

# ILBE Spa

Sector: Media content production



Analyst

Valentina Romitelli

valentina.romitelli@value-track.com

Marco Greco

marco.greco@value-track.com

## Mixed news around New Year Eve

Iervolino & Lady Bacardi Entertainment (ILBE) is an Italian cinema, TV and web content production company with a *Hollywood* footprint and strong focus on OTTs contents, listed on Euronext Growth Milan and Paris. It produces diversified contents for an international audience, focusing on core production and IPs.

### The good news: secondary listing on Euronext Growth Paris

Following the BoD decision of Oct '21, ILBE has completed its admission to trading on Euronext Growth Paris by direct listing: as of 12 Jan the stock enjoys a dual listing in Milan and Paris. The rationale of the move is i) increasing ILBE visibility towards international investors and the French ones in particular and ii) entering the French Media sector, which has been particularly lively in terms of contents (animation) and M&A.

### The bad news: Q3 2021 unveils mixed trends

9m KPIs released in Dec confirm H1 trends: strong revenues (+77% y/y), margin dilution (13% EBIT margin vs 22% in 9m 20) and an unexpected cash burn of €12mn in the quarter. Hence: a) top line growth was strong but lost momentum in Q3 (flat y/y); b) margins do support our FY expectations; c) net debt is very close to the covenants' limit set in recent bond issues. ILBE anticipated stronger focus on services to mitigate cash requirement of content production, but this benefit has yet to be seen.

### 2021-23E forecasts fine tuned, operations to focus on FCF

We have updated our model to factor the elements above and expect now management to follow a stricter financial discipline, at least in 2022, as long as financial ratios move back to safer levels rel. to debt covenants. This is the scenario factored in our forecasts: we expect ILBE to stick to production plans announced, focus on NWC, avoid further M&A and start deleverage. Alternatively, management may seek new partners/investors - capitalizing also on the recent dual listing - to fund more aggressive content production and corporate strategies.

### Fair value trimmed to €5.0 on higher debt, but upside material

The stock has further traced back and discount to peers has widened on concerns that leverage may be a limitation for Company's growth. Yet, we still see strong upside as expect management to address this issue: our revised fair value is €5.0 p/s (from €5.3), based on relative peers' EV/EBIT and DCF. It implies 9.3-8.9x 2021-22E EV/EBIT, i.e. 25% average premium to domestic peers and 35% discount to pure content production players, which trade at 16.4-12.0x, supported by stronger EPS growth and FCF.

<b>Fair Value (€)</b>	<b>5.00</b>
<b>Market Price (€)</b>	<b>2.57</b>
<b>Market Cap. (€m)</b>	<b>90.0</b>

KEY FINANCIALS	2020A	2021E	2022E
REVENUES	120.7	162.9	157.4
EBITDA	112.5	149.0	113.6
EBIT	22.0	21.8	22.2
NET PROFIT	19.5	18.7	19.5
EQUITY	67.0	85.8	105.3
NET FIN. POS.	-15.7	-28.8	-23.4
EPS ADJ. (€)	0.56	0.53	0.56
DPS (€)	0.00	0.00	0.00

Source: Company (historical figures), Value Track (2021E-22E estimates)

RATIOS & MULTIPLES	2020A	2021E	2022E
EBITDA MARGIN (%)	93.2	91.5	72.2
EBIT MARGIN (%)	18.3	13.4	14.1
NET DEBT / EBIT (x)	0.7	1.3	1.1
NET DEBT / EQUITY (x)	0.2	0.3	0.2
EV/SALES (x)	1.3	0.7	0.7
EV/EBIT (x)	6.9	5.4	5.1
P/E ADJ. (x)	7.0	4.8	4.6
DIV YIELD (%)	0.0	0.0	0.0

Source: Company (historical figures), Value Track (2021E-22E estimates)

### STOCK DATA

FAIR VALUE (€)	5.00
MARKET PRICE (€)	2.57
SHS. OUT. (m)	35.0
MARKET CAP. (€m)	90.0
FREE FLOAT (%)	21.1
AVG. -20D VOL. (#)	32,434
RIC / BBG	IE.MI / IE.IM
52 WK RANGE	2.47-4.10

Source: Stock Market Data



## Business Description

ILBE (Iervolino & Lady Bacardi Entertainment, ex Iervolino Entertainment) is an Italian cinematographic production company with a global footprint that, through its headquarters in Rome and thanks to its founder and CEO's relationships and experience in the world of Cinema, is able to produce "Hollywood Style" movies and web series. It produces diversified contents for an international audience, focusing on the core production phases and IP ownership and exploitation. The company was listed in 2019 on Euronext Growth Milan and recently got the dual listing on Paris. The 2019 IPO proceeds have funded the accelerating growth in high quality and innovative contents for cinema, TV and streaming platforms, and the entrance in post production/encoding and celebrity management businesses

## Key Financials

€mn	2020A	2021E	2022E	2023E
<b>Total Revenues</b>	<b>120.7</b>	<b>162.9</b>	<b>157.4</b>	<b>160.4</b>
Chg. % YoY	51.0%	34.9%	-3.3%	1.9%
<b>EBITDA</b>	<b>112.5</b>	<b>149.0</b>	<b>113.6</b>	<b>111.8</b>
EBITDA Margin (%)	93.2%	91.5%	72.2%	69.7%
<b>EBIT</b>	<b>22.0</b>	<b>21.8</b>	<b>22.2</b>	<b>22.3</b>
EBIT Margin (%)	18.3%	13.4%	14.1%	13.9%
<b>Net Profit</b>	<b>19.5</b>	<b>18.7</b>	<b>19.5</b>	<b>18.5</b>
Chg. % YoY	-3.7%	-4.3%	4.4%	-5.0%
<b>Adjusted Net Profit</b>	<b>19.5</b>	<b>18.7</b>	<b>19.5</b>	<b>18.5</b>
Chg. % YoY	-3.7%	-4.3%	4.4%	-5.0%
<b>Net Fin. Position</b>	<b>-15.7</b>	<b>-28.8</b>	<b>-23.4</b>	<b>-17.1</b>
Net Fin. Debt/ EBIT (x)	0.7	1.3	1.1	0.8
Capex	-109.1	-147.9	-100.5	-106.3
<b>OpFCF b.t.</b>	<b>-7.1</b>	<b>-10.1</b>	<b>8.1</b>	<b>10.1</b>
OpFCF b.t. as % of EBITDA	-6.3%	-6.8%	7.1%	9.1%

Source: ILBE SpA (historical figures), Value Track (estimates)

## Investment case

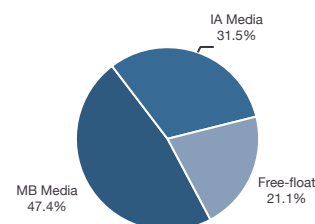
### Strengths / Opportunities

- ◆ ILBE is set to benefit from the rising global demand for audio-visual contents, as it produces contents with international appeal, ranging from movies to animation;
- ◆ The company has recently focused on short contents, i.e. short animation contents for web series with hundreds of episodes (of 5-8') and time horizon of many years;
- ◆ ILBE focuses on the core production phases and IP ownership and exploitation, with a risk-adverse approach: it gets funding of new productions ahead of kick-off.

### Weaknesses / Risks

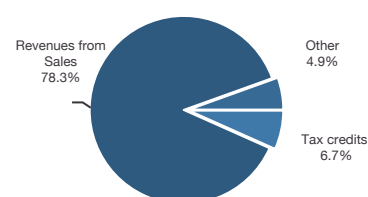
- ◆ In the content production industry the FCF lags behind the revenues recognition. This implies a small and fast-growing producer faces material ST funding needs;
- ◆ The Company is highly dependent upon its founder, CEO and Chairman Mr Iervolino, given the lean structure and his key relationships in the industry;
- ◆ The Covid-19 outbreak and OTTs boom may challenge the media & content industry driven by box office and advertising spending.

## Shareholders Structure



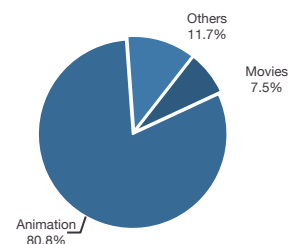
Source: ILBE SpA

## Revenues breakdown 2020



Source: ILBE SpA

## Revenues split by product 2020



Source: ILBE SpA

## Stock multiples @ €5.00 Fair Value

	2022E	2023E
EV / SALES (x)	1.3	1.2
EV / EBIT (x)	8.9	8.6
EV / CAP.EMP. (x)	1.5	1.4
OpFCF Yield (%)	4.1	5.3
P / E (x)	9.0	9.5
P / BV (x)	1.7	1.4
Div. Yield. (%)	0.0	0.0

Source: Value Track

## ILBE Q3 2021 and revised forecasts

### Q3: revenues flattening and high cash burn

The key outcomes of the 9 months KPIs reported back in December 2021 are the following:

- ◆ **Total Revenues +77% YoY to €134.0mn over 9 months; flat YoY in Q3;** we have no full details about revenues composition, but the growth rate has definitely flattened, also because previous quarters had benefitted from one-off deals (production "pipeline" license and font license for a total of € 22.86 million in H1). In addition, according to management the delivery of web series episodes planned in the last weeks of 2021 have been only partially finalised and this may slightly affect Q4 revenues recognition;
- ◆ **9m adj. EBIT +6% to €18.2mn**, or 13.6% margin vs 22.6% in 9m 2020 (all adjusted for extraordinary costs linked to "smart working"). In Q3 '21 the operating margin was much lower than 3Q 2020, but we acknowledge that this business may face strong volatility of margins depending on mismatching of content deliveries and executive productions. We also underline that 9m 2021 reported EBIT was affected by ca. €1.1mn of non-recurring costs carried on implementing smart working solutions and ensure business continuity (in 1H2020 these costs were ca. €400k);
- ◆ **Net profit at €13.8mn (-3% YoY)**, which we expect to be affected by the higher financial charges, on top of the extraordinary costs mentioned above;
- ◆ **Net Debt further worsened to €29.3mn as of Sept '21 from €17.3mn of June '21 (i.e. it was up by €12mn in the quarter)**, we understand this trend to be the result of a few unfavourable drivers, i.e. a much lower contribution from the operating cash flow in the quarter, a few delays in payments from clients and partners and the delay in cash in of tax assets. In short Q3 faced a material expansion of NWC, which was probably the main driver of cash burn, but it is mostly temporary;
- ◆ The Sept '21 level of **net debt corresponds to 1.23x the LTM (last twelve months) adjusted EBIT** (1.30x on LTM reported EBIT), and this ratio compares to a Net Debt/EBIT limit of 1.25x, set as one of the recent bonds' covenants.

### Review of 2021-2023E forecasts

We have updated our forecasts, mainly for 2021E, by trimming down revenues and increasing year end net debt and financial charges, in the light of the trends outlined in 2H 2021.

As a result, the Company's **earnings outlook and FCF generation are slightly worsened for 2021E**, while they remain **broadly unchanged for 2022-2023E**.

In fact, we expect management to focus on Net Working Capital - which we assume to improve over 2022 - and to be extremely disciplined in minimizing cash absorption of the various content production, services and distribution activities.

According to our forecasts, the **picture should quickly improve in the next quarters**, provided a) major new productions are undertaken only with satisfactory distribution agreements including sufficient and early minimum granted, and b) no major M&A is announced.

On the other hand, any move which may require material cash-out in the short term (i.e. in 2022) would require a recapitalization by new partners or shareholders.

**ILBE: 2020-2023E Profit & Loss**

(€mn)	2020A	2021E	2022E	2023E
Revenues from Sales	94.5	141.6	137.7	145.0
Other Revenues	11.8	5.0	5.0	5.0
Tax credits	14.3	16.3	14.7	10.4
<b>Total Revenues i.e. VoP</b>	<b>120.7</b>	<b>162.9</b>	<b>157.4</b>	<b>160.4</b>
Cost of Sales	-6.5	-9.8	-38.8	-43.6
Labour Costs	-1.7	-4.1	-5.0	-5.0
<b>EBITDA</b>	<b>112.5</b>	<b>149.0</b>	<b>113.6</b>	<b>111.8</b>
<b>EBITDA Margin (%)</b>	<b>93.2%</b>	<b>91.5%</b>	<b>72.2%</b>	<b>69.7%</b>
Depreciation / Provisions	0.0	-0.2	-0.2	-0.2
Amortization	-90.4	-127.0	-91.2	-89.2
<b>EBIT</b>	<b>22.0</b>	<b>21.8</b>	<b>22.2</b>	<b>22.3</b>
<b>EBIT Margin (%)</b>	<b>18.3%</b>	<b>13.4%</b>	<b>14.1%</b>	<b>13.9%</b>
Net Fin. charges & others	-0.6	-2.2	-0.9	-0.7
<b>Pre-Tax Profit</b>	<b>21.4</b>	<b>19.6</b>	<b>21.3</b>	<b>21.6</b>
Taxes	-1.9	-0.9	-1.8	-3.1
<b>Net Profit</b>	<b>19.5</b>	<b>18.7</b>	<b>19.5</b>	<b>18.5</b>

Source: Value-Track Analysis

**ILBE: 2020A-23E Cash Flow Statement**

(€mn)	2020A	2021E	2022E	2023E
<b>EBITDA</b>	<b>112.5</b>	<b>162.2</b>	<b>111.4</b>	<b>114.2</b>
Op. WC Requirements	-10.6	-7.6	-9.0	4.8
Capex	-109.1	-159.9	-100.5	-106.3
Change in Provisions	0.1	0.1	0.1	0.1
Cash Taxes	-1.9	-0.7	-1.7	-3.0
<b>OpFCF a.t.</b>	<b>-8.9</b>	<b>-6.0</b>	<b>0.3</b>	<b>9.7</b>
Capital Injection	0.0	0.0	0.0	0.0
Other (Incl. Fin. Inv.)	-5.7	-1.1	0.0	0.0
Net Financial Charges	-0.4	-0.9	-0.8	-0.6
<b>Change in Net Fin. Position</b>	<b>-15.1</b>	<b>-7.9</b>	<b>-0.5</b>	<b>9.1</b>

Source: Value-Track Analysis

**ILBE: 2020A-23E Balance Sheet**

(€mn)	2020A	2021E	2022E	2023E
Net Working Capital	5.9	17.2	22.3	17.7
Net Fixed Assets	77.2	98.0	107.1	124.0
Provisions	0.5	0.6	0.7	0.8
<b>Capital Employed</b>	<b>82.7</b>	<b>114.6</b>	<b>128.8</b>	<b>140.9</b>
<b>Group Net Equity</b>	<b>67.0</b>	<b>85.8</b>	<b>105.3</b>	<b>123.8</b>
<b>Net Fin. Position [i.e. Net Debt (-) Cash (+)]</b>	<b>-15.7</b>	<b>-28.8</b>	<b>-23.4</b>	<b>-17.1</b>

Source: Value-Track Analysis

## DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM 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 DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON 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. 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, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: – BALANCE SHEET TOTAL: 20,000,000 EURO, – NET REVENUES: 40,000,000 EURO, – OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY 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. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION “2010 PD AMENDING DIRECTIVE” MEANS DIRECTIVE 2010/73/EU. THIS DOCUMENT HAS BEEN PRODUCED INDEPENDENTLY OF **ILBE S.P.A.** (THE “**COMPANY**”) AND ITS SHAREHOLDERS, AND ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY AND MAY MAKE A MARKET OR ACT AS A PRINCIPAL IN ANY TRANSACTIONS IN SUCH SECURITIES.