

# Exprivia

## A Successful Niche Model

Exprivia - Key estimates and data					
Y/E December		2007A	2008E	2009E	2010E
Revenues	EUR M	65.8	95.0	95.0	96.9
EBITDA	EUR M	10.1	14.5	14.5	15.8
EBIT	EUR M	7.9	11.4	11.4	12.2
Net income	EUR M	3.4	6.6	7.0	8.0
Dividend ord.	EUR	0.00	0.00	0.00	0.00
Adj. EPS	EUR	0.08	0.13	0.14	0.16
EV/EBITDA	x	6.9	5.5	4.9	3.9
Adj. P/E	x	10.5	6.6	6.2	5.5

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

- Company presentation.** On 10 December, Exprivia made an official presentation to analysts and investors to highlight the key elements of its business model, to show the results achieved in the 9M08 and those expected to year end, and to give short guidelines for 2009.
- Results and outlook.** The company reported solid 9M08 results, thanks to the positive contribution of the two acquisitions (Svmservice and Wel.Network), finalised in August 2007, and the Spanish start up (Exprivia SL), consolidated as of 1 July 2008. As a consequence, Exprivia's management confirmed its financial targets for the year-end (2008 revenue of EUR 90-95M and rising profitability), as stated in February 2006. Despite the success of the former 3 year plan, management preferred to avoid setting quantitative targets for the next 3 years, given the current difficult macro environment. On qualitative grounds, the long term strategy was confirmed: organic and external growth maintaining the same business model.
- Estimates and valuation.** We modified our 2008E-11E estimates to take into account the reported results and the indications given by the company. We continue to value Exprivia by using the multiple comparison, to reflect mid-term sector prospects and correspondent valuations, and the DCF methodology, to reflect the company specific long term prospects. We set a **target price of EUR 0.94/share** (from our previous EUR 1.18/share) with an upside of 9% to the current target price. Therefore, **we confirm our HOLD rating on the stock.**
- Key risks.** We continue to believe that the main risks to our valuation come from a worse than expected IT sector trend in 2009E and a more difficult than forecast integration with the acquired companies. The stock's low liquidity should also be taken into account.

23 January 2009

**HOLD**

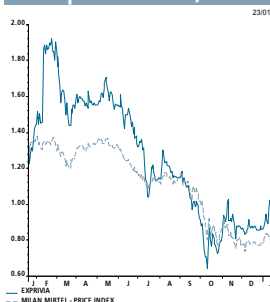
Target Price: EUR 0.94  
(from EUR 1.18)

**IT & Technology  
Company Update &  
change in Target Price**

**Intesa Sanpaolo  
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### Price performance, -1Y



Source: Thomson Reuters

### Data priced on 22.01.2009

Target price (€)	0.94
Target upside (%)	9.2
Market price (€)	0.86
52-week range (€)	1.9/0.6
Market cap (€ M)	43.7
No. of shares (M)	50.7
Free float (%)	34
Major shareholder (%)	Abaco Systems, 53
Reuters	XPR.MI
Bloomberg	XPR IM
Mibtel	13883

Performance %			
	Absolute	Rel. to Mibtel	
-1M	0.0	-1M	7.1
-3M	10.2	-3M	24.6
-12M	-34.9	-12M	11.4

Source: Intesa Sanpaolo Research estimates and Thomson Reuters

See page 9 for full disclosures and analyst certification

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## Company Presentation

On 10 December, Exprivia's management presented the current group structure to show the results achieved to date and to highlight its key competitive advantages in continuing to create value in the long term.

Exprivia is the result of the merger between Abaco Information Services and Aisoftw@re, which took place in 2005. Since then, the group has been able to grow, organically and through acquisitions, so that today the 2008 expected revenues are close to EUR 100M. This is an important goal, for a couple of reasons:

- Revenues close to EUR 100M reflect the minimum size that justify a listing on the stock exchange, according to management's perspective;
- The group can now rely on a high level of diversification among clients and products.

Today the group offers a wide range of IT services and software in different areas (ERP, BI, SOA, ECM, Video Recognition, etc) and to different final markets (Finance, Industry, PA, Healthcare, etc). A clear competitive advantage is given by its natural matrix structure: cross-selling opportunities to the current 400<sup>1</sup> clients are a natural entry barrier. In addition, high quality services are offered to clients, coming from an on-going collaboration with some Universities (Bari and Rome) and investments in R&D (EUR 3.15M in 9M08 completely expensed to the P&L).

Another key competitive advantage derives from "Near-shoring". The group has a client base and offices throughout Italy, but the bulk of its costs (Qualified Personnel) are located in the South (Puglia). Thanks to this organisation, the company remains close to clients needs and, at the same time, relies on a high level of professionalism at reasonable costs. Although a shortage of qualified personnel is starting to appear in Puglia, management is confident that the current business model can support the targeted growth, because of the presence of other similar professional people in other Southern Italian Areas.

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<sup>1</sup> 60% of consolidated revenues come from the top 20 clients (in detail, 13% from the first and 9.6% from the second).

## 9M08 Results and Outlook

Following the solid 9M08 results, Exprivia's management confirmed its financial targets for the full year (2008 revenue of EUR 90-95M and profitability above 2007).

The acquisition of Wel.Network and Svimservice, consolidated from November 07, contributed significantly to the revenue composition and group profitability.

Revenue break-down					
EUR M	9M07A	% tot. rev	9M08A	% tot. rev	% chg. 2007-08
Banks, Finance, Insurance	8.73	26.53	8.09	13.00	-7.40
Industry, Telco, Media	10.96	33.28	18.96	30.47	73.03
PA, Transportation, Utilities	8.86	26.92	14.81	23.79	67.06
Healthcare	4.36	13.24	19.78	31.79	353.88
Other	0.01	0.03	0.60	0.96	NM
<b>Total</b>	<b>32.92</b>	<b>100.00</b>	<b>62.22</b>	<b>100.00</b>	<b>89.03</b>

NM: not meaningful; A: actual; Source: Company data

Svimservice contributed to the growth reported by the Healthcare division, although there are no more quantitative details. Wel.Network, contributed for 53% to the sales growth reported in the Industry, Telco, Media division and confirmed the positive impact on the group profitability (EBITDA margin above 22% at the time of the acquisition).

9M08 results						
EUR M	3Q07A	3Q08A	% chg.	9M07A	9M08A	% chg.
Revenues	11.30	20.91	84.9	34.60	65.19	88.4
EBITDA	1.22	3.41	178.7	4.00	10	139.0
EBITDA margin (%)	10.81	16.29		11.56	14.66	
EBIT	0.68	2.74	300.1	2.58	7.74	200.4
EBIT margin (%)	6.05	13.09		7.45	11.88	
Net income	0.03	2.11		0.67	4.70	
NFP					37.06	
D/E					0.67	

A: actual; Source: Company data

As for the group's financial structure, the net consolidated financial position at 30 September 2008 stood at EUR 37.06M vs. EUR 33.9M at the end of 2007. Around EUR 2M of this variation is due to the worsening in the NWC (increase in the development costs for software applications by Svimservice). Debt comprises EUR 25M with a medium/long term maturity and EUR 10M with a short term maturity. In addition, the group can rely on credit lines of at least EUR 20M. Overall, the group shows a healthy medium term financial profile (leverage consistent with the equity and EBITDA in 2009E and cash position from 2010E).

Exprivia - Debt profile			
x	2008E	2009E	2010E
Leverage	0.65	0.44	NM
EBITDA/net interest	6.32	8.34	NM
Net debt/EBITDA	2.48	1.88	NM

NM: not meaningful; E: estimates; Source: Intesa Sanpaolo Research

Management only gave a few guidelines for 2009. The results achieved to date (good local competitive position and financial flexibility) allow the company to face the potential difficulties in the IT segment in the short term. In particular its increasing presence in the healthcare segment offers a resilient and visible demand, that is not present in the private sector, where the backlog is 3 months. At the moment, the different mix and cross-selling opportunities suggest a flat growth in revenues and EBITDA in 2009.

The company outlook is consistent with the 2009 perspectives released in November by Assinform: the Italian IT sector is forecast to remain flat or slightly slowing in 2009. The demand

continues to be sustained by small-mid caps, which need to make structural investments to regain competitiveness and enter new markets.

Management has not changed its long term strategy. The company is committed to growing both organically and through acquisitions. On the latter front, internationalisation is the next goal, and the small acquisition of Exprivia SL in Spain (July 2008) is in line with this commitment. At the same time, a wide range of high quality services and the near-shoring still remain the key pillars of Exprivia's successful business model, as confirmed by the high level of profitability and financial soundness.

## Estimates

We modified our 2008E-11E estimates to take into account the aforementioned results and the indications given by the company. In detail:

- We increased our 2008E revenues, to reflect the 3Q08 results, which were in line with the official guidance and we cut our 2009E revenues to reflect the worsening macro environment;
- We cut our 2009E EBITDA margin to the same 2008E level, as indicated by management, to reflect the ordinary pricing pressures and the potential slowdown in the private sector, which could be offset by better profitability and visibility in the Healthcare sector;
- We forecast a slight worsening in NWC/revenues in 2009E-11E (from 22.5% to 25%), due to the increasing development costs for software applications and delays in payments;
- We expect a gross average interest rate, to be paid on the NFP in 2008E, close to 5.5% (Euribor +170bps), in line with company guidance. We do not forecast changes in the coming years;
- A normalised company tax rate of 42% from 28% in 2008E, starting from 2011E (below the actual levels reported in the recent past);
- We assume that at end-2008 the NFP will slightly improve to EUR 36M, from EUR 37.06M reported in the 9M08 results.

Exprivia - Changes in estimates						
EUR M	OLD			NEW		
	2008E	2009E	2010E	2008E	2009E	2010E
Revenues	92.5	100.1	108.9	95	95	96.9
EBITDA	14.2	15.9	17.6	14.54	14.54	15.79
EBITDA margin (%)	0.15	0.16	0.16	0.15	0.15	0.16
EBIT	11.1	12.5	13.9	11.4	11.4	12.21
EBIT margin (%)	0.12	0.12	0.13	0.12	0.12	0.13
Net profit	6.4	8	6.1	6.61	6.97	7.96
NPF	28.4	25.8	20.6	36.00	27.33	-18.29
Diff %						
Revenues				2.70	-5.10	-11.02
EBITDA				2.39	-8.55	-10.28
EBIT				2.70	-8.80	-12.16
Net profit				3.28	-12.88	30.49
NPF				26.75	5.95	NM

NM: not meaningful; E: estimates; Source: Intesa Sanpaolo Research

## Valuation

We continue to value Exprivia by using the multiple comparison, to reflect mid-term sector prospects and correspondent valuations, and the DCF methodology, to reflect the company specific long term prospects.

In terms of multiples, we continue to consider the two Italian system integrators (Engineering and Reply) as being the most similar to Exprivia in terms of business model. According to the table below, Exprivia still trades at EV/sales and EV/EBITDA multiples above its peers.

Exprivia multiples comparison											
	Pice EUR	Mkt cap EUR M	EV/sales			EV/EBITDA			P/E		
			2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010A
Engineering Ingegneria Informatica	14.00	175.00	0.74	0.34	0.31	3.98	2.76	2.22	6.74	7.90	5.39
Reply SPA	16.35	150.79	0.54	0.50	NM.	3.89	3.50	NM.	10.10	7.98	7.43
Average			0.64	0.42	0.31	3.94	3.13	2.22	8.42	7.94	6.41
Exprivia S.p.A.	0.88	44.42	0.80	0.70	0.60	5.50	4.90	3.90	6.60	6.20	5.50
<b>vs. average (%)</b>			24.38	67.9	92.38	39.76	56.33	76.06	-21.63	-21.89	-14.22

NM: not meaningful; Source: FactSet and Intesa Sanpaolo Research estimates

We now think that a discount is justified by Exprivia's riskier profile vs. its peers (less critical mass, recent acquisitions and stock's low liquidity), in order to take into account the current risk aversion in the equity market. Taking the peer average of 2008-10 EV/EBITDA and P/E multiples (the multiples we consider to be more meaningful in terms of factoring in the groups ability to create value for its shareholders) and applying a 20% discount, we obtain a value of approx. EUR 0.57/share.

Exprivia multiples valuation						
	EV/EBITDA			P/E		
	2008E	2009E	2010E	2008E	2009E	2010E
Peer Average Multiples	3.94	3.13	2.22	8.42	7.94	6.41
Exprivia EV	57.20	45.56	32.20			
NPF	36.00	27.33	18.71			
Equity value	21.20	18.22	13.48			
Value/share EUR	0.42	0.36	0.27	1.15	1.10	1.01
Average EUR	0.72					
<b>20% Discounted Av EUR</b>	<b>0.57</b>					

Source: FactSet and Intesa Sanpaolo Research estimates

Our updated DCF model returns a fair value of EUR 1.30/share, following the aforementioned earnings revision and the different key assumptions reported below.

- WACC of 7.85%, replacing the previous 8.27% (4.50% risk-free rate, replacing the previous 4.75%, 5.75% equity risk premium, replacing the previous 5.5% and 4.2% net cost of debt, replacing the previous 5.56%);
- Explicit forecast period through 2012E (replacing the previous 2011E);
- Long term sustainable EBITDA margin of 13.5% (below the 2008E 15% but in line with the 2008E and 2009E levels of Engineering and Reply, according to Factset estimates).

Exprivia - WACC calculation	
	%
Risk-free rate	4.50
Equity risk premium	5.75
Beta (x)	1.00
Cost of equity	10.3
Net cost of debt	4.2
Gearing 08E	0.39
<b>WACC</b>	<b>7.85</b>

Source: Company data and Intesa Sanpaolo Research estimates

Exprivia - DCF calculation						
EUR M	2008E	2009E	2010E	2011E	2012E	LT
Revenues	95.00	95.00	96.90	101.75	105.31	105.31
yoy (%)	44.31	0.00	2.00	5.00	3.50	0.00
EBITDA	14.54	14.54	15.79	16.58	15.80	14.22
EBITDA margin (%)	15.30	15.30	16.30	16.30	15.00	13.50
Taxes on EBT	-2.55	-2.70	-3.07	-5.05	-5.04	-4.25
Provision	-0.20	0.00	-0.04	-0.11	-0.08	0.00
Change in NWC	-7.29	0.00	-0.48	-1.21	-0.89	0.00
Net Operating Cash Flow	4.50	11.83	12.21	10.21	9.78	9.97
Capex	-2.67	-1.43	-1.45	-1.53	-1.58	-1.58
Free cash flow	1.83	10.41	10.76	8.68	8.20	8.39
Perpetuity growth rate (%)	0.0					
Terminal value	106.89					
PV of terminal value	67.93					
PV of cash flows	34.38					
EV	102.31					
Net Debt 2008E	-36.00					
Minorities	-0.30					
Equity value	66.01					
N of shares (M)	50.71					
<b>Value per share (EUR)</b>	<b>1.30</b>					

E: estimates; Source: Intesa Sanpaolo Research

Taking the average of our DCF and multiples analysis, **we set a target price of EUR 0.94/share**, 9% above the current level. **Therefore, we keep our HOLD rating.**

Exprivia - Key figures						
Sector	IT & Technology	Mkt price EUR/Share	Ordinary			Rating
REUTERS CODE	XPR.MI	Target price EUR/Share	0.86			HOLD
Values per share (EUR)	2006A	2007A	2008E	2009E	2010E	
No. ordinary shares (M)	33.9	41.9	50.7	50.7	50.7	50.7
No. NC saving/preferred shares (M)	0.0	0.0	0.0	0.0	0.0	0.0
Total no. of shares (M)	33.9	41.9	50.7	50.7	50.7	50.7
Adj. EPS	0.0	0.1	0.1	0.1	0.1	0.2
CFPS	0.1	0.2	0.2	0.2	0.2	0.2
BVPS	0.8	1.1	1.1	1.2	1.2	1.4
Dividend Ord	0.0	0.00	0.00	0.00	0.00	0.00
Dividend SAV Nc	0.0	0.0	0.0	0.0	0.0	0.0
<b>Income statement (EUR M)</b>	<b>2006A</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
Sales	47.0	65.8	95.0	95.0	96.9	
EBITDA	5.6	10.1	14.5	14.5	15.8	
EBIT	3.4	7.9	11.4	11.4	12.2	
Pre-tax income	2.4	6.4	9.1	9.7	11.0	
Net income	1.1	3.4	6.6	7.0	8.0	
Adj. net income	1.1	3.4	6.6	7.0	8.0	
<b>Cash flow (EUR M)</b>	<b>2006A</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
Net income before minorities	1.1	3.4	6.6	7.0	7.9	
Depreciation and provisions	2.4	5.3	4.3	4.9	4.3	
Change in working capital	-7.0	-2.7	-7.3	0.0	-0.5	
Operating cash flow	-3.5	6.0	3.5	11.8	11.8	
Capital expenditure	-1.8	-1.4	-1.5	-1.4	-1.5	
Other (uses of Funds)	-0.7	-33.5	-1.2	0.0	0.0	
Free cash flow	-6.0	-28.9	0.9	10.4	10.3	
Dividends and equity changes	0.0	11.6	0.0	0.0	0.0	
Net cash flow	-6.0	-17.3	0.9	10.4	10.3	
<b>Balance sheet (EUR M)</b>	<b>2006A</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
Net capital employed	45.3	79.6	85.0	87.5	86.7	
of which associates	0.0	0.0	0.0	0.0	0.0	
Net debt/-cash	16.8	34.0	36.0	27.3	18.3	
Minorities	0.2	0.2	0.3	0.3	0.4	
Net equity	28.4	45.4	55.4	62.4	70.3	
Market cap	29.2	36.1	43.7	43.7	43.7	
Minorities value	0.0	0.0	0.0	0.0	0.0	
Enterprise value (*)	45.9	70.1	79.7	71.0	61.9	
<b>Stock market ratios (x)</b>	<b>2006A</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
Adj. P/E	26.2	10.5	6.6	6.2	5.5	
P/CEPS	8.3	4.1	4.0	3.7	3.5	
P/BVPS	1.0	0.8	0.8	0.7	0.6	
Dividend yield (% ord)	0.0	0.0	0.0	0.0	0.0	
Dividend yield (% sav)						
EV/sales	1.0	1.1	0.8	0.7	0.6	
EV/EBITDA	8.3	6.9	5.5	4.9	3.9	
EV/EBIT	13.4	8.9	7.0	6.2	5.1	
EV/CE	1.0	0.9	0.9	0.8	0.7	
D/EBITDA	3.0	3.4	2.5	1.9	1.2	
D/EBIT	4.9	4.3	3.2	2.4	1.5	
<b>Profitability &amp; financial ratios (%)</b>	<b>2006A</b>	<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
EBITDA margin	11.8	15.3	15.3	15.3	16.3	
EBIT margin	7.3	11.9	12.0	12.0	12.6	
Tax rate	53.6	47.6	28.0	28.0	28.0	
Net income margin	2.3	5.2	7.0	7.4	8.2	
ROE	3.9	7.6	11.9	11.2	11.3	
Debt/equity ratio	0.6	0.7	0.6	0.4	0.3	
<b>Growth (%)</b>		<b>2007A</b>	<b>2008E</b>	<b>2009E</b>	<b>2010E</b>	
Sales		40.0	44.3	0.0	2.0	
EBITDA		81.9	43.9	0.0	8.7	
EBIT		129.8	45.0	0.0	7.1	
Pre-tax income		171.7	42.2	6.1	13.4	
Net income		213.7	92.8	6.1	13.4	
Adj. net income		208.3	92.8	6.1	13.4	

(\*) EV = Mkt cap+ Net Debt + Minorities Value - Associates A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research



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The list of companies covered by the Research Department is available upon request. Intesa Sanpaolo SpA aims to provide continuous coverage of the companies on the list in conjunction with the timing of periodical accounting reports and any exceptional event that affects the issuer's operations. The companies for which Banca IMI acts as sponsor or specialist are covered in compliance with regulations issued by regulatory bodies with jurisdiction. In the case of a short note, we advise investors to refer to the most recent company report published by Intesa Sanpaolo SpA's Research Department for a full analysis of valuation methodology, earnings assumptions, risks and the historical of recommendation and target price. Research is available on Banca IMI's web site ([www.bancaimi.com](http://www.bancaimi.com) or [www.intesasanpaolo.com](http://www.intesasanpaolo.com)) or by contacting your sales representative.

**Valuation methodology (long-term horizon: 12M)**

The Intesa Sanpaolo SpA Equity Research Department values the companies for which it assigns recommendations as follows:

We obtain a fair value using a number of valuation methodologies including: discounted cash flow method (DCF), dividend discount model (DDM), embedded value methodology, return on allocated capital, break-up value, asset-based valuation method, sum-of-the-parts, and multiples-based models (for example PE, P/BV, PCF, EV/Sales, EV/EBITDA, EV/EBIT, etc.). The financial analysts use the above valuation methods alternatively and/or jointly at their discretion. The assigned target price may differ from the fair value, as it also takes into account overall market/sector conditions, corporate/market events, and corporate specifics (ie, holding discounts) reasonably considered to be possible drivers of the company's share price performance. These factors may also be assessed using the methodologies indicated above.

**Equity rating key: (long-term horizon: 12M)**

In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, which is not related to market performance and whose key is reported below:

Equity rating key (long-term horizon: 12M)	
Long-term rating	Definition
BUY	If the target price is 20% higher than the market price
ADD	If the target price is 10%-20% higher than the market price
HOLD	If the target price is 10% below or 10% above the market price
REDUCE	If the target price is 10%-20% lower than the market price
SELL	If the target price is 20% lower than the market price
RATING SUSPENDED	The rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances, including when Intesa Sanpaolo Group is acting in an advisory capacity in a merger or strategic transaction involving the company
NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned
TARGET PRICE	The market price that the analyst believes the share may reach within a one-year time horizon
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated

**Historical recommendations and target price trends (long-term horizon: 12M)****Equity rating allocations (long-term horizon: 12M)**

Intesa Sanpaolo Research Rating Distribution (at 1 November 2008)					
Number of companies covered: 109	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage %	37	20	39	3	1
of which Intesa Sanpaolo's Clients % (*)	38	17	45	0	0

(\*) Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and Investment banking services in the last 12 months; percentage of clients in each rating category

**Valuation methodology (short-term horizon: 3M)**

Our short-term investment ideas are based on ongoing special market situations, including among others: spreads between share categories; holding companies vs. subsidiaries; stub; control chain reshuffling; stressed capital situations; potential extraordinary deals (including capital increase/delisting/extraordinary dividends); and preys and predators. Investment ideas are presented either in relative terms (e.g. spread ordinary vs. savings; holding vs. subsidiaries) or in absolute terms (e.g. preys).

The companies to which we assign short-term ratings are under regular coverage by our research analysts and, as such, are subject to fundamental analysis and long-term recommendations. The main differences attain to the time horizon considered (monthly vs. yearly) and definitions (short-term 'long/short' vs. long-term 'buy/sell'). Note that the short-term relative recommendations of these investment ideas may differ from our long-term recommendations. We monitor the monthly performance of our short-term investment ideas and follow them until their closure.

**Equity rating key (short-term horizon: 3M)**

## Equity rating key (short-term horizon: 3M)

Short-term rating	Definition
LONG	Stock price expected to rise or outperform within three months from the time the rating was assigned due to a specific catalyst or event
SHORT	Stock price expected to fall or underperform within three months from the time the rating was assigned due to a specific catalyst or event

**Company specific disclosures**

Banca IMI discloses interests and conflicts of interest, as defined by: Articles 69-quater and 69-quinquies, of Consob Resolution No.11971 of 14.05.1999, as subsequently amended and supplemented; the NYSE's Rule 472 and the NASD's Rule 2711; the FSA Policy Statement 04/06 "Conflicts of Interest in Investment Research – March 2004 and the Policy Statement 05/03 "Implementation of Market Abuse Directive", March 2005. The Intesa Sanpaolo Group maintains procedures and organisational mechanisms (Information barriers) to professionally manage conflicts of interest in relation to investment research. We provide the following information on Intesa Sanpaolo Group's conflicts of interest:

- 1 The Intesa Sanpaolo Group has a conflict of interest inasmuch as it plans to solicit investment banking business or intends to seek compensation from the Company in the next three months.
- 2 Banca IMI is a specialist relative to securities issued by EXPRIVIA SpA.

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