation on AIM Italia

2018 NEWS

The Osservatorio AIM cooperated for the definition of the measure of the Tax credit on IPO costs for going public SMEs contained in the Budget Law 2018, entered into force with the Implementing Decree on June 19th, 2018.
AIM ITALIA: EQUITY CAPITAL FOR DEVELOPMENT

AIM ITALIA: MARKET FOR SMEs GROWTH

BENEFITS OF THE IPO:

Significant returns to companies in terms of:

- capital raising and financial structure
- visibility and competitive advantages
- strengthening on domestic and international markets

According to CEO

«It offers opportunities for growth in terms of financial and corporate culture».

On AIM Italia, the IPO benefits will take place by maintaining decision-making and managerial autonomy (AIM Italia market float of 22% at IPO on average).
AIM ITALIA: COMPANY AND MARKET CAP TREND

✓ 113 listed companies (+19% vs 2017)

✓ 7.0 Euro billion  the total market cap (+23% vs 2017)

✓ 37 Euro million  the average market cap*

Osservatorio AIM IR Top Consulting - workings on Factset and Borsa Italiana data as of 7 December 2018

* Not considering SPAC, Business Combination and Bio-on
AIM ITALIA: INDUSTRIES AND REGIONS

Breakdown by Sector

- Finance (21%)
- Manufacturing (16%)
- Media & Entertainment (14%)
- Technology (12%)
- Energy & renewables (11%)
- Services (8%)
- Healthcare goods & services (6%)
- Fashion & Luxury (5%)
- Food & Beverage (4%)
- Telco (2%)
- Chemistry (1%)

Breakdown by Region

- Lombardia (50%)
- Emilia Romagna (12%)
- Lazio (11%)
- Veneto (7%)
- Umbria (3%)
- Piemonte (3%)
- Other (11%)
- Abroad (3%)

✓ Finance (21%), Manufacturing (16%) and Media (14%) are the most important sectors by number of companies

✓ Finance (30%), Manufacturing (17%) and Chemistry (17%) are the most important sectors by capitalisation

Osservatorio AIM IR Top Consulting - workings on Factset and Borsa Italiana data as of 03/12/2018
AIM ITALIA: IPO AND CAPITAL RAISED

✓ 4.1 euro billion the total Capital raised
✓ (Equity IPO + subsequent Capital increases + Bonds)

✓ 3.6 euro billion the total Equity capital raised on IPO
✓ Average IPO structure: 93% by PSO (public subscription offer), 7% by PSO (public sale offer)

✓ Average market float at IPO is 22% (SPACs excluded)

N. of IPOs and Capital raised on AIM Italia

Osservatorio AIM IR Top Consulting - workings on Factset and Borsa Italiana data as of 7 December 2018

* From 2009 to 2018, Greenshoe included, IPO bond excluded
**AIM ITALIA: IPO IN 2018**

<table>
<thead>
<tr>
<th>Name</th>
<th>IPO Capital Raised</th>
<th>IPO Date</th>
<th>Greenshoe</th>
<th>Sector (IR Top)</th>
</tr>
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<tbody>
<tr>
<td>EdiliziAcrobatica</td>
<td>5.7</td>
<td>19/11/2018</td>
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<td>Services</td>
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<tr>
<td>Digital Value</td>
<td>22.5*</td>
<td>08/11/2018</td>
<td></td>
<td>Technology</td>
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<tr>
<td>Circle</td>
<td>1.5</td>
<td>26/10/2018</td>
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<td>Technology</td>
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<tr>
<td>Renergetica</td>
<td>2.0</td>
<td>09/08/2018</td>
<td></td>
<td>Energy &amp; Renewables</td>
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<td>Siclus Frames</td>
<td>5.0</td>
<td>03/08/2018</td>
<td></td>
<td>Manufacturing</td>
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<td>TheSpac</td>
<td>60.0</td>
<td>02/08/2018</td>
<td></td>
<td>Finance</td>
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<td>Viml Fasteners</td>
<td>12.0</td>
<td>02/08/2018</td>
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<td>Manufacturing</td>
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<tr>
<td>SosTravel.com</td>
<td>5.2</td>
<td>01/08/2018</td>
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<td>Services</td>
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<tr>
<td>SG Company</td>
<td>3.0</td>
<td>26/07/2018</td>
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<td>Media &amp; Entertainment</td>
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<td>Intred</td>
<td>11.0</td>
<td>18/07/2018</td>
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<td>Telco</td>
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<td>Portobello</td>
<td>2.0</td>
<td>13/07/2018</td>
<td></td>
<td>Media &amp; Entertainment</td>
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<tr>
<td>Monnalis</td>
<td>17.7</td>
<td>12/07/2018</td>
<td>0.75</td>
<td>Fashion &amp; Luxury</td>
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<td>Askoll EVA</td>
<td>12.05</td>
<td>11/07/2018</td>
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<td>Manufacturing</td>
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<td>Esautomotion</td>
<td>10.3</td>
<td>06/07/2018</td>
<td></td>
<td>Technology</td>
</tr>
<tr>
<td>Longino &amp; Cardenal</td>
<td>4.95</td>
<td>04/07/2018</td>
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<td>Food &amp; Beverage</td>
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<td>Grifal</td>
<td>4.7</td>
<td>01/06/2018</td>
<td>0.21</td>
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<td>Archimede</td>
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<td>Finance</td>
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<td>Somec</td>
<td>27.9</td>
<td>14/05/2018</td>
<td>3.1</td>
<td>Manufacturing</td>
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<tr>
<td>Gabelli Value for Italy</td>
<td>110.0</td>
<td>20/04/2018</td>
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<td>Finance</td>
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<tr>
<td>Fervi</td>
<td>7.8</td>
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<td></td>
<td>Manufacturing</td>
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<tr>
<td>KOLINPHARMA</td>
<td>3.1</td>
<td>09/03/2018</td>
<td></td>
<td>Healthcare goods &amp; services</td>
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<td>Life Care Capital</td>
<td>140.0</td>
<td>07/03/2018</td>
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<td>Finance</td>
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<td>Vei 1</td>
<td>100.0</td>
<td>27/02/2018</td>
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<td>Finance</td>
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<td>ALP I</td>
<td>100.0</td>
<td>01/02/2018</td>
<td></td>
<td>Finance</td>
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<td>Spaxs</td>
<td>600.0</td>
<td>01/02/2018</td>
<td></td>
<td>Finance</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,316</strong></td>
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</tbody>
</table>

**AVERAGE (SPAC EXCLUDED)**: 8.0*

<table>
<thead>
<tr>
<th>Name</th>
<th>Capital Raised by SPAC</th>
<th>Date</th>
<th>Sector (IR Top)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS Equita PEP 2</td>
<td>72.7</td>
<td>14/05/2018</td>
<td>Finance</td>
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<tr>
<td>ICF Group</td>
<td>69.1</td>
<td>14/05/2018</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Cellularine</td>
<td>130.0</td>
<td>04/06/2018</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>CFT</td>
<td>98</td>
<td>30/07/2018</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Fine Foods NTM</td>
<td>100.0</td>
<td>01/10/2018</td>
<td>Healthcare goods &amp; services</td>
</tr>
</tbody>
</table>

*Digital Value excluded (capital raised deriving from new SPAC in cloud tool)
IPO IN 2018: AN OUTSTANDING YEAR ON AIM ITALIA

25 IPOs* in 2018, of which:
✓ 18 companies
✓ 7 SPAC

3 IPOs on MTA

1.3 Eu billion of capital raised

8.0 Eu million the capital raised on average in IPO

IPO by sector

44% of IPO are Manufacturing companies (6), that doubled the 2016 IPO, followed by Technology (3) and Services (2)

IPO by region

64% Lombardia
4% Lazio
4% Emilia Romagna
4% Veneto
4% Campania
4% Liguria
4% Toscana

IPOs - Average revenues by sector (Eu m)

*30 are the companies that went public on AIM Italia (25 IPO+5 admissions).
FY 2017 RESULTS

AIM Italia total turnover

Revenues (YoY: +12% on average)

EBITDA (YoY: +29% on average)

EBITDA Margin

Dividend paid by 30 companies – average dividend yield 2.7%

Revenues & EBITDA (average) FY17/16

Source: Osservatorio AIM di IR Top Consulting

Breakdown of companies by revenues

77% < 50 Eu m in revenues

Source: Osservatorio AIM di IR Top Consulting
MARKET LIQUIDITY

AVERAGE DAILY TRADED TURNOVER
• 97 euro K in 2018, 4X Pre PIR
• 120 euro K in 2017, 5X Pre PIR
AFTER PIR*: 24 K euro in 2016

TOTAL TRADED TURNOVER
• 2.3 Euro billion in 2018 (2.0 billion eu in 2017)

2018 INDICES
• FTSE AIM Italia: -10%, overperforming all other indices
• FTSE MIB: -14%
• FTSE Small Cap: -24%
• FTSE MID Cap: -18%
• FTSE STAR: -14%
AFTER PIR (2017)
• FTSE AIM Italia since PIR introduction: +11%

Source: Osservatorio AIM di IR Top Consulting, 7 December 2018
INSTITUTIONAL INVESTORS ON AIM ITALIA

• +80% institutional investors (108 institutional investors in 2018 compared to 60 in 2017)

• 812 Eu mln total amount invested, about 12% of AIM Italia market cap

• +21% the invested amount held by international investors, equal to 52% (43% in 2017)

• About 25% of market is held by PIR Compliant Funds

Source: Osservatorio AIM by IR Top Consulting (workings on Factset and company data as of 12 November 2018, compared to July 2017)
AIM ITALIA TREND - A STOCK MARKET WITH HIGH POTENTIAL

✓ **AIM Italia** has more than **tripled** in terms of **companies** (from 36 in 2014 to 113 in 2018)

✓ The **average capitalization** increased: **+37%** from 2014 (from 27 Eu m to 37 Eu m)

✓ The **average size** of companies **increased**: revenues from 28 Eu m to 41 Eu m

✓ **Industry diversification increased** with IPOs of Manufacturing companies and the strengthening of technology sector (compared to a initial prevalence of Green and Digital Media)

✓ The **number of listed SPACs increased** over the five-year period by a total of 23

✓ The **number of institutional investors** has **grown** over the years (52% foreign investment share)

✓ **Improvement of Governance and Liquidity**

✓ **Improvement of Analyst Coverage**: from 30% to 60%

✓ **Tax credit on IPO costs**: tax advantage with an allocation of 80 euros million for the next three years
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