

1H24 Results & 9M24 KPIs

ADD | Fair Value: €2.27 (€2.53) | Current Price: €1.27 | Upside: +79%

Research Update

October 30, 2024 – 18.30 h

€ Thousands	FY20A	FY21A	FY22A	1H23A	FY23A	1H24A
Total revenues	5	33	80	5,029	21,194	20,678
EBITDA	(25)	(262)	(452)	516	1,533	416
margin	n.m.	n.m.	n.m.	10%	7%	2%
Net Profit	(44)	315	7,055	61	(1,058)	(1,769)
margin	n.m.	n.m.	n.m.	1.2%	n.m.	-8.6%
Shareholding equity	6,126	16,708	23,787	31,096	29,923	54,151
NFP	137	(4,351)	(9,198)	(822)	6,094	30,069

Source: Company data

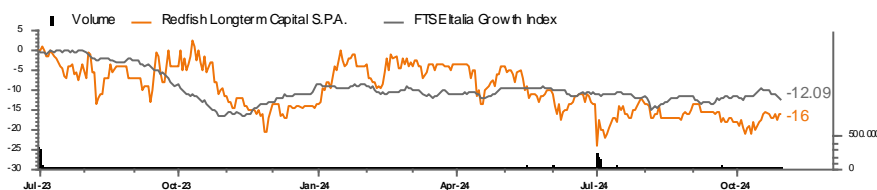
1H24 Results. RFLTC's 1H24 consolidated financial statements reflect the full integration of Movinter, contributing €20.0mn (99% of revenues), with a significant revenue increase from €4.9mn in 1H23 to €20.1mn. Pro-forma sales, retroactively reflecting Six Italia and S.A.I.E.P.'s acquisitions, reached €33.6mn, up 9.4% YoY (like-for-like). The Group's backlog stood at €61.7mn. However, consolidated EBITDA dropped from €0.52mn in 1H23 to €0.42mn, with an EBITDA margin falling from 10.3% to 2.0%. Personnel costs increased as temporary staff were replaced with full-time hires, including new senior roles, which impacted margins despite improved gross margins due to lower raw material costs. On a pro-forma basis, EBITDA came in at €1.5mn, down from €2.3mn in 1H23 (-32% YoY vs like-for-like), reflecting an EBITDA margin of 4.5%, compared to 7.2% like-for-like. RFLTC reported a consolidated net loss of €1.8mn, primarily impacted by a €0.5mn amortization of Movinter's acquisition goodwill. The Net Financial Position (NFP) worsened to €30.1mn in net debt, reflecting investments, bond issuances, and new financing for Movinter.

9M24 KPIs. On October 29, 2024, RedFish Long Term Capital (RFLTC) shared its preliminary unaudited financials for the first nine months of 2024 (9M24). Consolidated revenues reached €34.8mn, marking a 220.5% increase compared to 9M23, with contributions from Movinter (€19.5mn), Six Italia (€9.4mn), and SAIEP (€5.7mn). Proforma revenues, which retroactively reflect the acquisitions of Six Italia and SAIEP from January 1, 2024, totaled €46.0mn, compared to €42.5mn for the same period in 9M23 on a like-for-like basis. Movinter's backlog increased to €72mn (+12.8% YoY), with €15.1mn allocated for 2024 and €56.9mn for subsequent years.

Polieco's spin-off. In September 2024, Polieco – MPB spun off its real estate assets and €13.8mn in debt to the newly created I.P.M. Immobiliare S.r.l. (IPM), reducing Polieco's equity by €21.6mn. Following this, RFLTC Polieco (the SPV) owns a 15% stake in IPM, which is worth €3.24mn (15% * €21.6mn). RFLTC's stake in IPM is set to be sold to T.P. Holding, Polieco's majority shareholder, for €5.0mn, by April 2025. The €1.76mn capital gain (€5.0mn - €3.24mn) reflects Polieco – MPB's rising profitability. The SPV will maintain its 15% ownership in Polieco – MPB, excluding IPM.

Valuation. Our valuation is based on a sum-of-the-parts model, i.e., the sum of the value of the stakes held in the subsidiaries. We reviewed our fair value at €2.27ps, implying an equity value of €60.1mn and an upside of 79% on the current price. We note that RFLTC-IT is currently trading at 5.0x EV/EBITDA.

Relative Performance Chart since IPO



Source: FactSet

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Market Data

Main Shareholders	
MAIOR S.r.l.	19.4%
RED-FISH KAPITAL SPA	11.0%
Bruno Negri	9.3%
Mkt Cap (€ mn)	33.4
EV (€ mn)	49.8
Shares out.	26.5
Free Float	42.9%

Stock Data

52 Wk High (€)	1.55
52 Wk Low (€)	1.14
Avg. Daily Trading 90d	12,833
Price Change 1w (%)	-0.79
Price Change 1m (%)	2.44
Price Change YTD (%)	-3.08

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Overview

Company Description

RedFish LongTerm Capital S.p.A (RFLTC) is an industrial holding company mainly specialized in investments in Italian family-run SMEs with promising growth plans and great cash generation. On June 30th, 2023, RFLTC went listed raising ca. €4mn at a stock price of €1.50ps, resulting in a market cap at IPO of €28.7mn and a free float of 27%. The market cap includes the conversion, at the IPO price, of the €3mn convertible bond issued in June 2022. Along with the issue of new shares, the listing envisages the issuing of ca. 4.9mn warrants (1:2 conversion rate and a strike price of €1.65, €1.82, €2.00 for each exercise windows of 2023, 2024 and 2025 respectively) assigned to IPO and convertible bond investors. We note that neither during the first nor second exercise window ended respectively in October 2023 and October 2024, no warrant had been exercised.

Thanks to the capital raised since its foundation - ca. €32mn of which €23mn equity and €8.8mn of debt - RFLTC aims at closing two/three €10mn club deals per year in **companies with EBITDA>€2mn** – in different industries (i.e. precision mechanics, railway, aerospace, design, fashion, ICT and Telco, Industrial), pursuing its diversification strategies to maintain a low-risk profile – with an expected investment by RFLTC of ca. €3mn per deal.

Investment Case

- **Experienced Management Team.** RedFish Long Term Capital (RFLTC) was founded by an experienced team of professionals led by Paolo Pescetto. The company's key management – Paolo Pescetto (Chairman), Andrea Rossotti (CEO), Simone Lo Giudice and Lorenza Castelli (Investment Managers) and Joanna Gualano (Legal Director) – boasts a solid track record in the investment and financial field such as Private Equity, M&A, Portfolio Management, Strategic Consulting, etc. Leveraging on the highly professional capabilities of its management and its wide network, which also participates in investments through “club deals”, RFLTC supports enterprises to enhance their profitability, improve their capital management and develop growth opportunities.
- **Broad Italian SME market with growing attention to financial market.** RFLTC enjoys countless investment opportunities, as the Italian market is mainly composed of small and medium enterprises (SMEs). Indeed, as of the end of 2022, according to Cerved, there were ca. 162,000 non-financial Italian SMEs, which totalled over €900bn of revenues. Furthermore, in the past few years, entrepreneurs have shown a higher inclination towards financial markets as proven by: i) the deleveraging trend of the last decade (from 115% of 2008 to 60% of 2021); and ii) the signal of recovery of 5M24 which shown positive trends in major stock markets worldwide. Although the Euronext Growth Milan (EGM) market index reported a slight dip of -1.02% in the same period, liquidity among EGM-listed companies improved as trading volume tripled and the average trading turnover rose by 16% for companies listed since 5M23. As of 5M24, seven companies have gone public on EGM, slightly below 5M23's 10 IPOs, raising €70.3mn at more conservative multiples than in the past (median IPO EV/EBITDA of 5.1x).
- **RFLTC's distinctive positioning.** RFLTC is characterized by a long-term holding period approach (no drag-along or pre-determined exit terms), supporting the subsidiary as a solid partner along its growth path. Indeed, RFLTC's core business is to support its subsidiaries in their growth strategies, combining capital injections with the offer of advisory services. Thanks to its experienced team and wide network, the company offers: i) performance audit services; ii) advisory services related to extraordinary operation with a focus on M&A strategy and execution; iii) support in optimizing the company's financial profile; and iv) advisory services for the materialization of the subsidiary, also supporting the hiring of managers.

Recent Developments

- Settlement Agreement on Movinter Acquisition.** On October 29, Rail Fish S.r.l. (a wholly owned RFLTC subsidiary, which acquired Movinter in April 2023) finalized a settlement agreement with Movinter's previous shareholders and sellers, addressing a dispute of approximately €1 million related to discrepancies found in Movinter's 2022 financial statements. Under this settlement, Movinter's former shareholders agreed to pay a total of €525k to resolve the matter, with €380k paid upfront on the agreement date, and the remaining balance due by October 30, 2025.
- Polieco – M.B.P.'s spin-off.** In September 2024, Polieco – MPB spun off its real estate assets and €13.8mn in debt to the newly created I.P.M. Immobiliare S.r.l. (IPM), reducing Polieco's equity by €21.6mn. Following this, RFLTC Polieco (the SPV) owns a 15% stake in IPM, which is worth €3.24mn (15% * €21.6mn). RFLTC's stake in IPM is set to be sold to T.P. Holding, Polieco's majority shareholder, for €5.0mn, by April 2025. The €1.76mn capital gain (€5.0mn - €3.24mn) reflects Polieco – MPB's rising profitability. The SPV will maintain its 15% ownership in Polieco – MPB, excluding IPM.
- Second exercise window for RFLTC's Warrants.** During the second exercise window for RFLTC's Warrants, which took place between October 7th and October 18th 2024 at a strike price of €1.82, no warrants were exercised. The final exercise window is scheduled for October 6th to October 17th, 2025, with a strike price of €2.00 per share.
- G&RP Incorporation.** On September 3rd 2024, RFLTC incorporated the fully-owned subsidiary G&RP Consulting, aimed at rationalizing and simplifying the structure, resulting in positive effects on overall management and administrative costs. Specifically, the merger will reduce the control chain over the 9.5% stake in Convergenze S.p.A., currently held through the G&RP vehicle.
- Buying back IC8's stake (4%) in Movinter.** On July 26th, 2024, RFLTC communicated that it bought back IC8's 4% stake in Rail Fish S.r.l., the SPV owning 100% of Movinter S.p.A., for €0.5mn. After this transaction, RFLTC fully owns Movinter.
- Acquisition of 100% share of S.A.I.E.P Srl.** On May 13th 2024, RFLTC announced the acquisition of 100% of SAIEP for a €4.35mn total consideration., through its Movinter subsidiary (100% owned by RFLTC). SAIEP specializes in the design and production of complex electronic systems, wiring, electrical panels, and control desks for the rolling stock market, focusing on high-speed rail, with operations in Italy and Tunisia. The acquisition aligns with RedFish's strategy of horizontal integration in the Aerospace, Rail & Maritime market, started with the Tesi investment in 2021, and continued with the acquisition of Movinter in Apr-23, and Six Italia in Feb-24. The acquisition values SAIEP at 0.3x EV/Sales (€16mn FY23 revenues) and 4.7x EV/EBITDA (€0.93mn FY23 EBITDA, with a 6% margin). The acquisition was completed on the 27th of June '24, with an initial payment of €3.85mn, of which €250k through the sale of 161k shares (priced at €1.55ps) to SAIEP's main partner Alberto Santi, with a 2-year lock-up period. The remaining €0.5mn will be paid by the end of Jun-25, on top of a potential earn-out calculated with a multiple of 0.75x on the incremental Gross Profit FY24 vs FY23, and FY25 vs FY24.
- RFLTC's subsidiary Movinter and RFLTC-Inox issue €5mn bond loan each.** On May 27th 2024, RFLTC issued two bonds, structured in two classes of asset-backed securities (junior and senior class), and subscribed by Banca Finint and RedFish Capital Debt SpA. Movinter's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4.5% spread. RFLTC-Inox's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4% spread.

- **First Sustainable Report.** On June 20th, 2024, the BoD approved the first Sustainable Report on RFLTC, relative to the 2023 fiscal year, prepared voluntarily, in line with the European Sustainability Reporting Standard.
- **Announcement of acquisition of 15% share of Industrie Polieco – MPB.** On February 6th, 2024, RFLTC announced the potential acquisition of 15% of Polieco's capital for €30m, through an SPV (RFLTC – Polieco S.p.A.) 51% owned by RFLTC. This is the largest investment for RFLTC so far. The investment valued Polieco at 1.0x FY23 EV/Sales and 4.4x FY23 EV/EBITDA. The SPV acquired 10% of Polieco on the 6th of March 2024 for €20mn, and the remaining 5% on the 28th of June 2024 for €10mn.
- **Over €10mn capital increase and €7mn new debt to finance the investment in Polieco.** On April 5th, RFLTC communicated that it raised €10.4mn (from the €15mn initial target), issuing 6.7mn new ordinary shares (price of €1.55 per share), and with up to a further 1.9mn Bonus Shares (via stock split) issued after an 18-months lock-up period. Moreover, on March 20th 2024, RFLTC announced an agreement for debt financing of up to €7mn from Illimity SGR, with a 5-year maturity.
- **€2mn share buy-back programme.** On January 30th, RFLTC announced a share buy-back programme for up to €2mn, within 18 months. To date, management spent c.€0.7mn to buy-back 383k shares (1.45% of the share capital)
- **PureLabs: €15mn capital increase, diluting RFLTC's share from 32% to 26%.** Together with the appointment of the new Chairman Ernesto Paolillo, on January 31st, 2024, PureLabs completed its €15mn capital increase. Despite participating with a €4mn investment in November 2023, RFLTC now owns 26% of of PureLabs's capital, diluted from the previous 32% share.

1H24 Financial Results

The consolidated 1H24 financial statements incorporate Movinter, and its subsidiary Six Italia for the period from March to June 2024. Additionally, the balance sheet portion of S.A.I.E.P. S.r.l. is consolidated as of June 30, 2024, following the investment transaction completed on June 27, 2024. For comparison, the 1H23 financial statements reflected Movinter's results solely for the months of May and June 2023. RedFish Long Term Capital (RFLTC) reported consolidated sales revenues of €20.1mn for 1H24, compared to €4.9mn recorded in the same period last year, due to the full integration of Movinter, consolidated on April 20th, 2024. Movinter accounted for the vast majority of the revenue (€20.0mn, >99% of sales revenues), with major contributions from its core business lines, "Carpenteria" and "Piping" (€14.2mn). The other €5.8mn are coming from the revenues' share of Six Italia between 29th February 2024 and 30th June 2024.

The consolidated 1H24 proforma financial statements retroactively reflect the effects of the acquisitions of Six Italia and S.A.I.E.P. to January 1, 2024, comparing them on a Like-for-Like basis with the same reporting perimeter for 1H23 Pro-forma sales, stood at €33.6mn, up 9.4% YoY from €30.7mn on a like-for-like basis.

We note that at the end of June, Movinter showed a good visibility on future growth as it recorded a backlog of €61.7mn, of which ca. €33mn related to orders to be completed in FY24 and the remaining in FY25. Of these, €24.3mn are related to Movinter (compared to €22.8mn at the end of 1H23), €20.4mn to Six Italia, and €17mn to SAIEP.

The Group's 1H24 EBITDA decreased to €0.42mn from €0.52mn in 1H23 (-19% YoY), marking an EBITDA margin contraction from 10.3% to 2.0% on total revenues. On a pro-forma basis, EBITDA came in at €1.5mn, down from €2.3mn in 1H23 (-32% YoY vs like-for-like), reflecting an EBITDA margin of 4.5%, compared to 7.2% like-for-like. This drop in profitability is mainly caused by an increase in Personnel Expenses to €8.9mn in 1H24PF (26% 1H24PF Total Revenues), from €6.5mn in 1H23PF (21% 1H24PF Total Revenues), attributable to both the replacement of temporary staff with full-time employees and the hiring of additional personnel to support growth, including key management hires (CFO, HR Manager). This more than offset the increase in Gross Margins from 47% in 1H23PF to 51% in 1H24PF due to raw material deflation.

At the bottom line, the Group posted a consolidated net loss of €1.8mn, contrasting with a slight net profit of €0.06mn in 1H23. This loss includes €0.5mn of amortization linked to the goodwill from Movinter's acquisition, which heavily impacted the result. On a pro-forma basis, the Group recorded a net loss of €1.0mn (adjusted to €0.5mn when excluding goodwill amortization) compared to a net profit of €0.9mn in 1H23 like-for-like.

On the balance sheet side, the consolidated Net Working Capital as of June 30, 2024, amounted to €11.4mn, higher than the €9.5mn as of December 31, 2023, due to an increase in inventory and trade receivables related to the Movinter Group. RFLTC's net financial position (NFP) worsened to €30.1mn net debt, from €6.1mn at the end of FY23 (and €17.3mn in FY23PF). This change reflects the impact of i) investments made during the 1H24, amounting to €2.0mn; ii) the issuance of two €5mn bonds by Movinter and RFLTC-Inox; and iii) the issuance of new financings to Movinter from Banco Azzoaglio for €2.7mn to complete the investment in S.A.I.E.P.

Consolidated Income Statement

€ Thousands	1H23A	1H24A	YoY %	1H23PF	1H24PF	YoY %
RFLTC	91	407	n.a.	91	407	n.a.
Movinter	4,784	19,690	n.a.	30,637	33,174	8%
Sales Revenues	4,875	20,097	n.a.	30,728	33,581	9%
Other Revenues	154	581		580	797	
Total Revenues	5,029	20,678	n.a.	31,308	34,378	10%
Products and Raw materials	(1,788)	(9,046)		(16,744)	(16,872)	
Gross Profit	3,241	11,632	n.a.	14,564	17,506	20%
<i>Gross Margin</i>	<i>64.4%</i>	<i>56.3%</i>	<i>-8%</i>	<i>46.5%</i>	<i>50.9%</i>	<i>4%</i>
Cost of Services	(1,535)	(4,536)		(5,214)	(5,986)	
Rental Costs	(144)	(469)		(417)	(807)	
Personnel Expenses	(979)	(5,977)		(6,459)	(8,875)	
Other Operating Expenses	(67)	(234)		(212)	(295)	
EBITDA	516	416	-19%	2,262	1,543	-32%
<i>EBITDA margin</i>	<i>10.3%</i>	<i>2.0%</i>	<i>-8%</i>	<i>7.2%</i>	<i>4.5%</i>	<i>-3%</i>
D&A and Provisions	(344)	(1,541)		(860)	(1,500)	
EBIT	172	(1,125)	n.a.	1,402	43	-97%
<i>EBIT margin</i>	<i>3.4%</i>	<i>-5.4%</i>	<i>-9%</i>	<i>4.5%</i>	<i>0.1%</i>	<i>-4%</i>
Financial Income and Expenses	(77)	(173)		(400)	(242)	
Holdings' value adjustments	128	(298)		137	(298)	
Capital Gain	-	-		-	-	
EBT	223	(1,596)	n.a.	1,139	(497)	n.a.
Taxes	(144)	(4)		(325)	(308)	
<i>Tax Rate</i>	<i>64.6%</i>	<i>-0.3%</i>		<i>28.5%</i>	<i>-62.0%</i>	
Net Income	79	(1,600)	n.a.	814	(805)	n.a.
<i>Net margin</i>	<i>1.6%</i>	<i>-7.7%</i>	<i>-9%</i>	<i>2.6%</i>	<i>-2.3%</i>	<i>-5%</i>
Minorities	18.0	169		(122)	229.0	
Net Income attributable to the Group	61	(1,769)	n.a.	936	(1,034)	n.a.
<i>Net margin</i>	<i>1.2%</i>	<i>-8.6%</i>	<i>-10%</i>	<i>3.0%</i>	<i>-3.0%</i>	<i>-6%</i>

Source: Company data, KT&Partners' elaborations

ConsolidatePF Balance Sheet

€ Thousands	1H23A	FY23A	FY23PF	1H24A	Delta
Other LT Assets	-	-	-	-	-
Goodwill	8,783	9,368	9,781	9,781	-
Intangible	1,523	1,858	2,849	2,637	212
Tangible	3,313	4,936	9,952	7,469	2,483
Financial Assets	15,326	20,649	20,932	56,153	(35,221)
Fixed Assets	28,945	36,811	43,514	76,040	(32,526)
Trade receivables	4,205	2,657	10,754	11,824	(1,070)
Inventory	7,207	8,398	16,022	18,435	(2,413)
Trade Payables	(6,118)	(7,650)	(15,271)	(15,790)	519
Trade Working Capital	5,294	3,406	11,505	14,469	(2,964)
Other assets and liabilities	(2,624)	(3,219)	(2,009)	(3,059)	1,050
Net Working Capital	2,670	187	9,496	11,410	(1,914)
Other Provisions	(1,339)	(979)	(3,345)	(3,230)	(115)
Net Capital Employed	30,275	36,018	49,665	84,220	(34,555)
Group shareholders' equity	31,069	29,930	31,836	41,110	(9,274)
Minority shareholders' equity	27	4	490	13,041	(12,551)
Total shareholders' equity	31,096	29,934	32,326	54,151	(21,825)
Short-term debt / Cash (-)	(11,534)	(8,741)	(5,872)	(3,895)	(1,977)
Long-term liabilities	10,712	14,824	23,211	33,964	(10,753)
Net Financial Position	(822)	6,083	17,339	30,069	(12,730)
Sources	30,275	36,018	49,665	84,220	(34,555)

Source: Company data, KT&Partners' elaborations

9M24 KPIs

On October 29th, 2024, RedFish Long Term Capital (RFLTC) announced its preliminary, non-audited results for 9M24, reporting consolidated revenues, proforma revenues, and the backlog of its subsidiary, Movinter, as of September 30, 2024. The consolidated revenues reached €34.8mn (of which €19.5mn coming from Movinter, €9.4mn from Six Italia and €5.7mn from SAIEP), +220.5% YoY with respect to 9M23 (€10.86mn).

9M24 Proforma revenues, retroactively reflecting the effects of the acquisitions of Six Italia and S.A.I.E.P. to January 1, 2024, comparing them on a Like-for-Like basis with the same reporting perimeter for 1H23, stood at €46.0mn, compared to €42.5mn in 9M23 like-for-like.

Movinter's backlog totaled €72mn as of 9M24, +12.8% with respect to 9M23 like-for-like, and compared to €61.7mn at the end of 1H24. 21% of this backlog (€15.1mn) is attributable to the rest of 2024 and 79% for the following years. In particular, the backlog is composed of i) €27.7mn from Movinter, €19.9mn from Six Italia, €24.4 from SAIEP.

9M23-24 Pro-Forma Revenues comparison

€ mn	9M23PF	9M24PF	YoY %
RFLTC (Parent Company)	0.2	0.2	0.0%
Movinter (Parent Company)	17.7	19.5	10.2%
Six Italia	11.8	11.8	0.0%
SAIEP	12.8	14.5	13.3%
Group	42.5	46.0	8.2%

Source: Company data

A Well-Diversified and Low-Risk Profile Portfolio

Founded in 2020 by a management team led by Paolo Pescetto (Chairman) and supported by Andrea Rossotti (CEO), Lorenza Castelli and Simone Lo Giudice as Investment Manager, the holding has already raised almost €60mn: i) €20mn of equity, including IPO capital raise, (we note that for its capital raise, RFLTC usually operates with the crowdfunding platform Opstart to reach a wider investors pool, while allowing them to invest through a recognized and certified platform); ii) ca. €3mn of convertible bonds issued in June 2022 – subscribed by retail investors – with an interest rate equal to 6% per annum that has been converted at the listing price; iii) €8.8mn of debt financing; iv) €10.4mn capital increase in March 2024 to fund the investment in Polieco – MPB; v) €7mn debt financing for the same purpose; vi) €10mn through two bonds issued by the subsidiaries Movinter and RFLTC-Inox

Since its foundation, RFLTC has invested €58.8mn (excluding transaction costs), both through direct investments and club deals, acquiring stakes in seven companies, active in different sectors:

- **Current holdings:** Convergenze S.p.A., Tesi S.r.l., Solid World Group S.p.A., Expo Inox S.r.l., Movinter S.p.A., PureLabs S.p.A., Six Italia S.p.A., Industrie Polieco – M.P.B. S.p.A. and S.A.I.E.P. S.r.l.
- **Divested holdings:** MaticMind S.p.A. - sold in October 2022 following the Tag Along clause - and Pistacchio S.p.A. – sold in December 2022 to optimize IPO's perimeter.

RFLTC has created a well-diversified and low-risk profile asset portfolio which in FY23 generated an aggregated value of production and EBITDA of ca. €445mn and €72mn, respectively.

Investments were carried out by acquiring a majority stake – also through club deals – or qualified minorities with an average ticket of €5.3mn and an average EV/EBITDA of ca. 5.4x.

Holdings Portfolio

Status	Company Name	Sector	Investment Date	Investment (€mn)*	Current Stake	FY23 Turnover (€mn)	FY23 EBITDA (€mn)	EV/EBITDA acquisition multiple	Divestment Date	Divestment Value (€mn)	IRR
Subsidiary	Convergenze	Utilities	lug-20	1.1	9.5%	22.8	3.2	5.8x	n.a.	n.a.	n.a.
Exit	Maticmind	Technology	ott-20	5.1	4.2%	-	-	3.4x	ott-22	12.0	52.2%
Subsidiary	Tesi	Aerospace	ott-21	5.0	20.0%	20.6	5.4	6.8x	n.a.	n.a.	n.a.
Subsidiary	Solid World	Technology	dic-21	1.0	8.8%	66.6	3.4	8.3x	n.a.	n.a.	n.a.
Exit	Pistacchio	Food&Beverage	feb-22	1.0	20.0%	-	-	5.3x	dic-22	1.1	12.8%
Subsidiary	Expo Inox	Stainless Steel Chimneys	nov-22	6.0	20.0%	67.0	8.4	4.7x	n.a.	n.a.	n.a.
Subsidiary	Movinter	Railroad Equipment	apr-23	11.5	100.0%	26.2	3.0	5.1x	n.a.	n.a.	n.a.
Subsidiary	PureLabs	Healthcare Services	nov-23	4.0	26.0%	10.0	1.5	n.m.	n.a.	n.a.	n.a.
Subsidiary	Six Italia**	Railroad&Naval equipment	dic-23	1.8	75.0%	15.9	1.0	5.1x	n.a.	n.a.	n.a.
Subsidiary	Polieco	Industrial	feb-24	18.0	7.7%	200.0	45.1	4.4x	n.a.	n.a.	n.a.
Subsidiary	SAIEP**	Railroad Equipment	may-24	4.4	100.0%	16.0	0.9	4.7x	n.a.	n.a.	n.a.
Total				58.8	n.m.	445	71.9	n.m.		13.1	n.m.
Average				5.3	36%	44.5	7.2	5.4x		6.6	33%

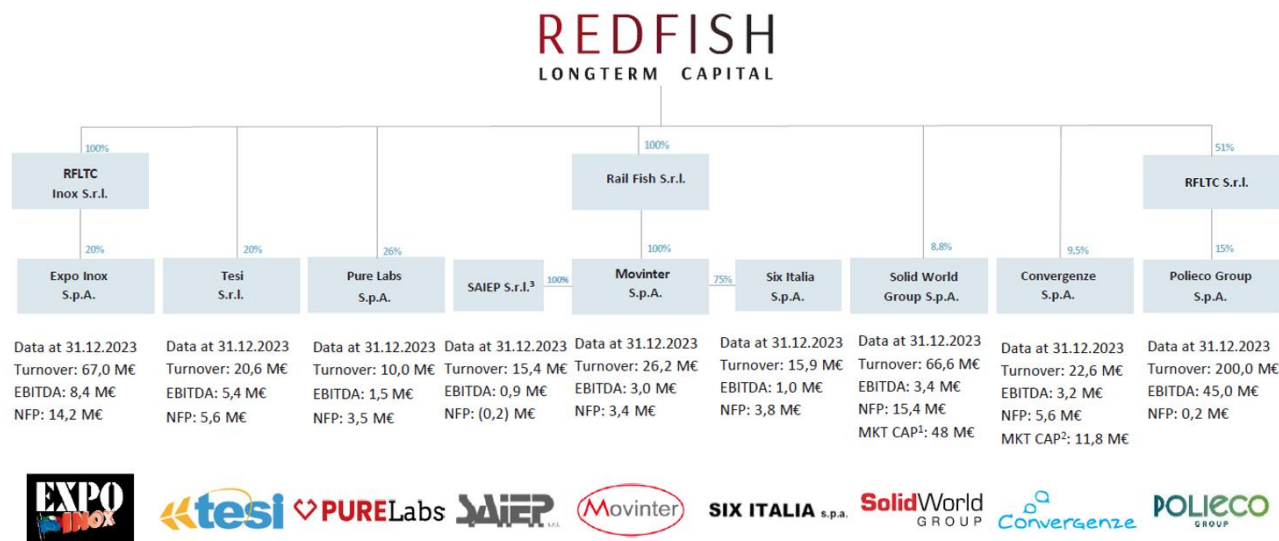
* The investment amount does not consider transaction costs

** Indirectly owned through Movinter

Source: Company data

Note: FY23 turnover and EBITDA are reported only for the current holdings.

Holdings Portfolio



Source: Company data

Convergenze S.p.A.

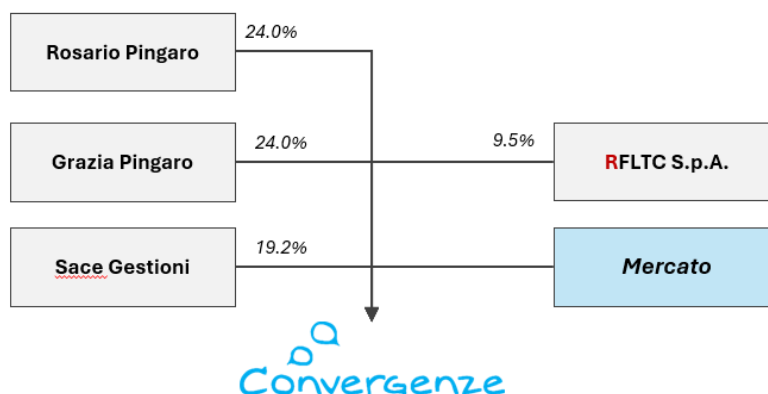
Convergenze S.p.A. – Utilities sector with a focus on fiber and connectivity (12.5% acquired in 2020 for €1.1mn)

On July 27th, 2020, RFLTC acquired a 12.5% stake in Convergenze through the vehicle G&RP Consulting, for a total deal consideration of €1.1mn (or at FY19 EV/EBITDA 5.8x) by also acquiring the right to appoint a member of the Board of Directors and the Board of Auditors. On 2024, RFLTC incorporated G&RP to simplify the overall structure and save on G&A expenses.

Furthermore, RFLTC signed with Convergenze an advisory contract of ca. €30k per year to support the company in their extraordinary financial operations (i.e. M&A, financing etc.) such as for the acquisition of a 100% stake in Positivo S.r.l. in June 2022.

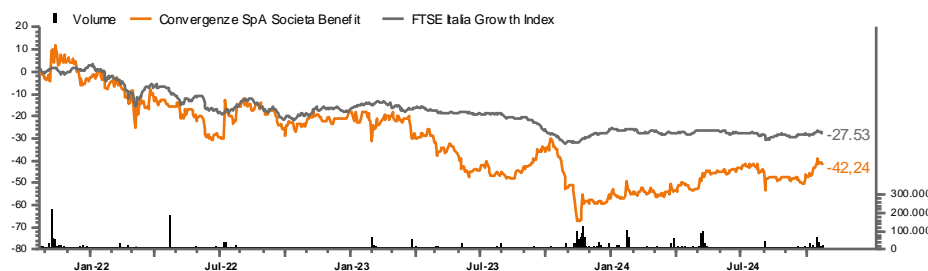
At the end of December 2020, Convergenze listed on the EGM market with a market capitalization of €12mn (excluding price adjustment shares) and a fundraising of ca. €3mn. RFLTC was subject to a lock-up agreement until the end of 2023.

Convergenze: Shareholders



Source: Company data

Convergenze: Performance since the first trading day



Source: FactSet

Convergenze S.p.A. is a multi-utility company based in Capaccio Paestum (SA), active since 2005 in the TLC or Telecommunications market, and since 2015 it has engaged in the supply of energy and natural gas.

Through its TLC business unit (half of overall VoP), Convergenze provides wireless connectivity, fixed telephony, cloud services, and customized ancillary services. As of today, the company boasts more than 2,000km of FTTH fiber optic network (authorized since 2014) and over 100 radio bridges for the Internet.

The Energy and Natural Gas unit (half of total VoP) focuses on the supply of electricity from renewable sources and in methanization processes for the supply of natural gas to residences and businesses under the ConGas brand.

In FY23, the company recorded €22.8mn of VoP (+11% CAGR17–23 and -20% YoY): the reduction was the result of the normalization trend that experienced the energy costs in 2023 (-58% YoY according to GME), that led to a 35.6% decrease in Energy and Natural Gas BU. On the other hand, the BU TLC experienced a +12.9% growth YoY. Despite business growth contraction, FY23 EBITDA margin adjusted came to 14%, up by 9pp YoY again due to the normalization in the price of natural gas and cost of electricity. On the balance sheet side, NFP went from €6.1mn in FY22 to €5.6mn in FY23.

In 1H24, Convergenze recorded €12.0mn of Revenues from sales, +15.3% YoY (TLC +12.4% and Energy +17.9%), compared to €10.4mn in 1H23. EBITDA Adj. increased at a higher pace of 76.9%, reaching €2.3mn from €1.3mn and implying an EBITDA margin of 19.2% (6.7 p.p. higher than 1H23). Finally, NFP improved from €5.6mn in FY23 to €4.8mn.

Convergenze: 2020–2023 Financials

€ million	FY22	FY23	1H23	1H24
Turnover	28.4	22.8	10.4	12.0
EBITDA adj	1.4	3.2	1.3	2.3
EBITDA margin adj	5.1%	14.0%	12.5%	19.2%
NFP	6.1	5.6	6.5	4.8

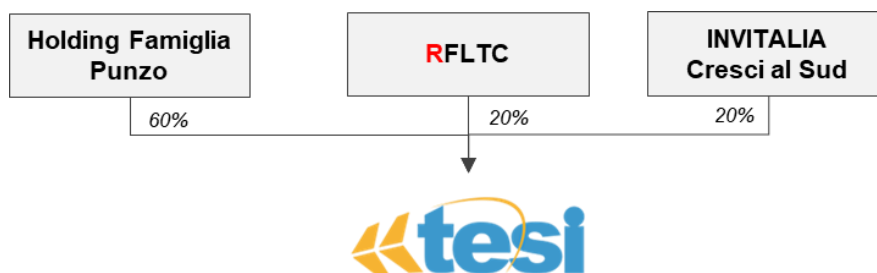
Source: Company data

Tesi S.r.l.

Tesi S.r.l. - Aerospace sector (20% acquired in 2021 for €5.1mn,¹ plus earn-out);

On October 13th, 2021, RFLTC co-invested with Invitalia Fondo Cresci al Sud, acquiring a 20% stake in Tesi for a total consideration of €5.0mn (€5.1mn including transaction costs) or at 6.8x FY21 EV/EBITDA. In 2022, RFLTC also paid a €400k earn-out based on FY21 results and further earn-outs will be paid until the 2024 results to a maximum of €3mn. RFLTC has received the right to appoint a member of the Board of Directors and the Board of Auditors of Tesi.

Tesi S.r.l.: Shareholders



Source: Company presentation

Based in Salerno, Tesi S.r.l. is a leading Italian company acting as a Tier-2 mechanical manufacturer in the aerospace sector (civil, space and defense).

¹ The value include €0.1mn of transaction costs

The company has POA and DOA certifications also thanks to a very highly qualified advanced engineering division. In the coming years, the company may leverage its strong cash-generation ability to make acquisitions and consolidate its positioning.

In FY23 Tesi recorded a +27% YoY growth reaching €20.6mn of Value of Production and an EBITDA margin 26.2%.

Tesi S.r.l.: 2020–23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	22.5	14.7	16.2	20.6
EBITDA	4.7	4.0	4.8	5.4
EBITDA margin	20.9%	27.2%	29.6%	26.2%
NFP	(4.3)	(2.2)	2.1	5.6

Source: Company data

RFLTC also signed an advisory agreement of €15k per semester to support Tesi in: i) scouting for and acquiring companies with a complementary offer (aerospace equipment, composite materials, helicopter manufacturing, railway and military components); and ii) implementing a management control system.

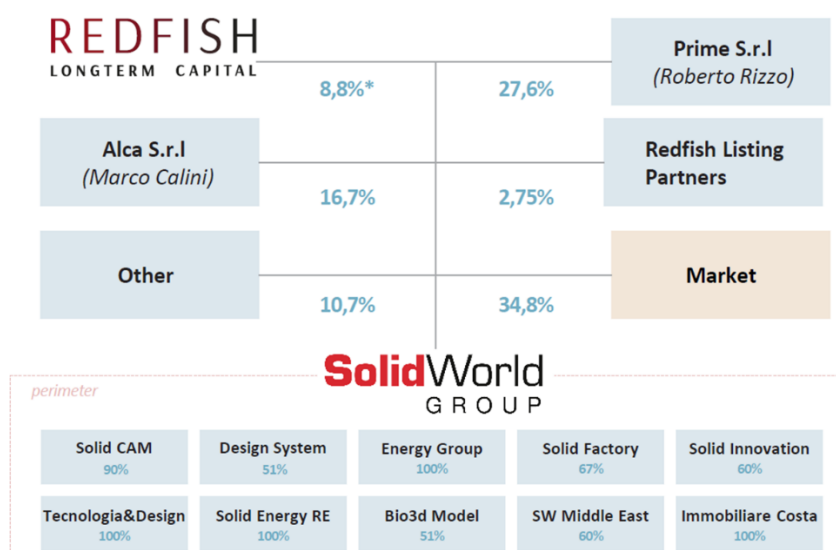
Solid World S.p.A.

Solid World S.p.A. - Technology company with a focus on 3D printing software and hardware (9% stake following the conversion of a bond in IPO in 2022 and the conversion of warrant in July 2023)

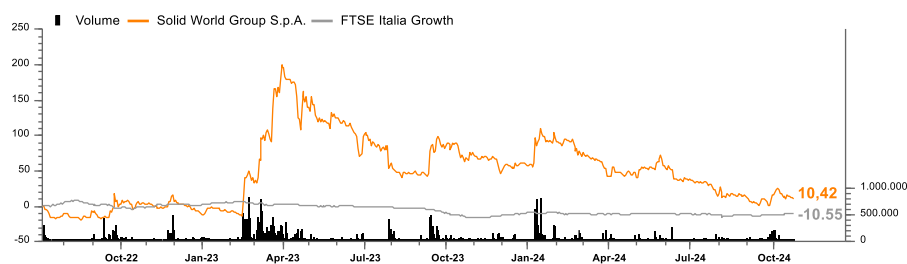
On December 27th, 2021, RFLTC invested €1.05mn (acting as lead investor) in a convertible bond issued by Solid World, also obtaining the right to appoint a member of the Board of Directors and the Board of Auditors.

The company listed on the EGM market in July 2022. Following the IPO and the conversion of the convertible bond and warrant, RedFish holds a 9% stake in Solid World.

Solid World S.p.A.: Shareholders



Source: Company presentation

Solid World: Performance since the first trading day

Source: FactSet

Solid World is one of the main 3D digital system integrators supporting enterprises in developing and manufacturing products incorporating 3D technologies. It provides an integrated offer that includes software, hardware and services.

Solid World provides its solutions to different end-markets including automotive, aerospace, mechatronic, sport system, home design and luxury. More recently, thanks to the new division (BIO3MODEL), Solid World also offers its solution to hospitals, clinics and nursing homes.

In 1H24, Solid World recorded €40.9mn of VdP, +13.9% YoY, compared to €35.2mn in 1H23. EBITDA increased at a higher pace of 126.9%, reaching €6.3mn from €2.8mn and implying an EBITDA margin of 15.7% (7.9 p.p. higher than 1H23). Finally, NFP worsened from €15.4mn in FY23 to €15.9mn.

Solid World S.p.A.: 2022-1H24 Financials

€ million	FY22	FY23	1H23	1H24
Revenues	57.7	66.6	33.1	30.9
EBITDA	4.0	3.4	2.8	6.3
EBITDA margin	7.0%	5.1%	7.8%	15.7%
NFP	12.3	15.4	12.8	15.9

Source: Company data

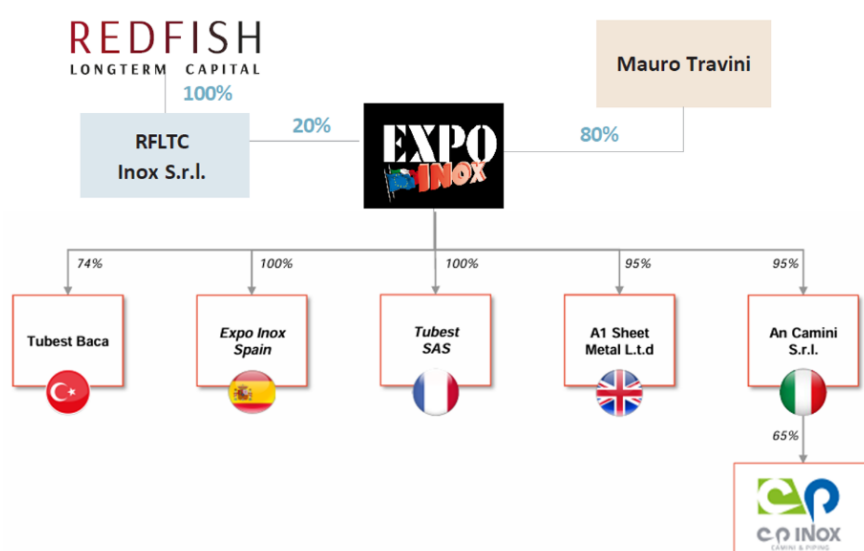
In September 2022, RFLTC signed an agreement with Solid World for €30k to support the company in: i) scouting for companies to be acquired in order to complete its offer and expand its market share; and ii) raising capital (debt or equity).

Expo Inox S.p.A.

Expo Inox S.p.A. - production of steel chimneys (20% acquired in 2022 for €6mn)

On November 15th, 2022, RFLTC acquired through the vehicle RFLTC Inox a 20% stake in Expo Inox - a leading Italian operator active in the research, design, production and marketing of stainless-steel flue solutions and systems - for a total consideration of €6mn or at 4.7x FY22 EV/EBITDA. RFLTC also signed an advisory agreement for €48k to support Expo Inox in: i) scouting for companies to be acquired in order to further expand its market share in Europe where the company has recently consolidated its positioning thanks to the acquisitions made in France and Turkey; ii) debt fundraising; and iii) opening new subsidiaries abroad. RFLTC supported Expo Inox in the acquisition of the English player A1 Flues System, a historic player on the UK market with distinctive references and RFLTC is already negotiating the acquisition of a company branch of an Italian competitor of Expo Inox. On May 27th 2024, subsidiary RFLTC Inox issued a €5mn bond expiring in May-'31.

Expo Inox S.p.A.: Shareholders



Source: Company data

Expo Inox is an industrial holding directly and indirectly controlling six companies with production plants and distribution centers in several European countries, whereas the sales service is backed by a drop-off logistics facility of more than 20,000 square meters near Milan. At the end of December 2023 Expo Inox entered the British market through the acquisition of a 95% stake in A1 Flue Systems, leading UK-based player with 50+ years of experience in the design, manufacture and implementation of complex flue evacuation systems.

The Group boasts a wide product range of chimneys in different materials: steel, stainless steel, copper, iron, aluminum, plastic.

In FY23, Expo Inox generated €67mn of value of production in 2023 (+24% CAGR2020-23) and an EBITDA of €8.4mn (+26% CAGR2020-23), implying an EBITDA margin of 12.5%.

Expo Inox S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	35.0	50.2	66.1	67.0
EBITDA	4.2	6.8	9.3	8.4
EBITDA margin	12.0%	13.5%	14.1%	12.5%
NFP	20.8	14.1	14.1	14.2

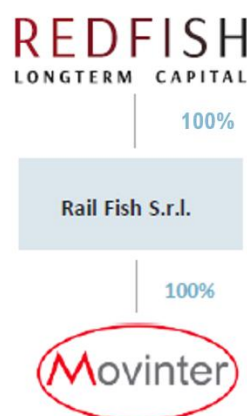
Source: Company Presentation

Movinter S.p.A.

Movinter S.p.A. - active in the supplying of components for high-speed trains (100% acquired in 2023 for €11.5mn. We note that, after the closing, a 4% was sold to IC8 S.r.l.)

On April 20th, 2023, RFLTC acquired - through Rail Fish S.r.l. - a 100% stake in Movinter - a company active in the railroad equipment industry and Tier 1 partner of OEM operators - for total consideration of €11.5mn (€8.5mn paid at the closing date, and the remaining in Sep-'23 and Mar-'24) or at 5.1x FY22 EV/EBITDA. We note that after the acquisition RFLTC sold a 4% stake to a financial partner (IC8 S.r.l.). RFLTC – also following the appointment of Simone Lo Giudice as Co-CEO - will support Movinter's financial team and support the company in acquiring targets active in the Railway and Naval industries. On May 27th 2024, Movinter issued a €5mn bond, expiring in May-'31, also to finance SAIEP's acquisition. On July 26th, 2024, RFLTC bought back IC8's 4% stake for €0.5mn.

Movinter S.p.A.: Shareholders



Source: Company data

Based in Genoa with an operational headquarters in Cairo Montenotte - Savona (ca. 35,000 square meters of production area), Movinter provides through two business units (BUs) equipment for the railway industry:

- **BU light carpentry (ca. 2/3 of total revenue)** engaged in the production of complex and standard components for trains and locomotives (i.e. boogie frames, cowcatchers, white water tanks, driver desks). Movinter is also active in retrofitting existing carriages of trains;
- **BU piping (ca. 1/3 of total revenue)** specialized in bending and pre-assembly of piping and carpentry. Over the last 20 years, Movinter has become a major player for piping for all major railroad operators, developing in 2021 and 2022 a new solution that allows to delivery to customers pre-assembled pneumatic systems ready for installation on trains.

The company is developing a third business unit which will produce larger carpentry equipment (i.e. roof, headers etc.) and it is expected to be in full operation in two years.

Movinter is already a **Tier-1 partner of OEM operators** and it is getting a POA certification to acquire orders also from an important OEM operator in the aerospace field.

Thanks to a staff of 100 employees and external partners, Movinter covers all the phases of the production process: the development of the orders, procurement of raw materials, production, assembly, and distribution.

In FY23, Movinter reached €26.2mn in Value of Production, growing by 18% CAGR2020-23. Over the 2020-23 period, EBITDA increased by 30% CAGR, amounting to €3.0mn in FY23 with a margin of 11.4%. FY23 NFP stood at €3.4mn or 1.1x NFP/EBITDA.

Movinter S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	16.0	17.0	22.8	26.2
EBITDA	1.4	2.3	3.0	3.0
<i>EBITDA margin</i>	<i>8.5%</i>	<i>13.8%</i>	<i>13.1%</i>	<i>11.4%</i>
NFP	5.2	3.5	3.8	3.4

Source: Company data

In coming years, Movinter is going to enter: i) the hydrogen market for buses; and i) the Spanish and German markets thanks to the award of orders in the high-speed rail sector. Furthermore, Movinter will sign a partnership with a leading French multinational.

Pure Labs S.p.A.

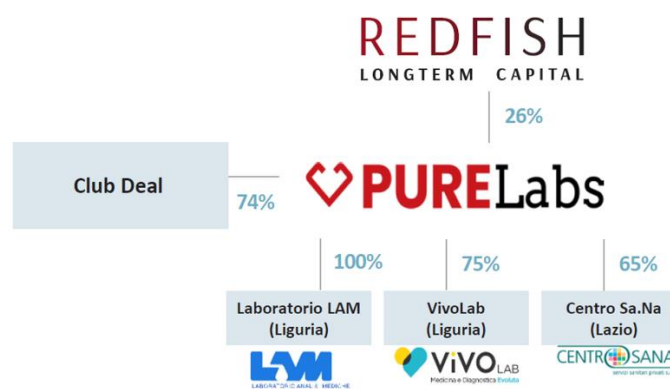
PureLabs S.p.A. – Healthcare industry through the acquisition and management of clinical diagnostic centers (32% acquired in 2023 for €4mn, now holding 26% post-capital increase)

On November 27th, 2023, RFLTC acquired a 32% stake in PureLabs S.p.A. – a club deal active in the Healthcare segment through the acquisition, management and integration of clinical diagnostic centers – for a total consideration of €4mn. The subscription took place as part of a total capital increase approved by PureLabs in the amount of €15mn fully subscribed, of which €8.5mn by the pre-existing shareholders, €4mn by RFLTC and €2.5mn by Bruno De Guio (in January, 2024). On January 31st 2024 PureLabs completed its €15mn capital increase, where RFLTC participated with a €4mn investment in November 2023. Following this, RFLTC now owns 26% of of PureLabs’s capital, from the previous 32% share.

Since its foundation, the company gained interest from high-standing entrepreneurial families, family offices and investment companies, including Boutique Italia, Marcap, MazalCap SpA, Yellow Holding and Kayak Family Office Srl. We note that Kayak – 49.8% owned by Innovative RFK, indirectly related to RFLTC’s founding partners – dismissed its 12% stake in November 2023 to Maior Srl.

We note that PureLabs’ shares cannot be sold until 2026, when it is expected the sale of the entire share capital of PureLabs S.p.A. or, in case of promising market outlooks, an alternative process to list its shares on the stock exchange market.

PureLabs S.p.A.: Shareholders



Source: Company Presentation

Established at the end of 2022 from an initiative of Nino Lo Iacono, PureLabs focuses on the Healthcare segment through the acquisition and management of clinical diagnostic centers with the purpose to create a comprehensive platform of clinical centers able to generate economic synergies and value. Once the centers have reached their full potential, PureLabs aims at realizing a profit through an exit mechanism with strategic financial players. RFLTC signed with PureLabs an advisory agreement with the aim to support the company in i) raising new funds to support its M&A strategy and ii) scouting and identifying new potential targets. Leveraging on the organic growth and through an ambitious external growth strategy – with a warm M&A pipeline of targets widespread throughout Italy – acting as market consolidator for the fragmented diagnostic market. RFLTC will act as Lead investor, supporting PureLabs in the set-up of one of the main innovative poles of multispecialty diagnostic in Italy, expected to fully exploit the digital channel to offer a tailor-made offer for the prevention and treatment of diseases.

In July 2023 PureLabs acquired a 70% stake in VivoLab group, a company based in Liguria that, through its 12 diagnostics centers, offers a wide range of services such as imaging diagnostics, outpatient examinations, laboratory tests, home radiology and outpatient trauma and orthopaedics clinic.

PureLab S.p.A.: 2022-23 Financials

€ million	FY22	FY23
Turnover	9.2	10.0
EBITDA	1.3	1.5
<i>EBITDA margin</i>	<i>14.1%</i>	<i>15.0%</i>
NFP	3.1	3.5

Source: Company Data.

In December 2023 PureLabs achieved its first add-on by acquiring a majority stake in L.A.M. (Laboratorio Analisi Mediche), a diagnostic center active in Liguria with focus on clinical biochemistry, toxicology, microbiology, haematology and immunometry. The acquisition will enable PureLabs to expand its presence in the diagnostic clinical market, offering an always more high-quality and customized service. The founders are expected to maintain a 20% stake in the company, covering operative roles within the company's management. In June 2024, PureLabs acquired 65% of Centro Sa.Na, a multi-specialty excellence center in diagnostics based in Aprilia, Latina, with revenues of €9mn. The acquisitions made allow the PureLabs group to double its consolidated revenues compared to 2023 and to reach the threshold of €20mn. The 2024 pipeline includes other operations in Central and Southern Italy. Additionally, an acquisition financing line of €12.4mn from BPM Bank has been approved to support acquisition operations."

Six Italia S.p.A.

Six Italia S.p.A. – Railroad and Naval equipment (72% acquired² in 2023 for €1.9mn)³

On December 6th, 2023 RFLTC announced to have signed (through its subsidiary Movinter) a binding agreement for the acquisition of a 75% stake in Six Italia SpA – active in the realization of complex fire protection, soundproofing and flooring systems for the Naval and Railroad segment, including the high-speed – for a total consideration of €1.8mn (€1.9mn including

² Note: corresponding to the 96% (stake owned by RFLTC in Movinter at the time of acquisition) of the stake acquired in Six Italia by Movinter (75%)

³ Note: The value includes €0.1mn of transaction costs.

transaction costs), or a 5.1x EV/EBITDA. The Six Italia's share has been consolidated from February 29th, 2024.

The remaining 25% of share capital will be held by Fabio Raffaghello and Fortunato Guida, the two founders that are expected to preserve their strategical and operational leadership in the Company, supported by Movinter's management. We note that the 25% is subject to a put-call option expiring after the approval of FY26 financial statements and is expected to be valued at a 6x EBITDAR net of NFP.

The agreement also provides for a potential earn-out for the selling shareholders to be calculated on the back of Six Italia FY24 financial results, based on a 1.25x the increasing EBITDAR between 2023 and 2024. Furthermore, Movinter received the right to appoint Six Italia's CEO and two members of the Board of Directors. We note that shares are subject to a lock-up agreement until the end of December 2027.

Six Italia S.p.A.: Shareholders



Source: Company Presentation

Founded in 1994, Six Italia is recognized as one of the main national players in the fire protection and soundproofing markets. The company took part in the main railroad and naval projects of the last 15 years, among which Caravaggio, AEMR, ETR100 and Masaccio trains, U212 submarines and Fremm, PPA, LHD and LPD ships. With operational seat in Genova and a production plant in Silvano d'Orba (AL) that employs 105 resources, the company also relies on a foreign seat in Miami (Florida), aimed at assembling the thermal and acoustic insulation kits for Metro Baltimora for the American market.

In FY23 Six Italia reached 15.9mn of turnover, with an EBITDA at €1.0mn, resulting in a profitability at 6.2%, declining by 1.4pp YoY. We note that – as the end of FY23 – the company boasts a backlog of €20.3mn, of which 68% referred to FY24, 28% to FY25 and the remaining to the following years.

Six Italia S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	10.8	14.7	17.2	15.9
EBITDA	(0.4)	1.1	1.3	1.0
EBITDA margin	n.m.	7.5%	7.6%	6.2%
NFP	3.7	4.0	3.8	3.8

Source: Leanus and Company Data.

Industrie Polieco – M.P.B. S.p.A.

Industrie Polieco – M.P.B. S.p.A. – Leading manufacturer of corrugated piping systems and composite manhole covers (7.7% acquired in February 2024 for €18mn)

On February 6th 2024, RFLTC announced the potential acquisition of 15% of Polieco’s capital for €30m, through an SPV (RFLTC – Polieco S.p.A.) 51% owned by RFLTC, and the rest by external investors. This is the largest investment that RFLTC ever committed to (the 2nd largest ticket was €11.5mn for Movinter in Apr-23). Industrie Polieco-MPB (MPB) is the biggest European compounder of polyethylene and polypropylene mainly for steel pipe coating and film packaging. The investment values Polieco at 1.0x FY23 EV/Sales and 4.4x FY23 EV/EBITDA. The SPV acquired 10% of Polieco on the 6th of March 2024 for €20mn and completed the operation acquiring the additional 5% on the 28th of June 2024 for €10mn.

In September 2024, Polieco – MPB spun off its real estate assets and €13.8mn in debt to the newly created I.P.M. Immobiliare S.r.l. (IPM), reducing Polieco’s equity by €21.6mn. Following this, RFLTC Polieco (the SPV) owns a 15% stake in IPM, which is worth €3.24mn (15% * €21.6mn). RFLTC’s stake in IPM is set to be sold to T.P. Holding, Polieco’s majority shareholder, for €5.0mn, by April 2025. The €1.76mn capital gain (€5.0mn - €3.24mn) reflects Polieco – MPB’s rising profitability. The SPV will maintain its 15% ownership in Polieco – MPB, excluding IPM.

Industrie Polieco – M.P.B. S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	116.0	149.8	194.5	200.0
EBITDA	20.0	18.3	27.9	45.1
EBITDA margin	17.2%	12.2%	14.4%	22.5%
NFP	21.0	18.4	20.0	0.2

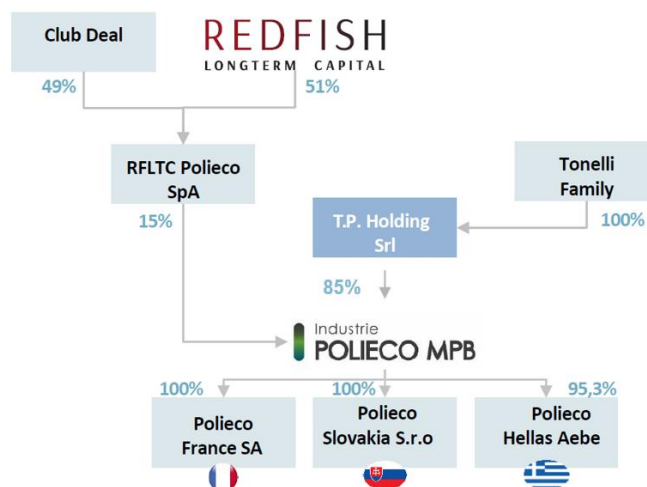
Source: Company Data

This investment will enable Polieco to have further financial resources to support investments scheduled in the business plan, in particular promoting internationalization, potentially including ad-hoc takeovers.

The company was founded in 1992 and is headquartered in Cazzago San Martino, Italy. Its core business is steel pipe coating, where they are European leader and the 2nd largest player worldwide. Since the last two decades, MPB has been supplying polyethylene, polypropylene and adhesives for the major worldwide gas and oil pipelines (“Nord Stream I” “Nord Stream II” the most recent ones). In 2011, MPB entered into the business of film layers for the packaging industry.

The company's business model consists of two business units: (i) Pipeline Systems (c.60% of revenue): design and production of ducts for electrical and telecommunication systems in residential buildings, as well as piping solutions for sewage systems ("Ecopal" systems) and manhole covers; (ii) Resins (c.40% of revenue): production of resins for coating pipes for oil and gas pipelines and adhesives used in various sectors, including food packaging, cosmetics, and pharmaceuticals. The Group is composed of 4 companies - Industrie Polieco M.P.B (Italy), Polieco France SA (France), Polieco Hellas Aebe (Greece), Polieco Slovakia S.r.o. (Slovakia) - with 6 production plants (375,000 sqm) located throughout Europe, employing a workforce of over 400 employees.

Prior to this investment, Industrie Polieco – M.P.B. S.p.A. was entirely owned by T.P. Holding (investment holding company), who will remain Polieco’s majority shareholder by holding 85% of Polieco’s share capital.

Industrie Polieco – M.P.B. S.p.A.: Shareholders


Source: Company Presentation

S.A.I.E.P. S.r.l.

S.A.I.E.P. S.r.l. – Design and production of complex electronic systems for high-speed rail, (100% acquired in May 2024 for €4.4mn)

Founded in 1976, S.A.I.E.P. S.r.l. is a company located in Cairo Montenotte - Savona (Liguria), engaged in the design, manufacture, and installation of control and power cables, electrical panels for the railway sector, power distribution, and automation. The company's customer portfolio mainly consists of the major OEMs of the European railway industry: Alstom Transport, Hitachi Rail. The company also holds a 90 percent stake in SAIEPMED SARL, a company located in Tunisia, dedicated to the production of cables and sub-cables, fully integrated into S.A.I.E.P.'s production processes, taking advantage of lower labour costs. SAIEP in FY23 had a positive NFP of €0.2mn (net cash), and a €17mn backlog at 1H24, with €8.8mn due in 2H24.

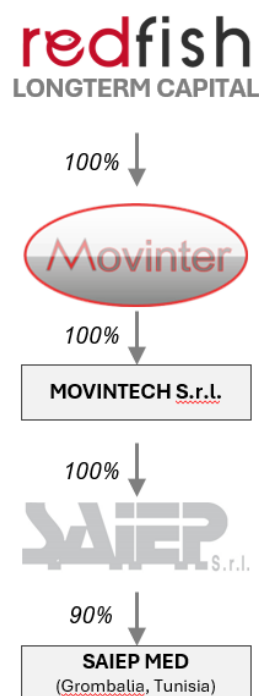
SAIEP S.r.l.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	12.5	9.5	13.4	16.0
EBITDA	0.5	0.2	0.2	0.9
<i>EBITDA margin</i>	4.0%	2.1%	1.5%	5.8%
NFP	(20.0)	(0.8)	0.0	(0.2)

Source: Company Data.

On May 13th, 2024, RFLTC announced the acquisition of 100% of SAIEP for a €4.35mn total consideration., through its Movinter subsidiary (100% owned by RFLTC). The acquisition aligns with RedFish's strategy of horizontal integration in the Aerospace, Rail & Maritime market, started with the Tesi investment in 2021, and continued with the acquisition of Movinter in Apr-23, and Six Italia in Feb-24. The acquisition values SAIEP at 0.3x EV/Sales (€16mn FY23 revenues) and 4.7x EV/EBITDA (€0.93mn FY23 EBITDA, with a 6% margin). The acquisition was completed on the 27th of June '24, with an initial payment of €3.85mn, of which €250k through the sale of 161k shares (priced at €1.55ps) to SAIEP's main partner Alberto Santi, with a 2-year lock-up period, who will keep guiding SAIEP's operations as Executive Director. The remaining €0.5mn will be paid by the end of Jun-25, on top of a potential earn-out calculated with a multiple of 0.75x on the incremental Gross Profit FY24 vs FY23, and FY25 vs FY24.

SAIEP S.r.l.: Shareholders



Source: Company Presentation

Divested Holdings

MaticMind S.p.A. - Technology sector with a focus on Cloud and Cybersecurity (4.2% acquired in 2020 for €5.1mn; sold during 2022)

On September 30th, 2020, RFLTC co-invested with Fondo Italiano d'Investimento (anchor investor) in MaticMind, acquiring a 4% stake – through Elettra S.p.A. – for a total consideration of €5.0mn (€5.1mn including transaction costs) or at 3.4x FY20 EV/EBITDA. In October 2022, MaticMind's 100% stake was sold for ca. €320mn to the private equity fund CVC Capital Partner and Cdp Equity by Fondo Italiano di Investimento and RFLTC S.p.A., having RFLTC - thanks to the Tag Along clause - the right to follow in the sale. Following the sale of its stake, RFLTC realized a return on capital invested of 52% (a multiple on invested capital of 2.4x). It is worth noticing that further sums and earn-out could be cashed-in by RFLTC subject to the satisfaction of some conditions.

Founded in 2006, MaticMind is a spin-off of the Italian business of Ascom AG, involved in ICT consultancy for remote working. MaticMind is one of the leading Italian Value Adding Resellers (VAR), providing solutions and services in the networking, cybersecurity, cloud and data center field. It operates in Italy, employing 700+ people and collaborating with over 150 partners. In FY21, MaticMind generated €349mn of value of production with an EBITDA margin 10.9%.

RFLTC has supported MaticMind in M&A activities, allowing the company to double its top line and improve its marginality in two years. Indeed, in 2H21, MaticMind acquired Megamind (formerly New Charger), whereas in 1Q22 it closed two M&A deals, acquiring SIND and ITI Sistemi.

MaticMind S.p.A.: 2019–21 Financials

Maticmind S.p.A.			
€ million	FY19	FY20	FY21
Value of Production	300.4	290.7	348.9
EBITDA	26.8	27.4	37.9
<i>EBITDA margin</i>	8.9%	9.4%	10.9%
NFP	40.2	(28.4)	66.0

Source: Company data

Pistacchio S.p.A. - Food&Beverage industry with a focus on pistachio products (20% acquired in 2022 for €1mn plus earn-out; sold during 2022);

In February 2022, RFLTC acquired a 20% stake in Pistacchio S.p.A (brand Marullo). Being the company in a turnaround phase and thus showing risk profile not in line with RFLTC's portfolio, in October 2022, Pistacchio was sold to KayakFO for a total consideration of €1.1mn, recording a return on capital invested of ca. 10% in 8 months (plus €24k of revenues from advisory services).

Pistacchio is a food company specializing in the production and processing of pistachios, hazelnuts and other nuts into semi-finished products for the ice-cream industry and finished products for the large-scale retail trade. The company operates in a highly cyclical segment, as the pistachios of Bronte ripen once every two years.

FY22 VoP (refer to the period September 2021–August 2022) stood at €27.4mn, whereas EBITDA reached €2.3mn with a margin of 8.4%.

Pistacchio S.p.A.: 2020–22 Financials

€ million	FY20	9M21	FY22A
Value of Production	16.7	13.3	27.4
EBITDA	1.7	1.8	2.3
<i>EBITDA margin</i>	10.2%	13.5%	8.4%
NFP	7.9	7.8	11.2

Source: Company data, KT&Partners' elaboration

Valuation

Being RFLTC in a start-up phase and with a limited financial track record, the valuation was obtained by using a sum-of-parts model, i.e. aggregating the value of the stakes held in the subsidiaries, whose values were calculated using:

- the market value for listed companies;
- the multiples method for private companies based on:
 - the industry multiples (source Damodaran) discounted by 20% to take into consideration the lower size and liquidity; or
 - multiples of comparables discounted by 20%
- the holding's acquisition cost for private companies that were not valued by using the multiples method.

We note that our valuation of subsidiaries is mainly based on FY23 data. Furthermore, we take into account RFLTC's FY23 net debt, equal to €6.1mn, adjusted for: i) €1.0mn earn-out related to FY23 results of Tesi; ii) €18mn investment for Polieco MPB (€11mn in equity and €7mn in debt); iii) €1.9mn acquisition of Six Italia (through Movinter), including transaction costs; iv) €4.1mn acquisition of SAIEP (net of the €250k paid in shares); v) €0.5mn paid to buy back IC8's stake in Rail Fish's SPV (Movinter) and; v) €0.7mn spent in shares buy-back up to date.

We also factor in i) the capital raise of €10.4m, ii) the €0.53mn settlement fee to be paid by Movinter's previous owners; iii) the €5.0mn cash-in from the sale of RFLTC's share in IPM, following Polieco's spin-off; and also the issuance of 6.9m new ordinary shares. We derive an equity value of €60.1mn or €2.27ps.

We note that we took into account:

- Stock Options: since the stock options are currently out-of-the money (€1.50 strike price) we do not estimate the potential dilution coming from the conversion. We note that the company plans to distribute 2 million stock options. We note that the stock options issued are referred to tranche 1a and tranche 1b of the plan, with a vesting period of 24 and 48 months, respectively, starting from July 2023.
- Warrants: since the warrants are currently out-of-the-money (€2.00 strike price for the next 2025 exercise windows) we do not estimate the potential dilution coming from the conversion. We note that the company distributed 4.9mn warrants (1:2 conversion rate and a strike price of €1.65, €1.82, €2.00 for each exercise window of 2023, 2024 and 2025, respectively) to IPO and convertible bond investors.

Valuation Recap

Valuation RFLTC	€mn
Convergenze S.p.A.	1.3
Tesi S.r.l.	11.2
Solid World S.p.A.	3.0
Expo Inox S.p.A.	7.9
Movinter S.r.l.	19.1
Six Italia S.p.A.	2.8
S.A.I.E.P. S.r.l.	7.2
Pure Labs S.p.A.	4.9
Industrie Polieco - M.B.P. S.p.A.	19.2
Enterprise Value	76.5
RFLTC FY23 PFN	6.1
RFLTC PFN Adj.	16.4
Equity Value	60.1
N. of shares (mn)	26.49
Value per share €	2.27

Source: FactSet, KT&Partners' Elaboration

RFLTC is currently trading at an EV/EBITDA multiple of 5.0x based on the following calculation.

EV/EBITDA current multiple

Market Cap RFLTC	33.4
Market Cap Solid World	-3.0
Market Cap Convergenze	-1.3
NFP RFLTC 31.12.23	6.1
Cash-out acquisition of Six Italia (through Movinter)	1.8
Earn-out Tesi	1.0
Cash-out M&A Polieco	18.0
Cash-out acquisition of SAIEP (through Movinter)	4.1
Buy-back IC8's stake in Rail Fish's SPV (Movinter)	0.5
Aucap	-10.4
Share buyback	0.7
Settlement Agreement Movinter's previous owner	-0.5
Cash-in spin-off Polieco	-5.0
Adj. NFP (cash)	16.3
NFP Holdings*	11.1
Enterprise Value	56.5
EBITDA Holdings*	11.4
EV/EBITDA multiple	5.0x

* Holdings data refer to Tesi, Expo Inox, Movinter, PureLabs, Six Italia, SAIEP and Polieco

Source: FactSet, KT&Partners' Elaboration

Holdings Valuation

Valuation of listed companies

Convergenze S.p.A.

Being listed on the EGM market, Convergenze has been valued by taking the last month average market capitalization.

Convergenze Valuation

€ million	
Avg. Mkt Cap (last month)	13.7
Equity Market Value	13.7
RFLTC stake (%)	9.5%
RFLTC stake value (€ mn)	1.3

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Convergenze was valued at €1.2mn.

Solid World S.p.A.

In valuing Solid World, we take the last month average market capitalization. We note that the market cap includes also the 3.4mn of not-listed shares.

Solid World Valuation

€ million	
Avg. Mkt Cap (last month)	33.7
Total Equity Value	33.7
RFLTC stake (%)	8.8%
RFLTC stake value (€ mn)	3.0

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Solid World was valued at €4.0mn.

Valuation of unlisted companies

Tesi S.r.l.

To value Tesi we take the average 2019-23 EV/EBITDA multiple of the Aerospace industry (source Damodaran) discounted by 20% to take into consideration the lower size and liquidity of Tesi with respect to listed companies.

Tesi Valuation

€ million	
EBITDA	5.4
EV/EBITDA multiple	10.8x
EV	58.3
NFP	2.1
Equity Value	56.2
RFLTC stake (%)	20.0%
RFLTC stake value (€ mn)	11.2

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Tesi was valued at €11.2mn.

Expo Inox S.p.A

In valuing Expo Inox, we take the FY23 EV/EBITDA multiple - discounted by 20% - of Poujoulat (6.4x vs 6.8x of our latest update), a company that manufactures and sells metal chimneys and stacks for individual homes, collective housing. It is listed on the Euronext Paris stock exchange with a market capitalization of €84mn. In FY23, Poujoulat generated €352mn of revenue and the EBITDA was at ca. €24mn;

Expo Inox Valuation

€ million	
EBITDA	8.4
EV/EBITDA multiple	6.4x
EV	53.7
NFP	14.2
Equity Value	39.5
RFLTC stake (%)	20.0%
RFLTC stake value (€ mn)	7.9

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Expo Inox was valued at €8.5mn.

Movinter S.p.A.

In valuing Movinter we considered the average FY23 EV/EBITDA multiple - discounted by 20% - of:

- Omer SpA (8.1x vs 6.9x of our latest update), an Italian company active in the development and production of railroad equipment and listed on the EGM with a market capitalization of €110mn. In FY23, Omer generated €66mn of revenue with an EBITDA margin 20.6%.
- Salcef Group (10.7x vs 10.6x of our latest update), an Italian company engaged in the design, construction and maintenance of railway infrastructures and equipment. Listed on the Euronext STAR Milan with a market capitalization of €1.6bn, in FY23 Salcef Group generated €785mn with an EBITDA margin of 20.4%.

Movinter Valuation

€ million	
EBITDA	3.0
EV/EBITDA multiple	7.5x
EV	22.5
NFP	3.4
Equity Value	19.1
RFLTC stake (%)	100.0%
RFLTC stake value (€ mn)	19.1

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Movinter was valued at €17.7mn.

Six Italia S.p.A.

We value Six Italia using the same valuation multiple of Movinter, derived from the same peers considered for Movinter, as they are focused on the same end market (Railroad industry), and also considering the incoming synergies deriving from the acquisition.

Six Italia Valuation

€ million	
EBITDA	1.0
EV/EBITDA multiple	7.5x
EV	7.5
NFP	3.8
Equity Value	3.7
RFLTC stake (%)	75.0%
RFLTC stake value (€ mn)	2.8

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Six Italia was valued at €2.4mn.

S.A.I.E.P. S.r.l.

We value SAIEP using the same valuation multiple of Movinter, derived from the same peers considered for Movinter, as they are focused on the same end market (Railroad industry), and also considering the incoming synergies deriving from the acquisition.

SAIEP Valuation

€ million	
EBITDA	0.9
EV/EBITDA multiple	7.5x
EV	7.0
NFP	(0.2)
Equity Value	7.2
RFLTC stake (%)	100.0%
RFLTC stake value (€ mn)	7.2

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in SAIEP was valued at €6.7mn.

PureLabs S.p.A.

In valuing PureLabs we considered the average FY23 EV/EBITDA multiple - discounted by 20% - of:

- Med Life SA (16.3x), a Romanian company providing medical services for corporate clients and individuals, covering regular check-ups and access to diagnostic services. It offers dental services, orthopedics and traumatology, general and plastic surgery, spinal surgery, gynecology, pediatrics, and maternal services. Med Life is listed in the Bucharest Stock Exchange has with a €634mn market cap, and in FY23 it generated €494mn, with an EBITDA margin of 12.7%.
- Medcover AB (14.1x), provides healthcare and diagnostic services in Poland, Sweden, and abroad. The company's Healthcare services includes service outpatient and inpatient care, dental services, and others. The Diagnostic Services segment offers a broad range of routine and advanced laboratory testing across all clinical pathology areas. Medcover is listed in the OMX Nordic Stockholm with a €2.47bn market cap, and in FY23 it generated €1.75bn revenues, with an EBITDA margin of 13.7%.

PureLabs Valuation

€ million	
EBITDA FY23E	1.5
EV/EBITDA multiple	12.2x
EV	18.3
NFP	3.1
Equity Value	15.2
RFLTC stake (%)	32.0%
RFLTC stake value (€ mn)	4.9

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in PureLabs was valued at its acquisition cost of €4.0mn.

Industrie Polieco – M.P.B. S.p.A.

We value MPB using the average between a FY23 sales multiples valuation, and a FY23 EBITDA multiples valuation, both based on the same set of comparative companies. We then apply the usual 20% discount justified by the higher average comps size than MPB. Given Polieco's differentiated business, we selected three comps for its resins operations, three for the manufacturing business, and three peer companies that partly overlap both.

Polieco – MPB Comps

Business	Name of Company	Geo	Mkt cap (EURm)	EV/EBITDA (FY23)	EV/Sales (FY23)
Resins	Avient Corporation	US	4,129	12.0x	1.9x
	Westlake Corporation	US	15,910	7.9x	1.6x
	Covestro AG	DE	11,004	13.1x	1.0x
Pipes	Mattr Corp	CA	535	5.2x	0.9x
	Wienerberger AG	AT	3,144	6.8x	1.3x
	Genuit Group PLC	GB	1,469	12.0x	2.4x
Mixed	Advanced Drainage Systems, Inc.	US	10,788	13.8x	4.4x
	ERA Co., Ltd. Class A	CN	741	5.9x	0.7x
	Binh Minh Plastics JSC	VN	405	5.8x	1.7x

Source: FactSet, KT&Partners' Elaboration

In September 2024, Polieco – MPB spun off its real estate assets and €13.8mn in debt to the newly created I.P.M. Immobiliare S.r.l. (IPM), reducing Polieco's equity by €21.6mn. Following this, RFLTC Polieco (the SPV) owns a 15% stake in IPM, which is worth €3.24mn (15% * €21.6mn). RFLTC's stake in IPM is set to be sold to T.P. Holding, Polieco's majority shareholder, for €5.0mn, by April 2025. The €1.76mn capital gain (€5.0mn - €3.24mn) reflects Polieco – MPB's rising profitability. The SPV will maintain its 15% ownership in Polieco – MPB, excluding IPM. To reflect Polieco value post spin-off, we adjust our fair equity valuation of Polieco by deducting the €21.6 million equity value transferred to IPM.

Polieco – MPB Valuation

	EBITDA (FY23)	Sales (FY23)
MPB (€m)	45.1	200.0
Comps multiples (median)	7.9x	1.6x
EV (€m)	355.0	325.9
Average EV (€m)		340.4
Discount		20%
Discounted EV (€m)		272.3
NFP (€m)		0.2
Equity Value (€m)		272.1
Equity spin-off to IPM (€m)		21.6
Equity Value, post spin-off (€m)		250.5
SPV stake (%)		15%
SPV stake value (€m)		37.6
RFLTC stake in SPV (%)		51%
RFLTC stake value (€m)		19.2

Source: FactSet, KT&Partners' Elaboration

In our previous note (Sep-24) RFLTC's stake in Polieco (51% RFLTC stake in SPV), before the spin-off, was valued at €19.4mn

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- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% AND > – 15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < – 15% ON CURRENT PRICE

RedFish LongTerm Capital S.p.A

Price: €1.27 | Fair Value: €2.27

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